START SOMETHING NEW

SHOPPERS STOP LIMITED

Shoppers Stop Limited (the "**Company**" or the "**Issuer**") was incorporated on June 16, 1997 under the Companies Act, 1956 as a private limited company as 'Shopper's Stop Private Limited' with a certificate of incorporation granted by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Our Company was converted into a deemed public company under section 43A of the Companies Act, 1956 on December 8, 1997. Pursuant to an amendment to the Companies Act, 1956 in the year 2000, our Company was converted from a deemed public company to a public company with effect from October 6, 2003. The name of our Company was further changed to 'Shoppers Stop Limited' pursuant to a fresh certificate of incorporation dated December 6, 2010. For details of the change in the address of our registered office, see "***General Information***" on page 32.

Registered and Corporate Office: Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai 400 064, Maharashtra, India
Tel: +91 22 4249 7000
Contact Person: Mr. Bharat Sanghavi, Company Secretary and Compliance Officer
E-mail: investor@shoppersstop.com; **Website**: www.shoppersstop.com
Corporate Identity Number: L51900MH1997PLC108798

PROMOTERS OF OUR COMPANY: MR. RAVI C RAHEJA AND MR. NEEL C RAHEJA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHOPPERS STOP LIMITED ONLY

ISSUE OF UP TO 2,13,68,982 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE "RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 140 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 135 PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 299.17 CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 17 RIGHTS EQUITY SHARES FOR EVERY 70 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY (THE "ISSUE") ON THE RECORD DATE, THAT IS, NOVEMBER 20, 2020 (THE "RECORD DATE"). FOR DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 288.

WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are categorised wilful defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors shall rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the Investors is invited to the section "***Risk Factors***" on page 15 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", and together with the BSE, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from the BSE and the NSE for listing the Rights Equity Shares through their letters, each dated November 10, 2020. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**January 22 – Rights Issue Circular**"). For the purposes of the Issue, the Designated Stock Exchange is the BSE.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030, +91 22 6630 3262 **E-mail:** shoppersstop.rights@jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact Person:** Ms. Prachee Dhuri **SEBI Registration No.:** INM000010361	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** + 91 22 4325 2183 **E-mail:** ssl.rights@axiscap.in **Investor grievance E-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact person:** Mr. Sagar Jatakiya **SEBI Registration No.:** INM000012029	**KFin Technologies Private Limited** Selenium, Tower B Plot No - 31and 32, Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi, 500 032 Telangana, India **Tel**: +91 40 6716 2222 **Toll free number**: 18003454001 **E-mail**: shoppersstop.rights@kfintech.com **Investor grievance E-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: Mr. M. Murali Krishna **SEBI Registration No.**: INR000000221

ISSUE SCHEDULE*

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION**	ISSUE CLOSES ON***
Friday, November 27, 2020	Monday, December 07, 2020	Friday, December 11, 2020

Pursuant to the January 22 – Rights Issue Circular, SEBI has introduced the concept of credit of Rights Entitlements into the demat accounts of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market renunciation. Further, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialised form. Further, due to the COVID-2019 pandemic, pursuant to the May 6 – Rights Issue Circular (as defined hereinafter), SEBI introduced certain relaxations for rights issues which opened prior to July 31, 2020. These relaxations have been further extended for rights issues opening up to December 31, 2020 pursuant to the July 24 – Rights Issue Circular (as defined hereinafter) issued by SEBI. Investors are encouraged to carefully follow all the necessary requirements under the Rights Issue Circulars (as defined hereinafter) and ensure completion of all necessary steps in providing/ updating their required details in a timely manner. For details, see "Terms of the Issue**" on page 288.*

***Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.*

****Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Company Related Terms

Term	Description
"We", "Our", "Us" or "our Group"	Shoppers Stop Limited on a consolidated basis, including its Subsidiaries, unless otherwise specified
Articles of Association/ Articles / AoA	The articles of association of our Company, as amended
Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2020 and Fiscal 2019 each prepared in accordance with IND AS comprising the consolidated balance sheet as at March 31, 2020 and March 31, 2019 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2020 and Fiscal 2019 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information.
Board of Directors / Board	Board of directors of our Company or a duly constituted committee thereof
Chairman and Non-Executive Director	Mr. B S Nagesh
Company / our Company / the Company / the Issuer	Shoppers Stop Limited, having its Registered and Corporate Office situated at Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai 400 064, Maharashtra, India
Consolidated Financial Statements	Together, the Audited Consolidated Financial Statements and the Unaudited Consolidated Condensed Interim Financial Statements. For details, see "***Financial Statements***" on page 70
Director(s)	Any or all the directors on our Board, as may be appointed from time to time
EBO	Exclusive Brand Outlet
Equity Shareholder	A holder of Equity Shares
Equity Shares	The equity shares of our Company with a face value of ₹ 5 each, unless otherwise specified
ESOP 2008	Shoppers Stop Employee Stock Option Scheme, 2008
ESOP 2020	Shoppers Stop Limited Employee Stock Option Plan, 2020
Group Companies	In terms of the SEBI ICDR Regulations, the term "group companies" include companies (other than our Subsidiaries) with which there were related party transactions as disclosed in the Consolidated Financial Statements and as covered under the applicable accounting standards.
Independent Director	Independent directors of our Company as defined in the Companies Act and the SEBI Listing Regulations
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Regulation 2(1)(bb) of the SEBI ICDR Regulations
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of civil and tax proceedings involving our Company and/or Subsidiaries, solely for the purpose of the Issue, i.e., exceeds ₹ 1 crore
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended
Private Label	Brands that are developed in house by our Company
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(pp) of the SEBI ICDR Regulations. It is clarified that the Promoter Group shall not include the Mumbai Undivided Entities and Southern Undivided Entities. For further details, please see "***Outstanding Litigation and Defaults*** – ***Other Material Litigation***" on page 270
Promoters / our Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations, being, Mr. Ravi C Raheja and Mr. Neel C Raheja
Registered and Corporate Office	Registered and corporate office of our Company situated at Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai 400 064, Maharashtra, India
Registrar of Companies / RoC	Registrar of Companies, Maharashtra at Mumbai

Term	Description
Rights Issue Committee	The committee of our Board of Directors initially constituted for the purpose of raising funds through rights issue, pursuant to a resolution passed by the Board dated October 16, 2020
Statutory Auditors	S R B C & CO LLP, Chartered Accountants
Subsidiaries	Companies or body corporates constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act, in our case being Crossword Bookstores Limited, Shoppers' Stop.Com (India) Limited, Upasna Trading Limited, Shopper's Stop Services (India) Limited and Gateway Multichannel Retail (India) Limited. Out of the five Subsidiaries, three of our Subsidiaries are non-operational, being Shopper's Stop Services (India) Limited, Upasna Trading Limited and Gateway Multichannel Retail (India) Limited
Technopak	Technopak Advisors Private Limited
Technopak Report	Report titled "*Industry Report on Fashion Retail in India*" dated October 13, 2020, prepared by Technopak
Unaudited Consolidated Condensed Interim Financial Statements	Unaudited consolidated condensed interim financial statements of our Company as at and for the six month period ended September 30, 2020 and September 30, 2019, including the notes thereto.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOO	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allot / Allotment / Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the Escrow Account and the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank	A Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Allotment Account will be opened, in this case being Axis Bank
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made by the Applicant through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application at R-WAP facility or though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorising the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Applicant / ASBA Investor	Applicant/Investor proposing to subscribe to the Issue authorising the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB
Axis Bank	Axis Bank Limited
Axis Capital	Axis Capital Limited
Banker to the Issue	The Escrow Collection Bank / the Allotment Account Bank / the Refund Bank, as applicable
Banker to the Issue Agreement	Agreement dated November 11, 2020 entered into by and amongst our Company, the Registrar to the Issue, the Lead Managers and the Banker to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement
Controlling Branches / Controlling Branches of the	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI and/or

Term	Description
SCSBs	such other website(s) as may be prescribed by the SEBI from time to time
Designated Branches	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE
Eligible Equity Shareholders	Holder(s) of the Equity Shares as on the Record Date
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
Escrow Collection Bank	A Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the escrow account will be opened, in this case being Axis Bank
Issue	Issue of up to 2,13,68,982 Rights Equity Shares of face value of ₹ 5 each of our Company for cash at a price of ₹ 140 per Rights Equity Share (including a premium of ₹ 135 per Rights Equity Share) aggregating up to ₹ 299.17 crores on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 17 Rights Equity Shares for every 70 Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date
Issue Closing Date	Friday, December 11, 2020
Issue Opening Date	Friday, November 27, 2020
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 140 per Rights Equity Share
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 299.17 crores
JM Financial	JM Financial Limited
Lead Managers	JM Financial and Axis Capital
Letter of Offer	This letter of offer dated November 13, 2020 filed with the Stock Exchanges and SEBI and includes any addenda or corrigenda thereto
Monitoring Agency	Axis Bank
Monitoring Agency Agreement	Agreement dated November 11, 2020 entered into between our Company and the Monitoring Agency in relation to monitoring of Issue Proceeds
Multiple Application Form	Multiple Application Forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see "***Objects of the Issue***" on page 42
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, which should be completed on or before Monday, December 07, 2020
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Friday, November 20, 2020
Refund Bank	The Banker to the Issue with whom the Refund Account will be opened, in this case being Axis Bank Limited
Registrar Agreement	Agreement dated November 11, 2020 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility.
Registrar to the Issue / Registrar	KFin Technologies Private Limited
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Monday, December 07, 2020 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that the Off Market Renunciation is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
Rights Entitlements	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the

Term	Description
	Record Date, in this case being 17 rights for every 70 Equity Shares held by an Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the January 22 – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date. Due to COVID-2019 pandemic, in accordance with the May 6 – Rights Issue Circular and July 24 - Rights Issue Circular, physical shareholders who have not been able to open a demat account or are unable to communicate their demat details to our Company or the Registrar, will not be eligible to renounce their Rights Entitlements.
Rights Entitlements Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
R-WAP	Registrar's web based application platform accessible at https://rights.kfintech.com, instituted as an optional mechanism in accordance with May 6 – Rights Issue Circular and July 24 - Rights Issue Circular, for accessing/ submitting online Application Forms by resident Investors
SCSB(s)	Self certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being the BSE and the NSE
Transfer Date	The date on which the amount held in the Escrow Account and the amount blocked in the ASBA Account will be transferred to the Allotment Account and/or Refund Account, upon finalisation of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term /Abbreviation	Description / Full Form
₹ / Rs. / Rupees / INR	Indian Rupee
EBITDA	EBITDA, on a consolidated basis, is calculated as net profit after tax plus total tax expense, exceptional item, share of profit/(loss) of equity accounted investees (net of tax), finance costs and depreciation and amortisation expense
EBITDA Margin	The percentage of EBITDA divided by total income
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CIN	Corporate identification number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder
COVID-2019	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DIN	Director identification number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identification

Term /Abbreviation	Description / Full Form
DPIIT	Department for Promotion of Industry and Internal Trade (*formerly Department of Industrial Policy and Promotion*), Ministry of Commerce and Industry, Government of India
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign direct investment
FDI Policy	The extant Consolidated Foreign Direct Investment Policy issued by DPIIT through notification dated August 28, 2017 effective from August 28, 2017
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / FY / Fiscal	Period of 12 months ended March 31 of that particular year
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCIs	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations
Government / GoI	Central Government and/or the State Government, as applicable
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IGDS	Intercontinental Group of Department Stores
Income-tax Act	Income-tax Act, 1961
Ind AS	Indian Accounting Standards as specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN	International securities identification number allotted by the Depository
IT	Information Technology
IT Act	Information Technology Act, 2000
January 22 – Rights Issue Circular	SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
July 24 – Rights Issue Circular	SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015
May 6 – Rights Issue Circular	SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 read together with General Circular No. 27/2020 dated August 3, 2020 issued by the Ministry of Corporate Affairs, Government of India.
MCLR	Marginal Cost of Funds Based Lending Rate
MICR	Magnetic Ink Character Recognition
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. / N/A	Not applicable
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and other equity as derived from the Consolidated Financial Statements
NR / NRs	Non-resident(s) or person(s) resident outside India, as defined under the FEMA
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent Account Number
PFIC	Passive foreign investment company
RBI	Reserve Bank of India

Term /Abbreviation	Description / Full Form
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Regulation S	Regulation S under the US Securities Act
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circular	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
State Government	Government of a state of India
UPI	Unified payment interface
U.S. / USA / United States	United States of America, including the territories or possessions thereof
U.S. GAAP	United States Generally Accepted Accounting Principles
U.S. QIB	"Qualified institutional buyer", as defined in Rule 144 of the US Securities Act
US Securities Act	United States Securities Act of 1933
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Notwithstanding the foregoing, the terms used in "***Risk Factors***", "***Statement of Special Tax Benefits***", "***Our Business***", "***Financial Statements***" and "***Outstanding Litigation and Defaults*****"** on pages, 15, 52, 59, 70 and 270, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page numbers of this Letter of Offer, unless otherwise specified.

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and any other Issue material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlements Letter may come, are required to inform themselves about and observe such restrictions. For details, see "***Restrictions on Purchases and Resales***" on page 325.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, Application Form, Rights Entitlements Letter and other Issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders. Further, this Letter of Offer will be provided, by the Registrar on behalf of our Company or the Lead Managers to (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Managers, the Stock Exchanges and on R-WAP.

Pursuant to the May 6 – Rights Issue Circular, July 24 - Rights Issue Circular and MCA Circulars, our Company, the Lead Managers and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer will be filed with the Stock Exchanges and SEBI. Accordingly, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form or any Issue materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdictions or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "***Other Regulatory and Statutory Disclosures – Selling Restrictions***" and "***Restrictions on Purchase and Resales***" on pages 278 and 325, respectively.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as business, financial, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD (I) IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**") TO EXISTING FOREIGN CORPORATE OR INSTITUTIONAL SHAREHOLDERS AND (II) IN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT) ("**U.S. QIB**") PURSUANT TO SECTION 4(a)(2) OF THE US SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME (OTHER THAN TO U.S. QIBs).

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made (other than persons in the United States who are U.S. QIBs). No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States (in each case, other than from persons in the United States who are U.S. QIBs) or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer, the Rights Entitlements Letter and Application Form (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States; or (ii) it is a U.S. QIB in the United States, and in each case is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

All offers and sales in the United States of the Rights Entitlements and the Rights Equity Shares have been, or will be, made solely by our Company. The Lead Managers are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PURSUANT TO THE JANUARY 22 – RIGHTS ISSUE CIRCULAR, SEBI HAS INTRODUCED THE CONCEPT OF CREDIT OF RIGHTS ENTITLEMENTS INTO THE DEMAT ACCOUNTS OF THE ELIGIBLE EQUITY SHAREHOLDERS, WHICH CAN BE RENOUNCED BY THEM BY WAY OF ON MARKET RENUNCIATION OR OFF MARKET RENUNCIATION. FURTHER, THE CREDIT OF RIGHTS ENTITLEMENTS AND ALLOTMENT OF RIGHTS EQUITY SHARES SHALL BE MADE ONLY IN DEMATERIALISED FORM. FURTHER, DUE TO THE COVID-2019 PANDEMIC, PURSUANT TO THE MAY 6 – RIGHTS ISSUE CIRCULAR, SEBI INTRODUCED CERTAIN RELAXATIONS FOR RIGHTS ISSUES WHICH OPENED ON OR PRIOR TO JULY 31, 2020. THESE RELAXATIONS HAVE BEEN FURTHER EXTENDED FOR RIGHTS ISSUES OPENING UP TO DECEMBER 31, 2020, PURSUANT TO THE JULY 24 – RIGHTS ISSUE CIRCULAR ISSUED BY SEBI. INVESTORS ARE ENCOURAGED TO CAREFULLY FOLLOW ALL THE NECESSARY REQUIREMENTS UNDER THE RIGHTS ISSUE CIRCULARS AND ENSURE COMPLETION OF ALL NECESSARY STEPS IN PROVIDING/ UPDATING THEIR REQUIRED DETAILS IN A TIMELY MANNER. FOR DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 288.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

In this Letter of Offer, unless the context otherwise indicates or implies, references to 'Shoppers Stop', the 'Company', 'our Company', the 'Issuer' are to Shoppers Stop Limited, and references to 'we', 'our' or 'us' are to Shoppers Stop Limited, together with its Subsidiaries on a consolidated basis.

In this Letter of Offer, references to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Letter of Offer in "crore", "million" and "lakh" units. One crore represents 1,00,00,000. One lakh represents 1,00,000. One million is 10 lakhs.

Financial Data

Unless stated otherwise and unless context requires otherwise, the financial data in this Letter of Offer is derived from the Consolidated Financial Statements. Our Fiscal commences on April 1 and ends on March 31 of the following calendar year. For details, see "***Financial Statements***" on page 70.

We have prepared our annual Audited Consolidated Financial Statements in accordance with Ind AS and Unaudited Consolidated Condensed Interim Financial Statements in accordance with Ind AS 34 prescribed under the Section 133 of the Companies Act 2013. Our Company publishes its financial statements in Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Market and Industry Data

For the purpose of confirming our understanding of the industry in connection with the Issue, we have commissioned a report titled "*Industry Report on Fashion Retail in India*" dated October 13, 2020 ("**Technopak Report**") prepared by Technopak Advisors Private Limited ("**Technopak**").

Aside from the above, unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by us or the Lead Managers, and neither our Company nor the Lead Managers make any representation as to the accuracy of that information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – Industry information included in this Letter of Offer has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third party statistical, financial and other industry information is either complete or accurate.***" on page 20. Accordingly, Investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share, total borrowings, cost of goods sold, ratio of non-current borrowings (including current maturities) / total equity, ratio of total borrowings/ total equity and Earnings before interest, tax, depreciation and amortisation ("**EBITDA**") have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS.

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India and 'US$', 'USD', '$' and 'U.S. Dollars' are to the legal currency of the United States of America.

Conversion Rates for Foreign Currency:

This Letter of Offer contains conversion of certain other currency amounts into Indian Rupees. Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (₹) at any particular rate, the rates stated above or at all. Unless specified otherwise in this Letter of Offer for instances where a different source or time period is considered to calculate the conversion rate for a particular foreign currency, the conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the currency	As of September 30, 2020 (in ₹)	As of September 30, 2019 (in ₹)	As of March 31, 2020 (in ₹)	As of March 31, 2019 (in ₹)*
1.	1 US Dollar	73.80	70.69	75.39	69.17

Source: www.fbil.org.in

* *Exchange rate as on March 29, 2019, as FBIL reference rate is not available for March 31, 2019 and March 30, 2019 being a Sunday and Saturday, respectively.*

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology including 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target', 'guideline', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, revenue and profitability and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements and any other projections contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, amongst others:

- Impact of COVID-2019 on our financial condition and operations;
- Our ability to attract customers;
- Inability to implement our expansion strategy;
- Any increase in competition;
- Any fall in our brand's reputation;
- Any adverse decision in legal proceedings; and
- Our inability to meet our capital requirements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections "***Risk Factors***" and "***Our Business***" on pages 15 and 59, respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and neither our Company nor any of the Lead Managers undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections, "***Objects of the Issue***", "***Outstanding Litigation and Defaults***" and "***Risk Factors***" on pages 42, 270 and 15, respectively.

Summary of Primary Business

We are one of India's prominent organised retailers and are part of the K. Raheja Corp group. We retail a range of branded and Private Label apparel, footwear, perfumes, cosmetics, jewellery, leather products and accessories, and home products through our nation-wide chain of department stores in India.

Objects of the Issue

The Net Proceeds are proposed to be used in accordance with the details set forth below:

(In ₹ crores)

S. No	Particulars	Amount
(a)	Repayment and/or prepayment, of all or of a portion of the principal and / or interest of certain working capital borrowings availed by our Company	125
(b)	Funding working capital requirements	100
(c)	General corporate purposes	70.83
	Net Proceeds	295.83

* *The aggregate amount utilised for general corporate purpose shall not exceed 25% of the Issue Proceeds. For details, see "**Objects of the Issue**" on page 42.*

Subscription to the Issue by our Promoters and Promoter Group

Our Promoters and members of our Promoter Group have undertaken (i) to subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR, and (ii) that they shall not renounce their Rights Entitlements. In addition, our Promoters and the eligible members of our Promoter Group reserve the rights to (a) subscribe to any Rights Entitlement that may be renounced in their favor by any of the shareholders of the Company (other than the Promoters and members of our Promoter Group), and/ or (b) apply for and subscribe to additional Rights Equity Shares in the Issue. Furthermore, our Promoters and the eligible members of our Promoter Group, undertake to subscribe to the unsubscribed portion of the Issue, in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The acquisition of Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, as applicable, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Summary of Outstanding Litigation and Defaults

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below.

Type of Proceedings	Number of cases	Liability amount to the extent ascertainable (₹ in crores)
Cases involving our Company		
Issues involving moral turpitude or criminal liability on the part of our Company	3	Not quantifiable
Material violations of statutory regulations by our Company	4	Not quantifiable
Proceedings involving an amount exceeding the Materiality Threshold		
- By our Company	3	9.45

Type of Proceedings	Number of cases	Liability amount to the extent ascertainable (₹ in crores)
- *Against the Company*	Nil	-
- *By our Company (Tax matters)*	7	157.31
- *Against our Company (Tax matters)*	1	1.89
Sub-total (A)	**18**	**168.65**
Cases involving our Subsidiaries		
Issues involving moral turpitude or criminal liability on the part of our Subsidiaries	Nil	-
Material violations of statutory regulations by our Subsidiaries	Nil	-
Proceedings involving an amount exceeding the Materiality Threshold		
- *By our Subsidiaries*	Nil	-
- *Against our Subsidiaries*	Nil	-
Sub-total (B)	Nil	Nil
Other Cases		
Other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company on a consolidated basis (C)	1	0.03
Other material litigation (D)	7	No monetary impact
Grand total (A+B+C+D)	**25**	**168.68**

For details, see "***Outstanding Litigation and Defaults***" on page 270.

Risk Factors

Specific attention of the Investors is invited to the section "***Risk Factors***" on page 15. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent Liabilities of our Company

For details of the contingent liabilities as per Ind AS 37 for Fiscals 2020 and 2019 and for the six months period ended September 30, 2020 and September 2019 and, see "***Financial Statements***" on page 70.

Related Party Transactions

For details of the related party transactions as per Ind AS 24 entered into by our Company for Fiscals 2020 and 2019 and for the six months period ended September 30, 2020 and September 2019, as reported in the Consolidated Financial Statements, see "***Financial Statements***" on page 70.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of Offer.

SECTION II: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all the information disclosed in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Rights Equity Shares. The risks described below are those that we consider to be most significant to our business, cash flows, results of operations and financial conditions as of the date of this Letter of Offer. However, they are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "**Our Business**" and "**Financial Statements**", on pages 59 and 70 respectively, as well as the other financial information included in this Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, cash flows, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of the value of your investment. Any potential investor in the Rights Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.*

*This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. For further information, see "**Forward Looking Statements**" on page 12.*

*Our financial year ends on March 31 of each year, and references to a 'Fiscal' are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is derived from our Audited Consolidated Financial Statements for Fiscal 2020 and 2019, and our Unaudited Consolidated Condensed Interim Financial Statements for the six months period ended September 30, 2020 and September 30, 2019, included in this Letter of Offer. For further information, see "**Financial Statements**" on page 70.*

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Shoppers Stop Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Shoppers Stop Limited on a consolidated basis.

1. COVID-2019 has had, and is expected to continue to have, a significant impact on our financial condition, operations and value of our Equity Shares. The current, and uncertain future, impact of the COVID-2019 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows.

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020 it was declared a pandemic. The rapid and diffused spread of COVID-2019 and global health concerns relating to this outbreak have had a severe negative impact on all businesses including retail sector and could continue to have an impact that may worsen for an unknown period of time. Currently, there is substantial medical uncertainty regarding COVID-2019 and till any vaccine or cure is found, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-2019 remain uncertain and could be severe.

The impact of COVID-2019 on the retail sector is at two levels. Firstly, in order to contain the spread of the infection, the national lockdown which was effected from March 25, 2020, has impacted our sales as our products did not constitute "essential products" and our principal channels of sale were not allowed to function as part of the lockdown imposed by the Government of India and relevant state governments and inflicting adverse impact on revenue and profitability. While operations at all of our stores were initially suspended during the lockdown period due to the Government orders, we have been able to resume operations at all our stores with certain restrictions.

Secondly, COVID-2019 has resulted in fall in sales, and we continue to incur fixed cost (including the salary/ wage cost for our employees) and interest cost on debt, which has led to relatively high leverage. The economic disruption could slow down credit as lenders may be hesitant to lend in COVID-2019 environment. This could impact our ability to borrow funds in the future from lenders on favourable terms.

We are regularly monitoring the impact of COVID-2019 on all aspects of our business and operations, including its impact on our retail stores at airports and retail stores in malls, and the preventive or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. While we have adopted measures, including optimizing employee strength and operational structure, we cannot assure that such measures will not have a negative impact on our business, operations and reputation. Further, on account of the lockdown, our operations were significantly disrupted, particularly at our retail stores in airport and malls. While operations at all of our stores were initially suspended due to the Government orders, we have been able to resume operations at all our stores with certain restrictions including physical distancing, split-team, work from home and quarantine measures. We had total income of ₹ 522.05 crores (including revenue from contracts with customers of ₹ 352.53 crores and COVID-19 related rent concessions of ₹ 154.66 crores) during the six months period ended September 30, 2020, which was 70.01% lower when compared with such total income for the six months ended September 30, 2019 primarily on account of COVID-2019.

For the six-month period ended September 30, 2020, we incurred a loss of ₹ 217.95 crores primarily on account of lockdown and consequent fall in sales while we continued to incur fixed cost (including the salary/ wage cost for our employees) and interest cost on debt. As of the date of this Letter of Offer, there is still some uncertainty relating to the impact of the COVID-2019 pandemic on the global and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-2019 pandemic on our business. If the uncertainty relating to the impact of the COVID-2019 pandemic continues, we may not be able to sustain our operations. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. To the extent that the COVID-2019 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section. While we believe the COVID-2019 pandemic is not likely to impact recoverability of the carrying value of assets, we are closely monitoring the development and possible effects that may result from the COVID-2019 pandemic on our financial condition, liquidity and operations. As the situation is contentiously evolving, the eventual impact may be different from the estimates as on the date of this Letter of Offer. Further, we may not be able to predict the duration and severity of the current economic conditions and as a consequence, our financial results for a particular period are difficult to predict, and, therefore, prior results including financial results for the Fiscal 2020, are not necessarily indicative of results to be expected in future periods.

As on the date of this Letter of Offer, we do not have an insurance policy which covers the loss incurred by our Company due to the COVID-2019 pandemic. The longer and more severe the pandemic, including repeat or cyclical outbreaks beyond the one we are currently experiencing, the more severe the adverse effects will be on our business, cash flows, financial condition, access to credit markets and ability to service our existing and future indebtedness.

2. Our ability to attract customers depends on the location of our stores and any adverse development impairing the success and viability of our stores could adversely affect our business, cash flows and results of operations.

Our stores are typically located in malls, some of the standalone stores are located in high streets and airports keeping in mind accessibility and potential for future development. Sales are derived, in part, from the volume of footfalls in these locations. Store locations may become unsuitable due to changing customer demographics, changing lifestyle choices of customers in a particular market and the popularity of other retail businesses located near our stores. Changes in the areas around our store locations that result in reductions in customer footfalls or otherwise render the locations unsuitable could result in reduced sales volume and closing of our stores which could materially and adversely affect our business, cash flows and results of operations.

3. We may be unable to implement our expansion strategy or successfully manage expanded retail operations.

Our business and operations have grown rapidly in recent years and we plan to continue to expand our business and operations. Our expansion plans are subject to various potential uncertainties, including changes in economic conditions in India and elsewhere, delays in completion of malls and receipt of requisite approvals, cost overruns, the possibility of unanticipated regulatory restrictions and diversion of management resources. We might not be able to complete any or all of our proposed expansion plans. The proposed facilities might not achieve the expected sales levels and we might not be able to achieve our targeted return on investment on these projects. The growth of our retail operations will continue to be dependent upon opening new stores, successfully marketing our brands, negotiating favourable terms with suppliers as well as increasing sales volume and profitability from existing and new stores. If any of our new stores do not break even or achieve our expected level of profitability within the expected timeframe, or at all, our expansion plans and our results of operations, cash flows, financial condition and profitability may be materially and adversely affected and we may decide to close some of our stores. Furthermore, as we continue to expand our retail locations, we will be exposed to various challenges, including those relating to competition, different customer preferences, regulatory regimes, business practices and customs.

Our expansion plans involve risks and difficulties, many of which are beyond our control and accordingly we might not be able to complete our plans on schedule or without incurring additional expenditures or at all. Our success will depend on, amongst other things, our ability to identify and assess potential markets, time our capital investments, attract new customers and maintain and enhance our position with our current customers and obtain in a timely manner all necessary regulatory approvals. Our expansion plans might not result in us achieving our targeted sales or returns on investment.

4. We face significant competition in the retail industry and any increase in competition may adversely affect our business and financial condition.

The Indian retail industry is highly competitive. Competition is characterized by many factors, including assortment, advertising, price, quality, service, location, reputation, credit availability and availability of retail space. We expect that the competition could increase with new entrants coming into retail industry, who may have more flexibility in responding to changing business and economic conditions, and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources, including the ability to spend more on advertising and marketing and hence the ability to compete more effectively. Moreover, the foreign investment restrictions in the Indian retail sector have been progressively liberalised giving our domestic competitors easier access to greater pools of capital and investment.

Further, our competitors may set up stores in the vicinity of our existing stores and may offer their products at competitive prices, resulting in a decreasing of sales of our products. We face competition across our business activities from varied peers. We face increased competition from numerous retail competitors in the market and with the growing trend of e-commerce retail formats. We also face competition from competitors outside the traditional "brick and mortar" retail establishments. We cannot assure you that we can continue to compete effectively with our competitors. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

5. We may not be successful in maintaining and enhancing awareness of our brands. Any fall in our brand's reputation may adversely affect our business, cash flows, results of operations and prospects.

We believe our brands, 'Shoppers Stop', 'HomeStop', 'Crossword', command strong brand recognition in the markets in which we operate. Our success depends on our ability to maintain the brand image across our formats and effectively build our brand image for new formats and channels. Any decrease in product quality due to reasons beyond our control or allegations of product defects and misbranding, could tarnish the image and may cause customers to choose other products. Further, there can be no assurance that our established brand name will not be adversely affected in the future by events that are beyond our control. In the event that (i) we are unable to leverage our brands for any reason, (ii) our or K Raheja Corp group's actions or incidences adversely affect our brands, or (iii) customer complaints or adverse publicity from any other source damages our brand, our business, cash flows, financial condition and results of operations may be adversely affected.

As most of our income is derived from our retail activities, creating and maintaining public awareness of our brand is crucial to our business and we accordingly invest in various marketing and advertising campaigns. There can be no assurances that we will be able to sustain optimal levels of marketing, advertising and branding initiatives in the future.

Maintaining and enhancing our retail format brands and private brands may require us to make substantial investments in the areas such as outlet operations, marketing and employee training, and these investments may not be successful. Although we constantly evaluate business opportunities, including the increase of portfolio brands and increasing the geographical reach of existing partner brands by increasing store count, this is a dynamic process and therefore subject to change on the basis of various parameters and there can be no assurance that we will be able to do this successfully. We anticipate that as our business expands into new markets and as our markets become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. If we are unable to enhance the visibility of our brands, it would have an adverse effect on our business, reputation and our financial condition.

6. Our Company, Directors and Subsidiaries are involved in certain legal proceedings and potential litigation. Any adverse decision in such proceedings may have an impact on our business, cash flows and results of operations.

Our Company, Directors, in their capacity as directors of our Company and Subsidiaries are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation as on date in relation to criminal matters, civil matters, tax matters, actions by regulatory and statutory authorities, economic offences and other material legal proceedings pending against our Company and Subsidiaries, as applicable, have been set out below. Further, the summary also includes other outstanding legal proceedings considered material by our Board.

Type of Proceedings	Number of cases	Liability amount to the extent ascertainable (₹ in crores)
Cases involving our Company		
Issues involving moral turpitude or criminal liability on the part of our Company	3	Not quantifiable
Material violations of statutory regulations by our Company	4	Not quantifiable
Proceedings involving an amount exceeding the Materiality Threshold		
- By our Company	3	9.45
- Against the Company	Nil	-
- By our Company (Tax matters)	7	157.31
- Against our Company (Tax matters)	1	1.89
Sub-total (A)	**18**	**168.65**
Cases involving our Subsidiaries		
Issues involving moral turpitude or criminal liability on the part of our Subsidiaries	Nil	-
Material violations of statutory regulations by our Subsidiaries	Nil	-
Proceedings involving an amount exceeding the Materiality Threshold		
- By our Subsidiaries	Nil	-
- Against our Subsidiaries	Nil	-
Sub-total (B)	Nil	Nil
Other Cases		
Other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company on a consolidated basis **(C)**	1	0.03
Other material litigation (**D**)	7	No monetary impact
Grand total (A+B+C+D)	**25**	**168.68**

For further details, see "***Outstanding Litigation and Defaults***" on page 270.

7. Our Company requires significant amount of capital for continued growth. Our inability to meet our capital requirements may have an adverse effect on our cash flows and results of operations.

Our business is capital intensive and requires significant amount of capital for in-store infrastructure assets and maintenance of inventory levels. As of September 30, 2020, we had ₹ 315.04 crores of total borrowings outstanding which comprises of non-current borrowings of ₹ 153.41 crores (including current maturities of long term debt of ₹ 19.93 crores), current borrowings of ₹ 161.01 crores (including secured loan of ₹ 138.99 crores and unsecured loan of ₹ 22.02 crores) and interest accrued but not due on borrowings of ₹ 0.62 crores (included in other current liabilities). We intend to continue to grow by setting up additional stores. In addition, we may need to obtain additional financing in the normal course of business from time to time as we expand our operations. We may not be successful in obtaining additional funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures and the size of our operations. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

8. We are highly dependent on our First Citizen members for our revenues.

As of September 30, 2020 we have approximately 7.4 million First Citizen members. First Citizen members accounted for 81.5% of our annual sales of department stores for Fiscal 2020. Though we provide a large number of benefits such as discounts, points, promotional offer to retain our First Citizen members and to increase the membership, we cannot assure that we will be able to increase or maintain this base of customers or the level of sales to them. Any shift in the preferences or loyalty of this customer base or any change in their spending pattern may impact our performance.

9. Our Private Labels may not be able to sustain the competition and may not be profitable.

The success of our Private Labels depends on our ability to understand consumer trends, introduce new designs in fashion and latest products and explore new business opportunities on a regular basis. Our inability to identify and recognise international, domestic and regional fashion trends, could result in inventory write-off, and adversely affect our business and brand equity.

10. Any deterioration in the public perception of the brands sold by us could affect our customer footfall at stores and can adversely impact our reputation, business, cash flows and results of operations.

Our ability to attract and retain customers is dependent upon public perception and recognition of the quality associated with, the apparel, accessories and cosmetics brands sold by us. Since our customers rely on us for the quality of our products, we could suffer reputational damage and loss of sales if there are any quality concerns regarding the products we sold. Any decrease in product quality of the brands we sell due to reasons beyond our control or allegations of product defects and misbranding, could tarnish the image and may cause customers to choose other products. Any deterioration in the public perception of the brands sold by us may affect our customer footfall and consequently impact our reputation, business, cash flows and results of operations.

11. We depend on third parties, to manufacture private brand merchandise we sell. Any failure of such third parties to adhere to relevant standards may negatively affect our reputation, business and financial condition.

We do not manufacture any products we sell. For products sold under our private brands, we depend on third party manufacturers. We are exposed to the risk of our service providers and vendors failing to adhere to the standards set for them by us and the concerned statutory bodies with respect to quality, quantum of production, safety and distribution, which in turn could adversely affect our sales and reputation.

Further, concerns regarding the quality of products sourced from our suppliers and offered at our stores or the quality of our supply chain could cause customers to avoid purchasing certain products from us, or to seek alternative sources, even if the basis for the concern is outside our control or unfounded. Adverse publicity about these concerns, whether or not based on fact, and whether or not involving products sold at our stores, could discourage customers from buying our products and materially and adversely affect our cash flows and results of operations.

Further, any lost confidence on the part of our customers due to failure of our suppliers to adhere to required quality standards could adversely affect our financial performance. Any delay or failure on the part of third party manufacturers to deliver products in a timely manner or to meet our quality standards, or any litigation involving such third parties, may materially and adversely affect our business, profitability and reputation.

12. Quality and consistency in customer service at our stores are critical for our success and any failure in this regard could materially and adversely impact our reputation, business, financial condition, cash flows and results of operations.

Our business is manpower intensive and the success of our business also depends on maintaining high standards of customer service in our stores. This is dependent on our ability to hire the right personnel, train them in the implementation of our processes effectively, monitor them continuously on key service parameters and guide them regularly.

We cannot assure you that we will be able to recruit and retain the right personnel and functional experts or will be successful in delivering consistent services. If customer service at our stores deteriorates, our reputation might suffer resulting in a decrease in sales, which could materially and adversely affect our financial condition, cash flows and results of operations.

13. Some of our loan agreements contain restrictive covenants. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, cash flows and results of operations and financial conditions.

We are subject to usual and customary restrictive covenants in agreements that we have executed with banks for short term loan and long term borrowings. The restrictive covenants require us to seek prior intimation or consent from the lender banks for various activities, including amongst others to, effect any change in the capital structure, alter the constitutional documents, change the promoters' shareholding of our Company or to pre-pay outstanding loans.

Further, under some of the credit facilities availed by our Company, the lenders are entitled to revoke the facility, at any stage, without providing any notice or reasons, demand the repayment of the loan anytime and modify the credit limit without any reason. Under some of the credit facilities availed by us, our lenders are entitled to terminate the credit facility in the event of any default committed by us under other loan facilities. In case we default in any of our outstanding borrowings, we may not be able to declare or issue dividend, without the approval of our lenders. Any inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, cash flows, results of operations and financial conditions.

14. Industry information included in this Letter of Offer has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, Technopak Advisors Private Limited, to prepare an industry report titled "*Industry Report on Fashion Retail in India*" dated October 13, 2020, for purposes of inclusion of such information in this Letter of Offer. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified third party statistical, financial and other industry information from this industry report. Further, some of the industry data and information may be dated. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Lead Managers or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Letter of Offer.

15. Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our stores and distribution centres or in the regions/areas where our stores and distribution centres are located. Although we maintain insurance coverage for fire and other natural and accidental risks at our facilities, money and fidelity insurance and stock insurance, there are possible losses, which we may not have been insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We have obtained insurance coverage of ₹ 3,559.08 crores for our tangible fixed assets and inventory for Fiscal 2021. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us.

Further, while there has been no past instance of inadequate insurance coverage for any loss, there can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

16. Lease deeds with some of our lessors are not adequately stamped or registered, and consequently, we may be unable to successfully litigate over such lease deeds in the future and penalties may be imposed on us.

Some of the lease agreements that have been executed by our Company, which require registration and/or stamping in accordance with applicable law, may not have been registered and/or are not adequately stamped or not stamped at all. Accordingly, such documents may not be legally enforceable until the applicable stamp duty, registration charges, and consequent penalties are paid on such documents. Consequently, in case any dispute arises in relation to our use of properties for which lease deeds are either not adequately stamped or registered, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

17. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution or other independent agency and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "***Objects of the Issue***" on page 42.

18. Our statutory auditors have included certain matters of emphasis in the audit reports on the Audited Consolidated Financial Statements for Fiscal 2020 and 2019, and in the review reports on the Unaudited Consolidated Condensed Interim Financial Statements for the six months period ended September 30, 2020 and September 30, 2019.

Our Statutory Auditors have included matters of emphasis in their reports on Audited Consolidated Financial Statements and Unaudited Consolidated Condensed Interim Financial Statements in relation to the management's assessment of the impact of the COVID-2019 pandemic on the operations and financial results of our Company for Fiscal 2020 and for the six months period ended September 30, 2020, and the uncertainty related to the outcome of the appeal filed before the Supreme Court regarding non provision of retrospective levy of service tax for the period from June 1, 2007 to March 31, 2010 on renting of immovable properties given for commercial use, aggregating to ₹ 20.11 crores for Fiscal 2020 and 2019, and for the six months period ended September 30, 2020 and September 30, 2019. For details, see "***Financial Statements***" on page 70.

There can be no assurance that our auditors' reports for any future Fiscals will not contain qualifications or matters of emphasis or that such matters of emphasis will not affect our results of operations and financial condition in such future fiscal periods.

19. Our Audited Financial Statements for Fiscal 2020 is not directly comparable to our historical financial statements, including for Fiscal 2019. Further, financial information for the six months period ended September 30, 2020 and September 30, 2019 are not comparable to the financial information for Fiscals 2020 and 2019.

The Ministry of Corporate Affairs ("**MCA**") has vide notification dated March 30, 2019 notified 'Ind AS 116 – Leases' effective from April 1, 2019. Therefore, our Audited Consolidated Financial Statements for Fiscal 2020 have been prepared using Ind AS 116. We have adopted modified retrospective approach in accordance with para C8 (C) (i) of 'IND-AS 116- Leases' to our leases effective from accounting period beginning April 1, 2019. This has resulted in recognizing right of use (ROU) assets and lease liability in our consolidated financial statements as on April 1, 2019, and the difference between right of use (ROU) assets and lease liability, net of deferred tax, has been adjusted to the opening balance of retained earnings as on April 1, 2019. Prior to Fiscal 2020, our historical financial statements were all prepared based on applicable Ind AS, including 'Ind AS 17 Leases', and do not reflect the application of Ind AS 116 which became applicable with effect from April 1, 2019. Accordingly, our historical financial statements including our audited consolidated financial statements for Fiscal 2019 (included in this Letter of Offer) are not comparable to our audited consolidated financial statements for Fiscal 2020, (which reflects the impact of Ind AS 116). The financial information for the six months periods ended September 30, 2020 and September 30, 2019 are not indicative of full year results and accordingly, such financial information is not comparable to the financial information for Fiscals 2020 and 2019.

20. We have experienced negative cash flows in the past. Sustained negative cash flows could impact our growth and business.

We experienced negative cash flows from some activities as per the periods indicated below as per our Consolidated Financial Statements:

(*in ₹ crores*)

Particulars	For the six months ended September 30, 2020	For the six months period ended September 30, 2019	For Fiscal2020	For Fiscal2019
Net cash from operating activities (A)	(123.15)	298.12	576.12	208.84
Net cash used in investing activities (B)	77.84	(86.33)	(284.17)	(132.04)
Net cash used in financing activities (C)	48.03	(216.42)	(433.21)	(63.42)

If we continue to experience negative cash flows from operations in the future, it could adversely affect our business, results of operations and financial condition. For further details, see "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 70 and 253, respectively.

21. We have contingent liabilities as on September 30, 2020 and profitability may be adversely affected if any of these contingent liabilities materialise.

We have contingent liabilities as of September 30, 2020 in accordance with IND AS 37, for details of our contingent liabilities as disclosed in the Unaudited Consolidated Condensed Interim Financial Statements, see "***Financial Statements***" on page 70.

We cannot assure that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future. In the event, or to the extent, that any of our contingent liabilities is realised, it could have an adverse effect on our business, financial condition, cash flows and results of operations.

22. We have, in the past, entered into related party transactions, and may continue to do so in the future.

We have recently and in the past entered into transactions with several related parties. For details of the related party transactions as per Ind AS 24 entered into by our Company for Fiscals 2020 and 2019 and for the six months period ended September 30, 2020 and September 2019, as reported in the Consolidated Financial Statements, see "***Financial Statements***" on page 70. We believe that all such transactions have been conducted on an arm's length basis. Furthermore, it is likely that we will enter into related party transactions, in the ordinary course of our business, in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations.

23. A portion of the Net Proceeds may be utilised for repayment or pre-payment of loans taken from Axis Bank, which is an affiliate of the Lead Manager.

We propose to repay certain loans obtained from Axis Bank, from the Net Proceeds as disclosed in "***Objects of the Issue***" on page 42. Axis Bank is an affiliate of one of our Lead Managers, Axis Capital and is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. Loans and facilities sanctioned to our Company by Axis Bank is a part of its normal commercial lending activity and we do not believe that there is any conflict of interest under the SEBI (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. For details, see "***Objects of the Issue***" on page 42.

24. We are required to obtain and maintain certain regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, consents, permits and approvals may adversely affect our business, cash flows and results of operations.

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals, consents and permits at the local, state and central government levels for undertaking our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. For further details, including details of pending material approvals, see "***Government and Other Approvals***" on page 277.

We cannot assure you that we will be able to obtain, whether fresh or renewal, all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, could result in cost and time overrun, imposition of penalties, or result in the interruption of our operations, which could adversely affect our related operations.

Furthermore, we cannot assure you that the approvals, licenses, registrations, consents and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action, and we may be subject to penalty and other statutory and regulatory actions, which may have a material adverse effect on our business and operations, financial condition, cash flows and results of operations. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may adversely affect our business, cash flows and results of operations.

EXTERNAL RISKS

Risks Relating to India

25. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service

Our Company is incorporated in India, and our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our cash flows and results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our cash flows and results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- changes in India's tax, trade, fiscal or monetary policies;
- adverse geo-political conditions, political instability, terrorism or military conflict in India or in countries in the region or globally, including with India's neighbouring countries;
- timing of monsoon and agricultural yield;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks including pandemics such as the COVID-2019 pandemic or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, cash flows, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. In particular, due to the COVID-2019 pandemic, the global economy including the Indian economy are experiencing an extreme slowdown in economic activity and recessionary conditions may be prevalent globally in the near to medium term. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and the price of the Equity Shares. In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. The loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could adversely impact our business and financial performance and the price of the Equity Shares.

26. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the takeover regulations.

27. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

28. Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition

Ind AS differs from other accounting principles with which prospective investors may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

29. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions

Our articles of association and Indian law govern our corporate affairs. Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

30. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years, in particular has significantly depreciated in the year 2018, and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

31. Investors may have difficulty enforcing judgments against us or our management

Our Company is incorporated under the laws of India. Most of our Directors are residents of India and a substantial portion of our assets and the assets of our Directors are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, (iii) enforce, in an Indian court, court judgments obtained outside of India, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Amongst other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

Risks relating to our Equity Shares and this Issue including the Rights Equity Shares

32. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding

Applicants are required to make an application against the Rights Entitlements lying to the credit in their demat accounts. The Rights Entitlements for which the application is not submitted prior to the end of the Issue

Closing Date will expire and become null and void, and Eligible Equity Shareholders/Renouncees will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through Off Market Renunciation in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date.

33. We will not distribute this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter to certain categories of overseas shareholders

In accordance with the SEBI ICDR Regulations, May 6 - Rights Issue Circular and July 24 - Rights Issue Circular, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue material (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. Further, this Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Managers: (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard. Other than as indicated above, the Issue materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. We have requested all the overseas Eligible Equity Shareholders to provide an address in India and their e-mail addresses for the purposes of distribution of the Issue materials. However, we cannot assure you that SEBI or any other authority would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

34. Any future issuance of Equity Shares by us or any sale, pledge, encumbrance of our Equity Shares by our Promoters in the future may affect your shareholding and adversely affect the trading price of the Equity Shares

Any future issuance of the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company and adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters will not dispose of, pledge or encumber its Equity Shares in the future.

35. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. We cannot assure you, however, that adverse changes in international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, cash flows, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. The occurrence of any such events after the Issue Closing Date could also affect the market price of our Equity Shares. Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price.

36. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "***Terms of the Issue – Procedure for Application through the R-WAP***" on page 301. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Investors should also note that only certain banks provide a net banking facility by way of which payments can be made on the R-WAP platform. In the event that your bank does not provide such facility, you will have to use an UPI ID to make a payment. Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-2019 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative in nature and not exhaustive. Any failure to manage the R-WAP facility may impair the functioning of the payment mechanism for this Issue. Since applying through the R-WAP has been introduced recently and is different from the ASBA process, we cannot assure that Investors will not face difficulties in accessing and using such facility.

37. Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form

In accordance with SEBI ICDR Regulations, the Rights Equity Shares shall be issued only in dematerialised form. Investors will not have the option of getting the allotment of Rights Equity Shares in physical form. The Rights Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Rights Equity Shares. For details, see "***Terms of the Issue – Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***" on page 317.

38. Investors will be subject to market risks until the Rights Equity Shares credited to their demat accounts are listed and permitted to trade.

Investors can start trading the Rights Equity Shares allotted to them only after they are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Rights Equity Shares to the date when trading approval is granted for them. Further, there can be no assurance that the Rights Equity Shares allocated to an Investor will be credited to the Investor's demat account or that trading in the Equity Shares will commence in a timely manner.

39. The Issue Price of the Rights Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Rights Equity Shares will be determined by our Company in consultation with the Lead Managers. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

40. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 and July 24, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and July 24, 2020, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "***Terms of the Issue***" on page 288.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) demat suspense account opened by our Company, for the Eligible Equity Shareholders, which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares under dispute, including any court proceedings, as applicable.

41. Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see "***Terms of the Issue***" on page 288.

42. Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

43. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions and requirements) if they comply with the requirements specified by RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will be subject to the requirements specified under the foreign exchange regulations. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from RBI or any other government agency can be obtained on any particular terms or at all.

44. Your ability to acquire and sell the Rights Entitlements and the Rights Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.

No actions have been taken to permit a public offering of the Rights Entitlements and the Rights Equity Shares offered in the Issue in any jurisdiction except India. As such, our Rights Entitlements and the Rights Equity Shares have not and will not be registered under the US Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Rights Entitlements and the Rights Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see "***Notice to Overseas Investors***" and "***Other Regulatory and Statutory Disclosures – Selling Restrictions***" on pages 7 and 278, respectively. Our representatives, our agents and us will not be obligated to recognise any acquisition, transfer or resale of the Rights Entitlements or the Rights Equity Shares made other than in compliance with applicable law.

45. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. The Finance Act, 2018 levies taxes on long term capital gains exceeding ₹ 1,00,000 arising from the sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

46. Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues

If our Company offers or causes to be offered to holders of its Rights Equity Shares rights to subscribe for additional Rights Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Rights Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Rights Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the US Securities Act is required in order for our Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the US Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

47. The Rights Entitlements and the Rights Equity Shares cannot be freely resold in the United States.

The offering and acquisition of the Rights Entitlements and the Rights Equity Shares in the United States by persons who are U.S. QIBs, is being made pursuant to the private placement exemption set out in Section 4(a)(2) of the US Securities Act. None of the Rights Entitlements or Rights Equity Shares has been, or will be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors who are U.S. QIBs, and who are acquiring the Rights Entitlements and/or Rights Equity Shares in this Issue pursuant to an exemption from the registration requirements of the US Securities Act, should note that the Rights Entitlements and the Rights Equity Shares may not be freely resold or transferred in the United States. The Rights Entitlements and Rights Equity Shares may not be resold, renounced, pledged, or otherwise transferred or delivered except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

48. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

We cannot assure you that our Company will or will not be considered a PFIC in the current or future years. The determination whether or not our Company is a PFIC is a factual determination that is made annually based on the types of income we earn and the value of our assets. Assuming our Company is considered a PFIC, U.S. holders of the Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the U.S. Internal Revenue Code of 1986, as amended.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on October 16, 2020, pursuant to Section 62 and other applicable provisions of the Companies Act.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section "***Terms of the Issue***" on page 288.

	Issue Details in Brief
Rights Equity Shares being offered by our Company	Up to 2,13,68,982 Rights Equity Shares
Rights Entitlements	17 Rights Equity Shares for every 70 Equity Shares held on the Record Date*
Record Date	Friday, November 20, 2020
Issue Price per Rights Equity Share	₹ 140 per Rights Equity Share (including a premium of ₹ 135 per Rights Equity Share)
Face Value per Rights Equity Share	₹ 5
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders, as per applicable law
Issue Size	Up to ₹ 299.17 crores
Equity Shares subscribed, paid-up and outstanding prior to the Issue	8,79,89,928 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlements)	10,93,58,910 Equity Shares
ISIN for Rights Entitlements	INE498B20016
Security Codes for the Equity Shares	ISIN: INE498B01024 BSE: 532638 NSE: SHOPERSTOP
Terms of the Issue	See "***Terms of the Issue***" on page 288
Use of Issue Proceeds	See "***Objects of the Issue***" on page 42
Terms of Payment	The full amount is payable on application

**For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 70 Equity Shares or is not in multiples of 70, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.*

GENERAL INFORMATION

Our Company was incorporated on June 16, 1997 under the Companies Act, 1956 as a private limited company as 'Shopper's Stop Private Limited' with a certificate of incorporation granted by the RoC. Our Company was converted into a deemed public company under section 43A of the Companies Act, 1956 on December 8, 1997.

Pursuant to an amendment to the Companies Act, 1956 in the year 2000, our Company was converted from a deemed public company to a public company with effect from October 6, 2003. The name of our Company was further changed to 'Shoppers Stop Limited' pursuant to a fresh certificate of incorporation dated December 6, 2010.

At the time of incorporation of our Company, our registered office was located at Construction House "A", 24th Road, Khar, Mumbai 400 052. This was changed to Eureka Towers, 9th Floor, B Wing, Mindspace, Link Road, Malad West, Mumbai 400 064 through the resolution of our Board dated August 11, 2004 and was subsequently changed to Umang Tower, 5th Floor, Mindspace, Off Link Road, Malad (West), Mumbai 400 064, through the resolution of our Board dated April 12, 2017.

Registered and Corporate Office
Umang Tower, 5th Floor
Mindspace, Off Link Road
Malad (West)
Mumbai 400 064
Maharashtra, India

Corporate Identity Number: L51900MH1997PLC108798

Registration Number: 108798

Address of the Registrar of Companies

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, Maharashtra, at Mumbai
100, Everest,
Marine Drive
Mumbai- 400002.
Maharashtra, India

Company Secretary and Compliance Officer

Mr. Bharat Sanghavi is our company secretary and compliance officer. His contact details are as follows:

Mr. Bharat Sanghavi
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Mindspace, Off, Link Road
Malad (West)
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Maharashtra, India
Tel: +91 22 4249 7000
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Maharashtra, India
Tel: +91 22 4933 5555

Special US Counsel to the Lead Managers

Sidley Austin LLP
Level 31
Six Battery Road
Singapore 049909
Tel: +65 6230 3900

Statutory Auditors of our Company

S R B C & CO LLP, Chartered Accountants
The Ruby, 12th Floor
29 Senapati Bapat Marg
Dadar (W)
Mumbai 400 028, India
Tel: +91 22 6819 8000
E-mail: srbc.co@srb.in

Registrar to the Issue

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Tower B
Plot No- 31 and 32, Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India
Tel: +91 40 6717 2222
Toll free number: 18003454001
E-mail: shoppersstop.rights@kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see "***Terms of the Issue***" on page 288.

Experts

Our Company has not included any name in this Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

Banker to the Company

Axis Bank Limited
Axis House, 7th Floor, 'D' Wing
Bombay Dyeing Mills, PB Marg, Worli
Mumbai 400 025
Tel: +91 98197 15656
E-mail: gaurav.lohiya@axisbank.com
Website: www.axisbank.com

Bank of India
MDI Building, First Floor
28, S.V. Road, Andheri (West)
Mumbai 400 058
Tel: 9414341106
E-mail: AndheriLCB.mumbainorth@bankofindia.co.in
Website: www.bankofindia.co.in

HDFC Bank Limited
4th Floor, B Wing Peninsula Business Park
Senapati Bapat Marg
Lower Parel (W)
Mumbai 400 013
Tel: +91 22 3395 8000
E-mail: milan.wani@hdfcbank.com
Website: www.hdfcbank.com

ICICI Bank Limited
ICICI Bank Towers
BKC, Bandra (E)
Mumbai 400 051
Tel: +91 22 4008 6408; 8879993057
E-mail: kunal.kochar@icicibank.com
Website: www.icicibank.com

IDFC FIRST Bank Limited
C 32, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: +91 22 7132 5500
E-mail: manjul.chawla@idfcfirstbank.com
Website: www.idfcfirstbank.com

Kotak Mahindra Bank Limited
27 BKC, 2nd Floor, Plot No C - 27
G Block, Bandra Kurla Complex, Bandra East
Mumbai 400 051
Tel: +91 22 6166 0274
E-mail: niharika.mehta@kotak.com
Website: www.kotak.com

YES Bank Limited
ONE International Centre, Tower II
15th Floor, Senapati Bapat Marg
Elphinstone (W)
Mumbai 400 013
Tel: +91 22 3347 9695
E-mail: kiran.deshwal@yesbank.in
Website: www.yesbank.in

Banker to the Issue

Axis Bank Limited
Shop No. 12 & 13
Snehdeep CHS Ltd., MG Road
Goregaon West
Mumbai 400 462
Tel: +91 91670 06471
Email: goregaonwest.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Rajesh Khandelwal
SEBI Registration No.: INBI00000017

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Issue Schedule

Last Date for credit of Rights Entitlements:	Thursday, November 26, 2020
Issue Opening Date:	Friday, November 27, 2020
Last Date for On Market Renunciation#:	Monday, December 07, 2020
Issue Closing Date*:	Friday, December 11, 2020
Finalisation of Basis of Allotment (on or about):	Friday, December 18, 2020
Date of Allotment (on or about):	Monday, December 21, 2020
Date of credit (on or about):	Tuesday, December 22, 2020
Date of listing (on or about):	Thursday, December 24, 2020

 # Eligible Equity Shareholders are requested to ensure that the Off Market Renunciation is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
** Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, December 09, 2020, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Thursday, December 10, 2020. Further, in accordance with the May 6- Rights Issue Circular and July 24- Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, but are desirous of subscribing to Rights Equity Shares, may also apply in this Issue during the Issue Period. For further details, see "***Terms of the Issue***" on page 288.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-2019 related conditions.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such Eligible Equity Shareholders on the website of the Registrar at https://rights.kfintech.com after keying in their respective details along with other security control measures implemented thereat. For details, see "***Terms of the Issue***" on page 288.

Statement of inter-se Responsibilities

The list of major responsibilities of the Lead Managers in relation to the Issue, inter alia, is as follows:

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	Lead Managers	JM Financial
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of filings with the Stock Exchanges and SEBI	Lead Managers	JM Financial
3.	Drafting and design of the Abridged Letter of Offer, Rights Entitlement Letter, Application Forms and FAQs	Lead Managers	JM Financial
4.	Selection of various agencies connected with the Issue and co-ordination for execution of related agreements, namely Registrar to the Issue, Escrow Bank/ Banker to the Issue, Advertising Agency and Monitoring Agency	Lead Managers	Axis Capital
5.	Drafting and approval of all statutory advertisements	Lead Managers	JM Financial
6.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.	Lead Managers	Axis Capital

S. No.	Activity	Responsibility	Coordination
7.	Formulating and coordination of international marketing strategy	Lead Managers	JM Financial
8.	Formulating and coordination of domestic institutional marketing strategy	Lead Managers	Axis Capital
9.	Formulating retail strategy including distribution of publicity and Issue materials such as Rights Entitlement Letter, application form, brochure and Letter of Offer, and coordination for queries related to retail investors and setting up of R-WAP facility	Lead Managers	Axis Capital
10.	Submission of 1% security deposit	Lead Managers	JM Financial
11.	Co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading, etc. Coordination with stock exchanges, depositories etc. for creation and credit of electronic Rights Entitlements	Lead Managers	Axis Capital
12.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Escrow Bank/ Banker to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, finalisation of the Basis of Allotment, technical rejections or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Escrow Bank/ Banker to the Issue, SCSBs, etc., and coordination for filing of media compliance report, if any, release of 1% security deposit	Lead Managers	Axis Capital

Credit Rating

As the Issue is of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency.

Monitoring Agency

Our Company has appointed Axis Bank as the Monitoring Agency for the Issue, in accordance with Regulation 82 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

Axis Bank Limited
The Ruby, 2nd Floor
SW, 29 Senapati Bapat Marg
Dadar West
Mumbai 400 028
Tel: +91 87965 46893
Email: goregaonwest.branchhead@axisbank.com

Underwriting

The Issue is not underwritten.

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable. Our Promoters and the eligible members of our Promoter Group, undertakes to subscribe to the unsubscribed portion of the Issue, in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange, SEBI and the other Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, our Company will simultaneously submit this Letter of Offer to SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in accordance with the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is as provided below.

		Aggregate value at face value	Aggregate Value at Issue Price
1	**AUTHORISED SHARE CAPITAL**		
	20,00,00,000 Equity Shares of ₹ 5 each	1,00,00,00,000	N.A.
2	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	8,79,89,928 Equity Shares of ₹ 5 each	43,99,49,640	N.A.
3	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**(1)		
	Up to 2,13,68,982 Rights Equity Shares at a premium of ₹ 135, *i.e.*, at a price of ₹ 140 per Rights Equity Share	Up to 10,68,44,910	Up to 2,99,16,57,480
4	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE** (2)		
	Up to 10,93,58,910 Equity Shares of ₹ 5 each fully paid-up	Up to 54,67,94,550	N.A.

SECURITIES PREMIUM	
Before the Issue (in ₹ crores)	655.44
After the Issue (in ₹ crores)	943.92*^

(1) *The Issue has been authorised by our Board of Directors by its resolution dated October 16, 2020, pursuant to Section 62 and other applicable provisions of the Companies Act.*

(2) *Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.*

^ *Rounded off to two decimal places.*

* *Subject to finalisation of Basis of Allotment, Allotment and deduction of estimated Issue related expenses*

Notes to the Capital Structure

1. Shareholding pattern of the Equity Shares of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

   The shareholding pattern of our Company as on September 30, 2020, is available on the BSE website at https://www.bseindia.com/stock-share-price/shoppers-stop-ltd/shoperstop/532638/shareholding-pattern/ and on the NSE website at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHOPERSTOP&tabIndex=equity

   Chandru L. Raheja and Jyoti C. Raheja have transferred, by way of gift, their entire equity shareholding comprising 6,97,500 Equity Shares and 7,47,500 Equity Shares, respectively, in our Company to Ravi C. Raheja and Neel C. Raheja (such that Ravi C. Raheja and Neel C. Raheja receive 7,22,500 Equity Shares each), promoters of our Company on October 29, 2020 in accordance with applicable laws. Accordingly, as of the date of this Letter of Offer Chandru L. Raheja and Jyoti C. Raheja do not hold any Equity Shares in our Company and will continue to be part of the Promoter Group.

2. The details of Equity Shares held by our Promoters or members of our Promoter Group which have been pledged or encumbered as on September 30, 2020, are available on the BSE website at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532638&qtrid=107.00&QtrName=September%202020 and on the NSE website at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHOPERSTOP&tabIndex=equity

   As on date of this Letter of Offer, the details of Equity Shares held by our Promoters or members of our Promoter Group which have been pledged or encumbered are as follows:

S. No.	Name of person	Category of person	Number of pledged shares
1.	K Raheja Corp Pvt. Ltd.	Promoter Group	33,82,204
2.	Anbee Construction LLP	Promoter Group	18,47,500
3.	Cape Trading LLP	Promoter Group	18,47,500

3. None of the Equity Shares held by our Promoters or members of our Promoter Group have been locked-in as of the date of this Letter of Offer.

4. Except as mentioned below, no Equity Shares have been acquired by our Promoters or members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer:

S. No.	Name of person	Category of person	Date of acquisition	No. of Equity Shares	Mode of acquisition
1.	Capstan Trading LLP	Promoter Group	March 17, 2020	15,62,649	Block deal
			March 17, 2020	10,000	Market purchase
2.	Casa Maria Properties LLP	Promoter Group	March 3, 2020	17,79,117	Block deal
3.	Neel C. Raheja	Promoter	November 21, 2019	10,641	Market purchase
			November 22, 2019	15,000	Market purchase
			November 25, 2019	11,960	Market purchase
			December 3, 2019	153	Market purchase
			December 6, 2019	1,214	Market purchase
			December 10, 2019	780	Market purchase
			December 11, 2019	1,107	Market purchase
			December 12, 2019	162	Market purchase
			December 13, 2019	4,124	Market purchase
			December 18, 2019	6,113	Market purchase
			December 19, 2019	252	Market purchase
			December 23, 2019	20,000	Market purchase
			December 24, 2019	8,494	Market purchase
			October 29, 2020	7,22,500	Gift
4.	Ravi C. Raheja	Promoter	November 6, 2019	266	Market purchase
			November 7, 2019	570	Market purchase
			November 8, 2019	1,365	Market purchase
			November 11, 2019	2,635	Market purchase
			November 13, 2019	17,000	Market purchase
			November 14, 2019	292	Market purchase

S. No.	Name of person	Category of person	Date of acquisition	No. of Equity Shares	Mode of acquisition
			November 18, 2019	10,000	Market purchase
			November 19, 2019	3,969	Market purchase
			December 24, 2019	2,385	Market purchase
			March 17, 2020	50,000	Market purchase
			October 29, 2020	7,22,500	Gift
5.	Raghukool Estate Development LLP	Promoter Group	August 25, 2020	14,39,117	Block deal

5. **Subscription to the Issue by our Promoters and Promoter Group**

Our Promoters and members of our Promoter Group have undertaken (i) to subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR, and (ii) that they shall not renounce their Rights Entitlements. In addition, our Promoters and the eligible members of our Promoter Group reserve the rights to (a) subscribe to any Rights Entitlement that may be renounced in their favor by any of the shareholders of the Company (other than the Promoters and members of our Promoter Group), and/ or (b) apply for and subscribe to additional Rights Equity Shares in the Issue. Furthermore, our Promoters and the eligible members of our Promoter Group, undertake to subscribe to the unsubscribed portion of the Issue, in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The acquisition of Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, as applicable, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

6. **Details of options and convertible securities outstanding as on the date of filing of this Letter of Offer**

Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

Shoppers Stop Employee Stock Option Scheme 2008 ("ESOP 2008")

Our Company has instituted an employee stock option scheme, ESOP 2008 for the purpose of attracting, retaining, rewarding and motivating our employees to contribute to our growth and profitability. As on the date of this Letter of Offer, the details of options pursuant to ESOP 2008 are as follows:

Particulars	Number of options
ESOP 2008	
Total number of options	20,00,000
Options granted	25,89,046*
Options vested	17,03,745
Options exercised	16,71,229
Options cancelled / lapsed	6,62,517
Total options outstanding	2,55,300

** 662,517 employee stock options which were cancelled / lapsed, have been added back for future grant.*

Our Company has approved ESOP 2020 in its Board meeting dated October 30, 2020, which is subject to approval by the shareholders.

7. The ex-rights price of the Rights Equity Shares is computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 174.33 per Equity Share.

8. At any given time, there shall be only one denomination of the Equity Shares.

9. **Details of the Shareholders holding more than 1% of the Equity Share capital of our Company**

   The details of shareholders of our Company holding more than 1% of the Equity Share capital of our Company, as on September 30, 2020 are available on the BSE website at https://www.bseindia.com/stock-share-price/shoppers-stop-ltd/shoperstop/532638/shareholding-pattern/ and on the NSE website at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SHOPERSTOP&tabIndex=equity.

All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For further details on the terms of the Issue, see "***Terms of the Issue***" on page 288.

OBJECTS OF THE ISSUE

Our Company intends to utilise the Net Proceeds from the Issue towards the following objects:

1. Repayment and/or prepayment, of all or of a portion of the principal and / or interest of certain working capital borrowings availed by our Company;

2. Funding working capital requirements; and

3. General corporate purposes.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake the activities for which the funds are being raised through the Issue.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

(In ₹ crores)

S. No	Particulars	Amount
(a)	Gross proceeds from the Issue*	299.17
(b)	Less: Estimated Issue Related Expenses**	3.34
(c)	Net Proceeds*	295.83

**Assuming full subscription and Allotment.*
***See "- **Estimated Issue Related Expenses**" on page 50 below.*

Requirement of funds and utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(In ₹ crores)

S. No	Particulars	Amount
(a)	Repayment and/or prepayment, of all or of a portion of the principal and / or interest of certain working capital borrowings availed by our Company	125
(b)	Funding working capital requirements	100
(c)	General corporate purposes*	70.83
	Total**	**295.83**

**Subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilised for general corporate purposes shall not exceed 25% of the Issue Proceeds.*
*** Assuming full subscription and Allotment.*

There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, Directors or key managerial personnel.

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of the objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

1. Repayment and/or prepayment, of all or of a portion of the principal and / or interest of certain working capital borrowings availed by our Company

Our Company has entered into various financing arrangements with banks and financial institutions. The borrowing arrangements entered into by our Company includes term loans and working capital loans (including bank overdrafts). Our Company proposes to utilise an estimated amount of ₹ 125 crores from the Net Proceeds towards repayment and/or prepayment, of all or of a portion of the principal and / or interest of certain working capital borrowings availed by our Company as set out below:

Sr. No.	Name of the Lender	Date of Sanction	Amount of sanction (in ₹ crores)	Nature of loan	Purpose for which the loan was sanctioned *	Tenure	Brief terms and Conditions	Outstanding Loan Amount as at November 4, 2020 (in ₹ crores)
1.	Axis Bank ^ Limited	July 09, 2020	15.00	Working Capital	To meet working capital requirements and short-term cash-flow mismatches	-	**Repayment**: Payable on demand **Cash credit**: *Interest rate:* 8.10 % per annum (3 month MCLR +0.70% payable monthly.) **Working capital demand loan**: *Interest rate:* to be decided by the bank at the time of individual drawdown, with minimum interest rate of 1 month MCLR + 0.55% per annum *Prepayment:* Prepayment subject to payment of applicable prepayment premium as decided by the bank. Minimum period for which amount can be drawn: 7 days Maximum period for which the amount can be drawn: 90 days	14.94
2.	HDFC Bank Limited	October 17, 2020	10.00	Working capital	For Working Capital Requirement	Available for a period of 12 months subject to review at periodical intervals wherein facilities may be continued / cancelled/ reduced depending on the conduct and utilization of the facility	**Repayment**: Payable on demand **Cash credit**: *Rate of interest:* 9.00% per annum (one year MCLR+ applicable spread) **Working capital demand loan:** *Rate of interest:* 9.00% per annum (one year MCLR+ applicable spread) *Other Terms and Conditions:* Our Company during the tenure of the bank's credit facility, will not without seven days prior intimation in writing: 1.Resort to any additional borrowing 2. Undertake any further capex except as funded by our Company's own resources. 3. Effect any change in shareholding pattern & management control in the company. 4. Diversify into non-core areas i.e., business other than the current business 5. Undertake guarantee	9.13

Sr. No.	Name of the Lender	Date of Sanction	Amount of sanction (in ₹ crores)	Nature of loan	Purpose for which the loan was sanctioned *	Tenure	Brief terms and Conditions	Outstanding Loan Amount as at November 4, 2020 (in ₹ crores)
							obligations or extend letter of comfort, on behalf of any other company /person/ trust / any third party 6. Invest in, extend any advance / loans, to any Group Companies / Associates / Subsidiary / any other third party. Repay subordinated loans availed from Directors / Group companies 7. Effect any dividend payout / Capital withdrawal, in case of delays in debt servicing or breach of financial covenants. 8. Sell, assign, mortgage or otherwise dispose off any fixed assets.	
3.	Kotak Mahindra Bank Limited	August 12, 2020	50.00	Working Capital	For working capital/ cash flow mismatch	**Over draft** : One year **Working capital demand loan**: six months	**Repayment**: Payable on Demand **Over draft**: *Rate of interest*: 8.05 % per annum (6 Month MCLR + Applicable spread / as mutually agreed. Applicable MCLR Period- six months/ one year. The spread includes a credit risk premium and the lender is entitled to change the premium. The lender can also revise the spread. Outstanding in the OD account shall be brought to zero at least once in a quarter.) **Working capital demand loan**: *Rate of interest*: 8.05 % per annum (6 Month MCLR + applicable spread / as mutually agreed. Applicable MCLR Period - overnight, one month, three month, six months/ one year. The spread includes a credit risk premium and the lender is entitled to change the premium. The lender can also revise the spread.)	44.83
4.	Bank of India	May 05, 2020	5.00	Working Capital	For Working Capital Requirement		**Cash Credit:** *Current Rate of interest:* 8.85 % per annum. (1 year MCLR +BSS (0.15%)+ CRP (1.00)= 8.85% per annum MCLR to be reset on annual basis)	4.95

Sr. No.	Name of the Lender	Date of Sanction	Amount of sanction (in ₹ crores)	Nature of loan	Purpose for which the loan was sanctioned *	Tenure	Brief terms and Conditions	Outstanding Loan Amount as at November 4, 2020 (in ₹ crores)
5.	IDFC FIRST Bank Limited	February 04, 2020	50.00	Working Capital	Working Capital Credit Facilities	Valid for a period of one year subject to review on November 30, 2020	**Repayment**: Payable on Demand **Overdraft:** *Rate of interest*: 9.75% (12 months MCLR+ Spread 0.45% 9.75% per year linked to one year MCLR) **Working capital demand loan:** *Rate of interest*: 9.75% per annum (MCLR+ Spread as below- For tenor <1 month: 1M MCLR+ Spread >1 month & < 3 month: 1 M MCLR+ Spread >3 months & < 6 months: 3 M MCLR + Spread =6 months: 6M MCLR + Spread).	49.52
6.	ICICI Bank Limited	May 5, 2020	15.00	Working Capital		**Cash credit** : Up to March 26, 2021: Ten Months, twenty-one days **Working capital demand loan**: Up to March 26, 2021: Ten Months, twenty-one days; Maximum tenor 180 days or up to valid period of facility, whichever is earlier. Minimum tenor of each tranche is 30 days	**Cash Credit:** *Rate of interest:* 9.05% (MCLR 6 Months + Spread, subject to minimum of I-MCLR-6 Months + applicable statutory levy Interest Rate reset every six months) **Working capital demand loan:** *Repayment terms:* Principal amount of each tranche is to be repaid as bullet payment on maturity date, or in instalments, as agreed upon, but within the validity period of the facility. Cooling period of minimum 1 working day. Borrower will have the option to prepay the individual drawal without any prepayment penalty during 60 days prior to the scheduled maturity date of the drawal or during residual tenure, not greater than one-third of the original tenure (in days), whichever is longer in duration. Provided that atleast five days prior irrevocable written notice to prepay the loan must be given. prepayment premium of 0.25% on principal amount of the loan being prepaid subject to the borrower giving atleast 15 days prior irrevocable written notice	12.69
7.	YES Bank Limited	October 16, 2020	4.00	Working Capital	For working capital requirement	Facility to be	**Repayment**: Payable on demand	-

Sr. No.	Name of the Lender	Date of Sanction	Amount of sanction (in ₹ crores)	Nature of loan	Purpose for which the loan was sanctioned *	Tenure	Brief terms and Conditions	Outstanding Loan Amount as at November 4, 2020 (in ₹ crores)
						reviewed on 13.02.2021	**Cash credit**: *Rate of interest*: 8.80% (1 month MCLR + 2.00%) **Working capital demand loan (WCDL):** Rate of interest: 8.75% per annum. (Cooling period for WCDL is 0 days. Bill/ invoice financing outstanding statement to be reduced from calculated drawing power.	
	Total							136.06

**Nayak & Rane, Chartered Accountants, pursuant to their certificate dated November 13, 2020 have confirmed that these borrowings have been utilised for the purposes for which they were availed, as provided in the relevant borrowing documents.*

*** As per certificate dated November 13, 2020 from Nayak & Rane, Chartered Accountants.*

*^ Axis Bank is an affiliate of one of our Lead Managers, Axis Capital, and is not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. For details, see "**Risk Factors - A portion of the Net Proceeds may be utilised for repayment or pre-payment of loans taken from Axis Bank, which is an affiliate of the Lead Manager**" on page 22.*

The selection of borrowings proposed to be repaid and / or pre-paid from our facilities set forth above shall be based on various factors, including, amongst others (i) cost of the borrowings to our Company, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfillment of, such requirements, (iii) borrowings becoming due as per the schedule of repayment of respective lenders; (iv) receipt of consents for prepayment from the respective lenders, (v) terms and conditions of any such consents and waivers, (vi) levy of any prepayment penalties and the quantum thereof, (vii) provisions of any law, rules, regulations governing such borrowings, and (viii) other commercial considerations including, amongst others, the amount of the loan outstanding and the remaining tenor of the loan. Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding borrowing amounts may vary from time to time. Furthermore, some of the above mentioned working capital can be re-borrowed/ rolled over. Accordingly, the amounts proposed to be prepaid and/ or repaid against each facility is indicative and our Company may utilise the Net Proceeds to prepay and/ or repay the facilities disclosed above in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/ or repayment.

The prepayment or repayment will help reduce our outstanding indebtedness and debt-servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to preserve liquidity to sustain our capital requirements due to the disruption of our operations caused by COVID-2019 pandemic in near team and also fund potential business development opportunities and plans to grow and expand our business in long term.

In addition to the above, the amounts under the working capital facilities may be dependent on various factors and may vary with the working capital cycle of our Company and may include intermediate repayments and drawdowns. Accordingly, it may be possible that amount outstanding under our working capital facilities may vary from time to time. We may, from time to time, repay, refinance or draw down funds from any existing term loan or working capital facilities. Further, we may, from time to time, enter into further financing arrangements, such as, by way of issuing commercial papers and draw down funds thereunder or undertaking short term loans or other financing from banks and financial institutions. In such cases or in case any of the above borrowings are repaid, refinanced or pre-paid or further drawn-down prior to the completion of the Issue, we may utilise the Net Proceeds towards repayment or prepayment of the additional commercial papers issued or additional banks or financial institutions borrowings, overdrafts taken or drawn or other such additional indebtedness. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of working capital borrowings (including re-financed, additional or new loans availed, if any) would not exceed ₹ 125 crores.

The amounts outstanding against the loans disclosed above may vary from time to time, in accordance with the amounts drawn down and the prevailing interest rates.

2. *Funding working capital requirements*

Our Company requires additional funding to meet its working capital requirements, and proposes to utilize ₹100.00 crores from the Net Proceeds to fund working capital requirements for Fiscal 2021.

Set forth below are the details of our Company's working capital as at March 31, 2019 and March 31, 2020, on a standalone basis, as per certificate dated November 13, 2020 from Nayak & Rane, Chartered Accountants:

S. No.	Particulars	March 31, 2019 (₹ in crores)	Holding period (in days) (1)(2)	March 31, 2020 (₹ in crores)	Holding period (in days) (1)(2)
I.	**Current Assets**				
1.	Inventories	1,053.55	190	1,223.92	223
2.	Trade receivables	44.42	5	35.08	4
3.	Cash and bank balances	16.73	2	1.25	0
4.	Other current assets (3)	225.42	41	235.98	43
	Total Current Assets (A)	**1,340.12**		**1,496.23**	
II.	**Current Liabilities (4)**				
1.	Trade payables (5)	1,074.17	193	1,278.33	233
2.	Other current liabilities (6)	373.82	67	419.48	76
	Total Current Liabilities (B)	**1,447.99**		**1,697.81**	
III.	**Total working capital requirements (A-B)**	**(107.87)**		**(201.58)**	

Notes:

(1) Holding period (in days) is calculated as current asset or current liability as on balance sheet date divided by cost of sales multiplied by number of days (see note 2 below). Cost of sales is computed as change in inventory + purchase of goods. Holding period (in days) for trade receivables is calculated as trade receivables as on balance sheet date divided by revenue from contracts with customers multiplied by number of days (see note 2 below) and holding period (in days) for cash and bank balance is calculated as cash and bank balance on balance sheet date divided by revenue from contracts with customers multiplied by number of days (see note 2 below). Days have been rounded to the nearest number.

(2) The holding period has been computed over 365 days for Fiscal 2019. Furthermore, the holding period has been computed over 358 days for Fiscal 2020(after deducting 7 days wherein all the stores of our Company were not operational due to the COVID-19 pandemic during the financial year).

(3) Other current assets are an aggregate of other current assets and other financial assets.

(4) Current liabilities does not include borrowings, lease liability, capex creditors and current maturities of long term borrowings at amortised cost.

(5) Trade payables represent payables to merchandise suppliers.

(6) Other current liabilities are an aggregate of other financial liabilities, provisions and other current liabilities including the cost of loyalty points and creditors other than merchandise suppliers.

Our statutory auditors have provided no assurance on the prospective financial information or projections and have performed no service with respect to it.

The details of our Company's expected working capital requirements and the proposed funding for the same on a standalone basis for Fiscal 2021, as approved by our Company's Board of Directors and certified by Nayak & Rane, Chartered Accountants, vide letter dated November 13, 2020, are as provided below:

S.No.	Particulars	March 31, 2021 (₹ in crores)	Holding period (in days) (1)(2)
I.	**Current Assets**		
1.	Inventories	1,209.00	326
2.	Trade receivables	30.88	5
3.	Cash and bank balances	6.65	1
4.	Other current assets (3)	285.87	77
	Total Current Assets (A)	**1,532.40**	
II.	**Current Liabilities (4)**		
1.	Trade payables (5)	1,068.51	288
2.	Other current liabilities (6)	336.89	91

S.No.	Particulars	March 31, 2021 (₹ in crores)	Holding period (in days) (1)(2)
	Total Current Liabilities (B)	**1,405.40**	
III.	**Total working capital requirements (A-B)**	**127.00**	
	Funding Pattern		
1.	Cash credit	24.00	
2.	Net proceeds from the Issue	100.00	
3.	Sale of Investments	3.00	
	Total working capital requirement	**127.00**	

Notes:

(1) Holding period (in days) is calculated as current asset or current liability as on balance sheet date divided by cost of sales multiplied by number of days (see note 2 below). Cost of sales is computed as change in inventory + purchases of goods. Holding period (in days) for trade receivables is calculated as trade receivables as on balance sheet date divided by revenue from contracts with customers multiplied by number of days (see note 2 below) and holding period (in days) for cash and bank balance is calculated as cash and bank balance on balance sheet date divided by revenue from contracts with customers multiplied by number of days (see note 2 below). Days have been rounded to the nearest number.

(2) The holding period has been computed over 275 days for Fiscal 2021 (after deducting 90 days on which a majority of the stores of the Company were not operational due to the COVID-19 pandemic during the first half of the financial year).

(3) Other current assets are an aggregate of other current assets and other financial assets.

(4) Current liabilities do not include borrowings, lease liability, capex creditors and current maturities of long term borrowings at amortised cost.

(5) Trade payables represent payables to merchandise suppliers.

(6) Other current liabilities are an aggregate of other financial liabilities, provisions and other current liabilities and creditors including the cost of loyalty points other than merchandise suppliers.

Our statutory auditors have provided no assurance on the prospective financial information or projections and have performed no service with respect to it.

Our Company's expected working capital requirements on a standalone basis are based on the following key assumptions:

Sr. No.	Particulars	Description
1.	Inventories (1)(2)	Our Company's inventories, on a standalone basis, were ₹ 1,053.55 crores as at March 31, 2019 and ₹ 1,223.92 crores as at March 31, 2020. This translates to inventories days of 190 days and 223 days, for Fiscal 2019 and Fiscal 2020, respectively. Our Company's inventories as at and for the six months period ended September 30, 2020, derived from our Company's standalone unaudited financial statements disclosed to the Stock Exchanges, was ₹ 1,041.67 crores. Our Company constantly monitors inventory levels at stores, and expects to maintain a minimum stock level, as at March 31, 2021, to meet the requirements for the next financial year. Accordingly, our Company anticipates inventory levels at ₹1,209.00 crores as at March 31, 2021 with corresponding inventory days at 326 days.
2.	Trade receivables (1)(2)	Trade receivables mainly comprises of receivables from institutional buyers for gift vouchers, receivables from credit cards, amounts to be received from certain banks for marketing/ co-branding credit card and loyalty program. Our Company's trade receivables, on a standalone basis, were ₹ 44.42 crores as at March 31, 2019 and ₹ 35.08 crores as at March 31, 2020. This translates to trade receivable days of 5 days and 4 days for Fiscal 2019 and Fiscal 2020, respectively. Our Company's trade receivables as at and for the six months period ended September 30, 2020, derived from our Company's standalone unaudited financial statements disclosed to the Stock Exchanges was ₹ 27.13 crores. Our Company has estimated trade receivables at ₹30.88 crores (trade receivable days of 5 days) based on the trend observed during the course of the financial year.
3.	Cash and bank balances	Our Company has estimated the cash and bank balance as at March 31, 2021 at ₹ 6.65 crores (cash and bank balance days of 1 day).
4.	Other current assets	Other current assets include deposits for the premises taken on lease (largely on the leases expiring within one year) various advances, statutory dues recoverable, prepaid expenses etc. Our Company's other current assets, on a standalone basis, were ₹ 225.42 crores as at March

Sr. No.	Particulars	Description
		31, 2019 and ₹ 235.98 crores as at March 31, 2020. Our Company's other current assets amounted to ₹ 262.36 crores as at and for the six months period ended September 30, 2020, derived from our Company's standalone unaudited financial statements disclosed to the Stock Exchanges. Our Company has estimated other current assets at ₹ 285.87 crores as at March 31, 2021 based on the trend observed during the course of the financial year.
5.	Trade payables (1)(2)	Our Company's trade payables are essentially amounts due to merchandize creditors. Our Company's trade payables, on a standalone basis, were ₹ 1,074.17 crores as at March 31, 2019 and ₹1,278.33 crores as at March 31, 2020. This translates to trade payable days of 193 days and 233 days for the Fiscal 2019 and Fiscal 2020, respectively. Our Company's trade payables as at and for the six months period ended September 30, 2020, derived from our Company's standalone unaudited financial statements disclosed to the Stock Exchanges was ₹ 1,087.31 crores. Our Company anticipates that trade payables to be at ₹ 1,068.51 crores as at March 31, 2021 with trade payable days at 288 days, in line with the inventory to be held as at March 31 2021.
6.	Other current liabilities	Other current liabilities include statutory liabilities, proceeds received from gift vouchers/ award schemes not utilized by customers, liabilities from loyalty points accrued to First Citizen members on purchase of goods from our stores, creditors relating to operational expenses, GST input credit reversal, other financial liabilities such as accrued payrolls, security deposits, overdrawn bank, provision for gratuity and leave encashment etc. Our Company has estimated other current liabilities at ₹ 336.89 crores based on the trend observed during the course of the financial year.

Notes:

(1) Holding period (in days) is calculated as current asset or current liability as on balance sheet date divided by cost of sales multiplied by number of days (see note 2 below). Cost of sales is computed as change in inventory + purchases of goods. Holding period (in days) for trade receivables is calculated as trade receivables as on balance sheet date divided by revenue from contracts with customers multiplied by number of days (see note 2 below) Days have been rounded to the nearest number

(2) *The holding period has been computed over 365 days for Fiscal 2019. Furthermore, the holding period has been computed over 358 days for Fiscal 2020, and 275 for Fiscal 2021 (after deducting days on which a majority of the stores of the Company were not operational due to the COVID-19 pandemic during the relevant periods).*

General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ 70.83 crores towards general corporate purposes, subject to such utilisation not exceeding 25% of the Issue Proceeds, in compliance with the SEBI ICDR Regulations, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as stores, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, common area maintenances, power cost, legal and professional cost, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses, (f) payment of accrued capital and operational expenses, liabilities including liabilities outstanding as on September 30, 2020 and (g) meeting any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilisation of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilising our internal accruals or seeking debt from future lenders. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, will have flexibility in utilising the proceeds earmarked for general corporate purposes. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the subsequent Fiscals.

Deployment of funds

(In ₹ crores)

S. No.	Particulars of Objects of Issue	Amount proposed to be funded from Net Proceeds	Proposed Schedule for deployment of the Net Proceeds in Fiscal 2021
1.	Repayment and/or prepayment, of all or of a portion of the principal and / or interest of certain working capital borrowings availed by our Company	125.00	125.00
2.	Funding working capital requirements	100.00	100.00
3.	General corporate purposes	70.83	70.83
	Total	295.83	295.83

The above-stated fund requirements and the proposed deployment of funds for (i) repayment and/or prepayment, of all or of a portion of the principal and / or interest of certain working capital borrowings availed by our Company;(ii) working capital requirements; and (iii) general corporate purposes from the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost, financial and market conditions, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. For details, see "***Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control***" on page 21.

Estimated Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ 3.34 crores. The break-up of the Issue expenses is as follows:

(unless otherwise specified, in ₹ crores)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee of the Lead Managers	1.25	37.46	0.42
2.	Fee of Registrar to the Issue	0.10	3.04	0.03
3.	Fee to the legal advisors and other professional service providers	1.17	35.13	0.39
4.	Advertising, marketing expenses, shareholder outreach etc.	0.08	2.25	0.03
5.	Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	0.53	15.74	0.18
6.	Printing, stationery, and distribution of issue stationery etc.	0.02	0.73	0.01
7.	Other expenses (including miscellaneous expenses and stamp duty)	0.19	5.66	0.06
Total estimated Issue related expenses*		**3.34**	**100**	**1.11**

**excludes applicable taxes*

** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Monitoring Utilisation of Funds from the Issue

Our Company has appointed Axis Bank as the Monitoring Agency for the Issue. Our Board and the Monitoring Agency will monitor the utilisation of Net Proceeds and submit its report to our Company in terms of Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilisation of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilised and will indicate instances, if any, of the unutilised Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges. Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchange(s), including the statement indicating deviations, if any, in the use of proceeds from the objects stated above. Such statement of deviation shall be placed before the audit committee for review, before its submission to Stock Exchanges. The Monitoring Agency shall submit its report to our Company, on a quarterly basis, until at least 95% of the net proceeds of the Issue, excluding the proceeds raised for general corporate purposes, have been utilised.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before the audit committee, until such time the full money raised through the Issue has been fully utilised. The statement shall be certified by the Statutory Auditors of our Company. The audit committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue

Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Shoppers Stop Limited
Umang Tower, 5th Floor,
Mindspace,
Off. Link Road, Malad (West),
Mumbai - 400064

Dear Sirs,

Statement of Possible Special Tax Benefits available to Shoppers Stop Limited ("the Company") and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure 1 and 2 (together "the Annexures"), prepared by 'the Company' provides the possible special tax benefits available to the Company and its shareholders under the provisions of the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2020 read with the Income- tax Rules, 1962, i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962, the Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") as amended by the Finance Act 2020, i.e., applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, presently in force in India (together referred to as 'the Tax Laws'). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexures cover only special tax benefits available to the Company and to the shareholders of the Company and do not cover any general tax benefits available to the Company.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her tax consultant with respect to the specific tax implications arising out of their participation in the rights issue. We are neither suggesting nor advising the investors to invest in the rights issue relying on this statement.

4. Our views are based on the existing provisions of the tax laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update the Annexures on any events subsequent to this date, which may have a material effect on the discussions herein.

5. We do not express any opinion or provide any assurance as to whether:

    - the Company or its shareholders will obtain/ continue to obtain these special tax benefits in future; or

    - the conditions prescribed for availing the special tax benefits have been / would be met with; or

    - the revenue authorities/courts will concur with the views expressed herein.

6. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and

operations of the Company.

7. This statement is prepared solely for inclusion in the letter of offer in connection with the proposed rights issue of equity shares of the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and is not to be used, referred to or distributed for any other purpose.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number: 324982E/ E300003

per Vijay Maniar
Partner
Membership Number: 36738
Mumbai
November 13, 2020

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHOPPERS STOP LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

I. Under the Income-Tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2020, applicable for Financial Year 2020-21 relevant to Assessment Year 2021-22

1. Special tax benefits available to the Company under the Act

A. Lower corporate tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company is eligible to exercise the above option.

B. Deductions from Gross Total Income

- **Section 80 JJAA -Deduction in respect of employment of new employees**

  Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

- **Section 80M - Deduction in respect of inter-corporate dividends**

  A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 1, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

  Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

2. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders of the Company.

NOTES:

1. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

3. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

5. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20 and accordingly, the special direct tax benefits, available for Financial Year 2020-21, are captured to the extent the same are relevant to a Company exercising such option. In this regard, it may be noted that such option for Financial Year 2019- 20, the Company has already filed Form 10-IC for Financial Year 2019-20. The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year.

6. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHOPPERS STOP LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

I. Under the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, **2017** relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("**GST law**")**,** the Customs Act, 1962, Customs Tariff Act, 1975 **("Customs law")** and Foreign Trade Policy 2015-2020 **("FTP")** ***(herein collectively referred as "indirect tax laws")***

1. Special indirect tax benefits available to the Company

- There are no special tax benefits available to the Company under GST law.

2. Special tax benefits available to Shareholders

- The Shareholders of the Company are not entitled to any special tax benefits under indirect tax laws

NOTES:

1. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

2. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The industry related information in this section is derived from the report entitled "Industry Report on Fashion Retail in India", dated October 13, 2020, (the "**Technopak Report**") prepared by Technopak Advisors Private Limited ("**Technopak**"), except for other publicly available information as cited in this section. We commissioned the Technopak Report for the purposes of confirming our understanding of the Indian fashion retail industry in connection with the Issue. Neither we nor any other person connected with the Issue has verified the information in the Technopak Report or other publicly available information cited in this section. Further, the Technopak Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. Opinions in the Technopak Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Technopak Report.*

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

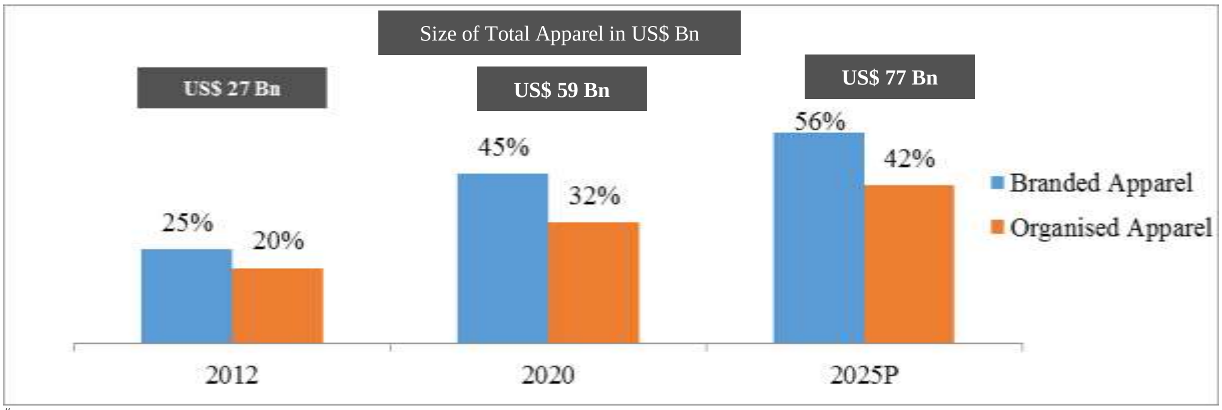
India's retail market size in Fiscal 2020 was US$ 789 billion. This has grown by a CAGR of 10.9% over Fiscal 2015 to Fiscal 2020. The food & grocery ("**F&G**") segment forms the major share of India's merchandise retail expenditure (~66%) and is expected to remain at a similar level through Fiscal 2025. Amongst non-essential categories, apparel and accessories (includes bags, belts, watches and wallets) occupies 7.89% share from total retail market. This retail market size is expected to grow by a CAGR of ~ 6% between Fiscal 2020 and Fiscal 2025 to reach US$ 1,056 billion by Fiscal 2025. While organised retail, primarily brick & mortar, has been in India for 2 decades now, its contribution to total retail is low at 11.9% (US$ 94 billion) in 2020. The organised retail penetration was only 8.6% in 2015.

Apparel market size in Fiscal 2020 was US$ 59 billion. This has grown by a CAGR of 16.9% over Fiscal 2015 to Fiscal 2020. It is also expected to grow at a CAGR of ~5.5% between Fiscal 2020 and Fiscal 2025 to reach US$ 77 billion by Fiscal 2025 on the back of factors like higher brand consciousness, increasing digitisation, greater purchasing power and increasing urbanisation.

While the market is expected to degrow by 35% in the Fiscal 2021 due to negative impact of COVID-2019 pandemic, the market is expected to recover at a higher pace of 19% between Fiscal 2022 and Fiscal 2025. Gradual recovery had started from second quarter onwards. Expecting the impact of the festive season to weigh in their favour, retailers are estimating to restore 75-80% of the sales of the third quarter of the previous year.

While the CAGR of total apparel market between Fiscal 2020 and Fiscal 2025 is expected to be ~5.5%, the branded apparel and organised apparel retail are expected to grow at CAGR of ~10% and ~11.4% respectively during the same period. In other words, growth of both branded apparel share and organised apparel retail share in apparel category will outpace the overall category growth.

Share of Branded Apparel and Organised Apparel Retail as a %age of Apparel Market#



#Source: Secondary Research, Technopak Analysis; Note: Year indicates FY

Branded apparel signify registered trademarks that are regularly patronised by customers and that are sold through both organised retail and trade channels. Organised apparel retail signifies formal retail channels of Exclusive Brand Outlets (EBOs), Large Format Stores (LFSs), E-commerce etc. Apparel retailed through these organised retail point of sales is necessarily branded. Therefore, organised apparel share is less than the share of Branded apparel in total share.

E-tail in India has witnessed a rapid growth trajectory and is expected to reach 7.6% (US$ 80 billion) of total retail by Fiscal 2025 from its share of 4.3% in Fiscal 2020 (US$ 34 billion). In 2012, the e-tail pie was US$ ~0.6 billion and that was limited to key categories of electronics, books, stationery, and music which catered to nearly 50% of the pie. The share of E-tail in apparel & accessories in overall retail share was 5% in Fiscal 2017. It is estimated that in Fiscal 2020, E-tail's share in apparel & accessories was over 14% and the share is expected to reach ~18% by Fiscal 2025.

It is expected that this growth of E-tail in India shall mirror the growth witnessed in China owing to a) low penetration of organised retail and b) dominance of web-only E-tailers.

On private labels, there is a growing appetite for fast fashion in India. International brands like Zara and H&M offering fast fashion are forcing Indian brands to review their seasonal offering to India. While private labels of retailers and trade labels available through online platforms are able to align themselves to the changing customer expectation, established brands are grappling with this concern and finding it difficult to stay relevant.

OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward-Looking Statements**" on page 12 for a discussion of the risks and uncertainties in relation to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "**Risk Factors**" on page 15, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our financial year ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is derived from our Audited Consolidated Financial Statements and Unaudited Consolidated Condensed Interim Financial Statements included in this Letter of Offer. For further information, see "**Financial Statements**" on page 70. Our Audited Financial Statements for Fiscal 2020 is not directly comparable to our historical financial statements, including for Fiscal 2019. Further, financial information for the six months period ended September 30, 2020 and September 30, 2019 are not comparable to the financial information for Fiscals 2020 and 2019. For further details see "**Risk Factors**" on page15.*

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Shoppers Stop Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Shoppers Stop Limited on a consolidated basis.

Overview

We are one of India's prominent organised retailers and are part of the K. Raheja Corp group, which is a leading business group in India, operating in the real estate development, mall operations and hospitality sector.

One of our Promoter Group entities, Ivory Properties and Hotels Private Limited ("**IPHL**"), commenced its retail operations by setting up a department store in the year 1991 under the brand name 'Shopper's Stop' with its first store in Andheri, Mumbai. It started off with ready to wear men's wear and thereafter added women's wear in 1992 and children's section, cosmetics, perfumes and accessories in 1993. Our Company was incorporated on June 16, 1997. Subsequently, IPHL executed a conducting agreement dated March 31, 2000, giving us a right to participate in running the department stores. The brands, trademarks and goodwill of Shopper's Stop division of IPHL were also assigned vide deed of assignment dated March 31, 2000.

Evolution of our Business

We started our business operations with a single store in Andheri, Mumbai, and as on September 30, 2020 we have 85 Shoppers Stop stores (including 74 mall stores and 11 standalone stores), 11 'Home Stop' stores, 131 beauty stores, 27 airport doors and 33 'Crossword' stores. We believe our focus on customers supported by systems and processes and a committed work force are the key factors that have contributed to our success and growth.

We retail a range of branded and Private Label apparel, footwear, perfumes, cosmetics, jewellery, leather products and accessories, and home products through our nation-wide chain of department stores in India under the brand name 'Shoppers Stop'. We also provide one stop solution for all home needs through our 'Home Stop' stores. Over the years, in addition to 'Shoppers Stop' and 'Home Stop', we have also begun operating a number of speciality stores, for selling books (through 'Crossword' stores) and beauty products (through exclusive beauty retail stores selling beauty products from marquee beauty brands).

We are a strong player in the offline retail channel for beauty products. We have tie-ups with several leading international beauty brands for our offline beauty stores. We believe that the rising awareness of beauty products and personal grooming options, changes in consumption patterns, lifestyles and improved purchasing power are expected to boost the beauty industry.

As of September 30, 2020, we have 85 Shoppers Stop stores, 11 'Home Stop' stores, 33 'Crossword' stores, 27 airport doors and 131 exclusive stores for beauty brands from a marquee international group, occupying 4.5 million square feet of area. We have also launched 2 multi-brand luxury beauty stores called 'Arcelia'.

We operate and manage all our stores (except Crossword stores, which are operated on a franchisee model). We operate on a leasing model rather than on an ownership model. As of September 30, 2020, our stores are located in over 44 cities across India, ranging from metropolitan cities to Tier III cities. This diversified presence allows us to not only tap high-consumption and stable markets in larger cities, but value consumption markets in Tier II and Tier III cities.

With the opening of stores in Tier II and Tier III cities/towns, where the consumption for branded apparel is expected to witness more accentuated growth, we believe that we are able to achieve such wide and deep distribution due to our range of brands across price segments and diversified product portfolio.

Our access to a diverse consumer base, mitigates the risk arising from concentration of customers in a particular geographic region. We believe that this is a key competitive strength because at any particular time the consumption patterns in various regions of India may be differently affected, due to regional factors, such as demographics, discretionary spends, standard of living, new employment generation initiatives, political situation, regional festivities and at times adverse factors such as natural calamities. This geographic diversity also offsets, to some degree, the effects of regional festivities on our business and any sudden regional risks. A diverse consumer base also enables us to understand customer trends better and utilise that experience in designing apparel and accessories and introduce such products in other regions. Our presence across over 44 cities in India also acts as a catalyst for enhancement of our brand recall and equity. We operate distribution centres which form the backbone of our supply chain to support our department store(s) and speciality stores across the country. As of September 30, 2020, we have 4 distribution centres.

We believe technology is a powerful tool in operating our business and have accordingly invested in creating a strong information technology system, network and processes. We have upgraded our enterprise resource planning with 'SAP S4 Hana', which works as a backbone application for our Company. For our omni channel we have 'Hybris', and we are in the process of integration of 'Hybris' and 'SAP S4 Hana' to provide omni channel automation to both the back-end operations as well as the front-end operations. We have 'Oracle Xstore' software for our front-end operations and SAP at the back-end, we also have a fully integrated real-time platform available for managing the complexities of our business. Our stores are supported by both 'SAP S4 Hana' and 'X Store' for operational management systems specific to our business needs. These systems streamline many of our functions including procurement, sales, supply chain and inventory control processes to support our business. We have implemented an ancillary digital tool, 'Gravty', to empower our teams to manage the loyalty program with advanced analytics and customer insights and draw on customer data to digitise campaign creation and augment shopping experience. Due to the integration of 'SAP S4 Hana' and 'Gravty', we have one view of the customer. We are in the process of institutionalizing data-driven exercises in financial planning, real estate management, business planning and forecasting through these investments in digital and technology platforms. We are optimizing store operations and our fulfilment capabilities, while empowering associates with on-the-go solutions to serve customers better besides complying with the standards of security and governance.

We also provide omni-channel retailing for our customers through our shopping website "shoppersstop.com", mobile application (both iOS and Android) and also as a strategic seller on Amazon marketplace through our subsidiary, Shoppers' Stop.com (India) Ltd. Most of our stores are omni ready and support omni customer journeys like 'Endless Aisle' and 'Ship from Store'. We have recently started 'White Gloves' service to our customers, which is selling through video-calling to our customers, which enables online assistance through their shopping journey. Our omni-channel retailing contributed to more than 1.7% of our sales in Fiscal 2020 and 9.3% of our sales for six months period ended September 30, 2020.

As part of our marketing, we use Big Data Analytics to understand the customer persona and for creating better experiences for our customers both online and offline. Further, we analyse past purchase behaviors of our customers at brand – category level and price point behavior to launch personalised campaigns to best serve our customers. We have implemented a new loyalty solution by Gravty which enables us to have a single view of the customer online and offline for better engagement. Our marketing efforts are primarily towards improving the frequency of customer visit and increasing the value of transaction. We also run marketing campaigns to enroll new customers into our 'First Citizen' loyalty program and marketing campaigns focused on women.

Our loyalty program, called 'First Citizen', was introduced in 1994 and has 7.4 million members as on September 30, 2020. The 'First Citizen' loyalty programme accounted for approximately 82% of our sales for the six months period ended September 30, 2020. We offer our 'First Citizen' customers reward points on their purchases, special offers and discounts, and invitations to exclusive events and promotions.

Our Financial Performance

For Fiscal 2020, our revenue from contracts with customers on a consolidated basis was ₹ 3,463.88 crores and our consolidated loss for the year was ₹ 142.02 crores. While there was a growth momentum during the nine months period ended December 2019, backed by festive performance and network expansion, we started experiencing the impact of COVID-2019 by February 2020. In March, the COVID-2019 pandemic induced economic standstill had an adverse impact on our quarterly performance. For further details on risks in relation to the impact of COVID-2019 on our business, operations and financial condition, see "***Risk Factors - COVID-2019 has had, and is expected to continue to have, a significant impact on our financial condition, operations and value of our Equity Shares. The current, and uncertain future, impact of the COVID-2019 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows.***" on page 15 of the Letter of Offer.

Competitive Strengths

The following are our key strengths, which we believe, enable us to compete in our business:

Backed by Leading Indian Real Estate Developer

We are part of the K. Raheja Corp group which is a leading business group in India and we believe that we derive significant benefit from the confidence that consumers, lenders, commercial partners, vendors and others place in the group. The K. Raheja Corp group has extensive experience in developing large scale retail and commercial real estate projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and acquire preferred properties at competitive rates. We enjoy anchor tenant status in most of the malls that we are presently located in, due to our high brand awareness and trust, ability to draw a large number of customers and occupy a significant space in the mall. As anchor tenants, we occupy a prime location in the malls on competitive terms.

Experienced management team with a proven track record and a high degree of employee ownership

Our business is consumer driven. Our strong promoter background and an experienced senior management team have helped us to offer high standards of customer service and a pleasant shopping experience at our stores. Our Promoters, Mr. Ravi C Raheja and Mr. Neel C Raheja, have been instrumental in the growth of our retail business and actively advise on finance, corporate strategy and planning. Further, we have an experienced professional management team supported by Mr. B S Nagesh, our Non-Executive Chairman, who has been involved with our Company since its inception. Mr. Venugopal G. Nair, our Managing Director and CEO, joined our Company with effect from November 06, 2020 and has diverse experience in Retail & Apparel industry. Further, our CFO, Mr. Karunakaran M, has over 30 years of experience in roles of finance and management. Our Key Managerial Personnel and senior management include qualified professionals and industry experts, with significant experience across various industries and functions including finance, legal, marketing, merchandising, human resources and logistics, operations. Our management team is complemented by a committed employee base that enable us to operate, synergise and integrate our front-end and back-end operations efficiently. We have been following transparent management policies and have implemented employee stock option schemes over the years. We believe in continuous development and have invested in our employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity. We believe that the strength of our management team and its understanding of the retail sector in India enables us to continue to take advantage of current and future market opportunities.

Pan-India presence with strong distribution, logistics network and supply chain

We have a pan-India presence with stores in all the key metro cities and have now started expansion into emerging Tier II/III cities. As of September 30, 2020 we have 287 stores and 4 distribution centres spread across 44 cities in India. Fiscal 2020 has been the fastest year in terms of store openings with 34 stores being added to list of stores.

We have created a strong distribution and logistics network, with our four distribution centers covering approximately 520,000 square feet handling over approximately 500,000 stock keeping units per year. The distribution and logistics setup are networked and online, enabling us to deliver merchandise to stores within 48 hours of receipt or generation of auto replenishment order, which has helped us optimise in store availability of merchandise. The distribution centre management is outsourced to logistics service providers. We believe our existing distribution centers, which have been designed to scale up, will be able to meet our growth requirements as we expand the number of our stores. We have undertaken various initiatives for further improving the efficiencies of our supply chain, which we believe is critical for any retailer. These aim at meeting the conflicting requirements of reducing our inventory whilst ensuring availability of products at all stores as per customer needs, as well as reducing our operational costs.

Vast range of lifestyle products and services

Our product portfolio caters to the evolving fashion trends and covers a wide range of customer preferences. Designed to meet the requirements of every customer segment, a variety of products encompassing Private Labels, national and international brands, exclusive tie-ups and niche categories, together with a 'Shoppers Stop' brand recall, attracts and retains customers. Our merchandise ranges across fashion apparel, fashion accessories like watches, sunglasses, footwear, luggage; beauty products like perfumes, cosmetics, bath & body, skin care and home and kitchen products.

Further our Company aims to provide a differentiated and unique offering to the customer through its own Private Labels as well as through exclusive private brands under one roof. As a part of its strategy to provide a wide range of merchandise to customers, our Company aims to fill in the gaps in the national brand offering through its Private Labels and exclusive arrangements with private and international brands. Some of our Private Labels include 'STOP', 'Life', 'Kashish', 'Haute Curry' and 'Fratini'. To support Private Label growth, we are also operating a design studio with a sampling unit.

Internationally benchmarked shopping environment

We believe our focus on providing our customer a globally benchmarked shopping environment with superior service has been instrumental in our success. We engage international designers to design our stores, sourcing the fixtures in domestic as well as international markets. We periodically provide training and exposure to our managers, members and senior management through 'IGDS', the largest international association for department stores to be able to capture and implement best practices in our operations. We believe this has helped us create a niche in the customers' mind, and enhance our brand equity. It is because of this service and ambience that we offer, that we have been able to create a differentiation in the mind of the customer versus our competitors where similar products and brands are available.

Our Strategy

Focus on our 'First Citizen' loyalty programme to drive growth, increase footfalls and grow market share

As of September 30, 2020, we have approximately 7.4 million members in our loyalty programme 'First Citizen'. The First Citizen members represent premium buying power and are one of the main strengths of our business. The loyalty programme gives us a rich repository of data-driven insights that enables, informed decision making, analytics-backed targeted promotions and personalised recommendations to repeat customers**.** The First Citizen programme contributed to more than 81.5% of our sales in Fiscal 2020 and 82.0% of our sales in the six months period ended September 30, 2020, and is at the heart of our customer relationships with a visible ticket value that is much more than that of a non-member. Further under the loyalty programme we also have a brand-based points programme which is a first-of-its-kind initiative that is mapped to specific brands. We have also partnered with a private sector bank, to offer co-branded credit cards, wherein members can explore a variety of exclusive rewards and benefits. We intend to focus more on our 'First Citizen' loyalty programme and the rich database it offers on customer shopping behaviour, habits and preferences to influence production, promotion and campaign design and planning, and thereby to drive footfalls, growth and market share.

Deepen customer reach and enhance customer shopping experience through Personal Shopper

'Personal Shoppers' are trained advisors with expertise in latest fashion trends, understanding of the store and brands, ability to assess customers' needs and assist them in arriving at a shopping decision. Our Personal Shoppers have undergone training that inculcates in them an awareness of latest fashion trends and skills for effective interpersonal communication. The Personal Shopper service is a complimentary service available across all our stores. Each Personal Shopper uses a mobile app that is tailored to their customers' profiles, with a complete purchase history of repeat customers.

Our stores have designated Personal Shopper lounges where customers are consulted and assisted. Personal Shopper appointments can be availed through our mobile application or via a designated hotline number.

The 'White Glove' service is a unique and award-winning Personal Shopper service which is now available through WhatsApp, by way of virtual shopping assistance. Customers can book an appointment and consult a

Personal Shopper on a WhatsApp call and choose products from the store or catalogue. They can also buy products through a safe and secure SMS link and have them collected at the store or delivered to their home. Personal Shoppers contribute to approximately 15.6% of our sales and generate two and half times the average ticket value. We intend to focus more on enhancing our customer shopping experience and deepen our customer reach through Personal Shopper.

Introducing new and developing existing Private Labels

We continuously focus on enhancing the depth and width of our merchandise. Our Private Label initiative is part of such focus and offers us a differentiating factor as compared to competition at the same time helping us enhance margins and drive exclusivity. We believe that introducing new and developing existing Private Labels will offer us many benefits including ability to offer better pricing and value to our customers, drive higher margins owing to low advertising and promotional costs, offer new merchandising options, thus creating a differentiation in the market and also drive customer loyalty, better control over processes as there will be complete control over important functions such as design, pricing, merchandising, stocking and distribution and higher bargaining power with suppliers. As of September 30, 2020, 'STOP', 'Life', 'Kashish', 'Haute Curry' and 'Fratini' are our Private Labels. Private Labels contributed to more than 11.7% of our sales in Fiscal 2020 and 14.4% of our sales for six months period ended September 30, 2020.

STOP is the store brand from Shoppers Stop that caters to everyday clothing and lifestyle needs of consumers.

Life is a brand of denim and casual wear from Shoppers Stop.

Haute Curry is a fusion of Indian and global design influences that reflects the lifestyle of a contemporary consumer.

Fratini is a store brand of Shoppers Stop aimed at urban professionals.

Kashish is an Indian occasion wear brand with a modern ethnic style. The brand exists to give an edge to our consumer through contemporary interpretations of ethnic ensembles.

We intend to continue developing our product assortments and collection of Private Labels to cater to young families, professionals and millennials. Our focus will be on developing top end products distinct by both style and design, improving fabrics, collections and designs for existing Private Labels and introducing more reputed brands. We have made investments to re-establish and build our Private label business including by establishing in house sampling unit, design studio and testing lab in Fiscal 2019. We have also significantly improved quality of associates for Private Labels by hiring fashion consultants and creating a 'Bronze', 'Silver', 'Gold' structure to provide a clear career path and to reduce attrition.

Further strengthen our position in beauty products segment and focus on developing Private Labels in the beauty segment

We have a strong omni-channel presence in the offline retail channel for beauty products. We operate exclusive stores for certain renowned beauty brands and have launched a luxury retail beauty store called Arcelia. Beauty products are amongst our strongest product categories, with a large in-store presence in India. We occupy prime retail real estate in key shopping malls, both through our department stores and standalone bridge-to-luxury formats. As of September 30, 2020, we retail leading national and international beauty brands from 131 Beauty Doors, and beauty products category contributes to 15.7% of our sales in Fiscal 2020 and 14.7% of our sales for the six months period ended September 30, 2020. We also intend to launch Private Label in beauty category to further strengthen our position in beauty products segment and leverage higher margins.

Digital transformation and establishing as a leading player in the omni channel play

A combination of COVID-2019 and digital transformation has impacted the fashion retail industry. In order to keep pace with the change we have transformed our online business strategy to make it more engaging and created innovative solutions to assist customers with their shopping needs. Given the strength of our brands and the deep reach of our retail store network across the country, we believe this is a significant opportunity for us to establish ourselves as a leading player in the omni-channel play. As part of our digital transformation journey, we have moved on to a new enterprise solution – SAP, which has digitally revamped our popular loyalty program – First Citizen. The new program offers our customers the convenience of shopping across myriad platforms: in-store, online (website and mobile application) and through WhatsApp calling, connecting with the Personal Shopper program.

Digital store: Customers can shop from the comfort of their house via the website or from the mobile application and avail a host of home services including safe and quick home delivery and contactless billing. Our digital services like 'Endless Aisle', 'express store pick-up', and 'Ship From Store' on the website (www.shoppersstop.com) provides quick and helpful solutions to one's shopping desires. The online 'Chat-Now' feature also enables ease of access. Customers can browse through exclusive offers and bag some of the best deals available to them. Best deals on top categories, free shipping, and options like cash on delivery provide our customers with a hassle-free online experience to 'Shop Anytime Anywhere'.

Enhanced in-store offerings: A customer can enjoy the privileges of using the Personal Shoppers lounge in-store, while the Personal Shoppers assist them in choosing the right fit and size. Customers can also experience the comfort of queue-less billing at the lounge with a mobile point of sale. All of this while enjoying the perks and services of the lounge area.

Further strengthen our market position by expanding our store network predominantly in Tier II and Tier III cities

In Fiscal 2020, we entered new markets such as Varanasi, Guwahati, Bhubaneshwar, Calicut and Nashik. We also opened our new generation store at Gurgaon.

With over 25 years of experience and successful growth, we believe that we are well-positioned to take advantage of the growth potential and opportunities offered by Tier II/Tier III cities across India. Our total store count grew from 255 in Fiscal 2018 to 287 in Fiscal 2020 while our Retail Business Area grew from 4.3 million sq. ft. to 4.5 million sq. ft. over this period. Increasing our penetration in existing Tier II and Tier III cities with a greater number of stores will enable us to penetrate into new catchment areas within these cities and optimize our infrastructure. Enhancing our reach to cover additional cities will enable us to reach out to a larger population and become a preferred shopping destination for their lifestyle and fashion aspirations.

The key factor affecting the expansion of our stores is the selection of suitable locations. We will continue to adopt a methodical approach in evaluating and selecting suitable locations for the establishment of new stores, such as local population density, location, accessibility and proximity to our competitors. In order to optimise our profitability, maintain our operational flexibility and ensure that our stores continue to be located in densely populated neighbourhoods and residential locations, we intend to continue our flexible strategy of leasing our premises according to availability, location, cost and other considerations.

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Board of Directors

In accordance with Article 129 of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As of the date of this Letter of Offer, our Company has ten Directors, including one Executive Director, three Non-Executive Directors and six Independent Non-Executive Directors. Our Board is compliant with the requirements of the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of filing this Letter of Offer:

Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address of our Directors	Age (in years)	Other Directorships
Mr. B. S. Nagesh *Designation*: Chairman and Non-Executive Director *Date of Birth*: April 12, 1959 *Term*: Liable to retire by rotation *Period of Directorship*: Director since March 6, 2000 *Occupation:* Business *DIN:* 00027595 *Address:* B - 81/82, Park Plaza, New Yari Road, Opp. CIFE, Versova, Andheri (West), Mumbai 400 061, Maharashtra, India	61	*Indian Companies* • Crossword Bookstores Limited • Kaya Limited • Marico Limited • Trrain Circle Private Limited • Trrain Circle Technologies Private Limited • Trrain Foundation
Mr. Venugopal G. Nair *Designation*: Managing Director and Chief Executive Officer *Date of Birth*: October 10, 1967 *Term*: 3 years from November 6, 2020 *Period of Directorship*: Appointed with effect from November 6, 2020 *Occupation*: Service *DIN*: 00046163 *Address:* B1101 Rustomjee Oriana, Road No.7, Gandhi Nagar, Behind MIG Cricket Club, Kalanagar, Bandra (East), Mumbai 400051.	53	-
Mr. Ravi C. Raheja *Designation*: Non-Executive Director *Date of Birth*: September 23, 1971 *Term*: Liable to retire by rotation *Period of Directorship*: Director since incorporation *Occupation*: Business *DIN*: 00028044 *Address:* 4th Floor, Raheja house, Auxilium Convent Road, Near Rajendra Kumar Chowk, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India	49	*Indian Companies* • Chalet Hotels Limited • Genext Hardware & Parks Private Limited • Inorbit Malls (India) Private Limited • Intime Properties Limited • Ivory Properties and Hotels Private Limited • K Raheja Corp Private Limited • K. Raheja IT Park (Hyderabad) Limited • K. Raheja Private Limited • Sundew Properties Limited • Support Properties Private Limited • Trion Properties Private Limited • Whispering Heights Real Estate Private Limited
Mr. Neel C. Raheja *Designation*: Non-Executive Director *Date of Birth*: June 27, 1974 *Term*: Liable to retire by rotation *Period of Directorship*: Director since incorporation *Occupation:* Business *DIN:* 00029010 *Address:* 4th Floor, Raheja house, Auxilium Convent Road, Near Rajendra Kumar Chowk, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India	46	*Indian Companies* • Chalet Hotels Limited • Eternus Real Estate Private Limited • Genext Hardware & Parks Private Limited • Inorbit Malls (India) Private Limited • Intime Properties Limited • Ivory Properties and Hotels Private Limited • K Raheja Corp Private Limited • K. Raheja IT Park (Hyderabad) Limited • K. Raheja Private Limited • Sundew Properties Limited • Trion Properties Private Limited *Foreign Companies* • Asia Pacific Real Estate Association Ltd

Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address of our Directors	Age (in years)	Other Directorships
Mr. Deepak Ghaisas *Designation*: Independent and Non-Executive Director *Date of Birth*: November 19, 1957 *Term*: Four years with effect from April 1, 2019 until March 31, 2023 *Period of Directorship*: Director since July 24, 2004 *Occupation:* Business *DIN:* 00001811 *Address:* B - 61/62, Swapnashilp Mahant Road, Vile Road (East), Mumbai 400 057, Maharashtra, India	62	*Indian Companies* • Bhogale Automotive Private Limited • Chitpavan Foundation • Citicorp Finance (India) Limited • Cogencis Information Services Limited • GCV Life Private Limited • Gencoval Strategic Services Private Limited • Hariom Infrafacilities Services Private Limited • Healthbridge Advisors Private Limited • Sarvatra Technologies Private Limited • Stemade Biotech Private Limited • USV Private Limited
Mr. Nirvik Singh *Designation*: Independent and Non-Executive Director *Date of Birth*: August 23, 1963 *Term*: Five years with effect from April 1, 2019 until March 31, 2024 *Period of Directorship*: Director since June 16, 2008 *Occupation:* Service *DIN:* 01570572 *Address:* Singh Wadi, Zirad Pada Mandwa Road, Alibaug, Raigarh 402 201, Maharashtra, India	57	*Indian Companies* • Raymond Apparel Limited *Foreign Companies* • Advertising Ventures Private Ltd, Mauritius • Beijing Grey ArtM Marketing Communications Co. Ltd. • Brand Communications (Shanghai) Ltd, Shanghai, China • Brand Communications International Ltd, Hong Kong • Campaigns & Grey, Philippines • Freeway Communications Limited • G2 Hong Kong Limited • Golden Fame International Holdings Ltd, Hong Kong • Grey Advertising Africa (Pty) Ltd • Grey Advertising Bangladesh Ltd, Bangladesh • Grey Advertising Hong Kong Limited • Grey Advertising Ltd., Asia Pacific • Grey China Marketing Communications Co., Ltd. (Beijing) • Grey DPI (Hong Kong) Limited, Hong Kong • Grey First Serve Advertising Pvt Ltd, Sri Lanka • Grey Global Group Vietnam Co., Ltd., Vietnam • Grey Healthcare Limited • Grey Interactive Limited • Grey International Ltd., Asia Pacific • Grey Public Relations Co. Ltd. • Grey Shopper DPI Guangzhou Co. Ltd. • Grey Worldwide Inc Japan • Grey Worldwide Korea Inc., Korea • Grey Worldwide S.E.A. Sdn Bhd., Malaysia • Grey Worldwide Sdn. Bhd., Malaysia • Market Data Solutions Global Consulting Sdn Bhd • PT Grey Worldwide Indonesia • PT Rama Perwira, Indonesia • Salesplus Sdn Bhd, Malaysia • Shanghai Grey ArtM Marketing Communications Co. Ltd. (Shanghai) • Vinyli inc • Volcano IMC (Pty) Ltd

Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address of our Directors	Age (in years)	Other Directorships
		• Whizzbangart Hong Kong Limited
Ms. Ameera Shah *Designation*: Independent and Non-Executive Director *Date of Birth*: September 24, 1979 *Term*: Five years with effect from June 8, 2018 until June 7, 2023 *Period of Directorship*: Director since June 8, 2018 *Occupation:* Business *DIN:* 00208095 *Address:* 71, Apurva Apartments 5, Nepean Sea Road, Mumbai 400 036, Maharashtra, India	41	*Indian Companies* • Bokil Golwilkar Metropolis Healthcare Private Limited • Desai Metropolis Health Services Private Limited • Kaya Limited • Metropolis Healthcare Limited • Metropolis Histoxpert Digital Services Private Limited • Micron Metropolis Healthcare Private Limited • R.V. Metropolis Diagnostic & Health Care Center Private Limited • Sudharma Metropolis Health Services Private Limited • Torrent Pharmaceuticals Limited *Foreign Companies* • Metropolis Bramser Lab Services (Mtius) Ltd • Metropolis Healthcare (Mauritius) Limited • Metropolis Healthcare (Zambia) Limited • Metropolis Healthcare Ghana Ltd • Metropolis Healthcare Lanka (Pvt) Limited • Metropolis Healthcare Uganda Limited • Metropolis Star Lab Kenya Limited • Star Metropolis Health Middle East LLC
Mr. Manish Chokhani *Designation*: Independent and Non-Executive Director *Date of Birth*: October 14, 1966 *Term*: Five years with effect from July 31, 2019 until July 30, 2024 *Period of Directorship*: Director since July 31, 2014 *Occupation:* Business *DIN:* 00204011 *Address:* 161, Silver Arch, 66, L. Jagmohandas Marg, Near Petil Hall Compound, Nepean Sea Road, Malabar Hill, Mumbai 400 006, Maharashtra, India	54	*Indian Companies* • Auxilo Finserve Private Limited • Laxmi Organic Industries Limited • Parksons Packaging Limited • Quadrillion Capital Private Limited • Sears Securities and Investments Private Limited • Westlife Development Limited • Zee Entertainment Enterprises Limited *Foreign Companies* • Livinguard AG – Switzerland
Mr. Robert Bready *Designation*: Independent and Non-Executive Director *Date of Birth*: May 19, 1968 *Term*: Five years with effect from July 27, 2018 until July 26, 2023 *Period of Directorship*: Director since July 27, 2018 *Occupation:* Business *DIN:* 06842835 *Address:* 21-22, Vincent Terrace, London N18HN	52	-
Mr. William Kim *Designation*: Independent and Non-Executive Director *Date of Birth*: August 21, 1972 *Term*: Five years with effect from June 15, 2020 until June 14, 2025 *Period of Directorship*: Director since June 15, 2020 *Occupation:* Service *DIN:* 08750326 *Address:* #105-103, 7, Sanun-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea 13456	48	*Foreign Companies* • Lever Style

Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address of our Directors	Age (in years)	Other Directorships

Confirmations

1. None of our Directors is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.

2. None of our Directors is or was a director of any listed company which has been or was delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

Senior Management Personnel and Key Managerial Personnel

Name and Designation	Age (in years)	Date of joining the Company
Mr. Karunakaran M (SMP & KMP) *Designation*: Chief Financial Officer	54	June 8, 2018
Mr. Anil Arasavilli Shankar (SMP) *Designation:* Chief Technology Officer	48	May 24, 1999
Mr. Deepak Yadav (SMP) *Designation:* Chief Business Development Officer	41	September 12, 2008
Mr. Devadas Chittozhi (SMP) *Designation:* Chief Supply Chain Officer	56	June 16, 1997
Mr. Shilpee Sharma (SMP) *Designation:* Chief Creative Officer	51	June 15, 2018
Ms. Uma Talreja (SMP) *Designation:* Chief Marketing & Customer Officer	45	July 25, 2018
Mr. Neeraj Nagpal (SMP) *Designation:* Chief Buying & Merchandising Officer	46	January 21, 2019
Mr. Venkatesh Raja (SMP) *Designation:* Chief Human Resource Officer	51	October 31, 2019
Mr. Ajay Rajaram Chablani (SMP) *Designation:* President - Exclusive Brands	47	December 15, 2019
Mr. Bharat Sanghavi (KMP) *Designation:* Company Secretary and Compliance Officer	49	August 1, 2016

CURRENT ORGANISATIONAL STRUCTURE

Organisation structure: Board of Directors (BOD), Senior Management Personnel (SMP) & Key Managerial Personnel (KMP)

BODs

- Mr. Ravi C. Raheja (Promoter & Non-Executive Director)
- Mr. Neel C. Raheja (Promoter & Non-Executive Director)
- Mr. B S Nagesh (Chairman & Non-Executive Director)
- Mr. Deepak Ghaisas (Independent Director)
- Mr. William Kim (Independent Director)
- Mr. Manish Chokhani (Independent Director)
- Mr. Nirvik Singh (Independent Director)
- Mr. Venugopal G Nair (MD & CEO) (KMP)
- Mr. Robert Bready (Independent Director)
- Ms. Ameera Shah (Independent Director)

SMPs and KMPs

- Mr. Devadas C (Chief Supply Chain Officer)
- Mr. Deepak Yadav (Chief Business Development Officer)
- Mr. Karunakaran M (Chief Financial Officer)
- Mr. Shilpee Sharma (Chief Creative Officer)
- Mr. Anil Arasavilli Shankar (Chief Technology Officer)
- Mr. Ajay Chablani (President - Exclusive Brands)
- Mr. Venkatesh Raja (Chief Human Resource Officer)
- Mr. Bharat Sanghavi (Company Secretary)
- Ms. Uma Talreja (Chief Marketing & Customer Officer)
- Mr. Neeraj Nagpal (Chief Buying & Merchandising Officer)

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Independent Auditor's Report

To the Members of Shoppers Stop Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Shoppers Stop Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2020, their consolidated loss including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter - COVID

We draw attention to Note 13 to the consolidated Ind AS financial statements which describes management's assessment of the impact of the COVID 19 pandemic on the operations and financial results of the Company.

Emphasis of Matter – Litigation

We draw attention to Note 29 to the consolidated Ind AS financial statements which, describes the uncertainty related to the outcome of the appeal filed before the Supreme Court regarding non provision of retrospective levy of service tax for the period from June 1, 2007 to March 31, 2010 on renting of immovable properties given for commercial use, aggregating to ₹ 20.11 Crores.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Allowance for Inventory obsolescence and shrinkage (as described in note 2.5 of the standalone Ind AS financial statements)</td></tr>
<tr><td>As at March 31, 2020, the carrying amount of inventories amounted to ₹ 1,239.20 crores after considering allowance for Inventory obsolescence and shrinkage of ₹ 33.48 Crores. These inventories are held at the stores and distribution centres of the Company.

Allowance for Inventory obsolescence and shrinkage was an audit focus area since inventory cycle counts were carried out during the year at periodic intervals and further significant judgement is involved in identifying the amount of provision for shrinkages.</td><td>Our procedures over allowance for Inventory obsolescence and shrinkage included the following:
• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to allowance for inventory obsolescence and shrinkage;
• We performed testing on the Company's controls over the inventory cycle count process. In testing these controls, we observed the inventory cycle count process at selected store and distribution centers on a sample basis, inspected the results of the inventory cycle count and confirmed variances were accounted for and approved by management;
• We tested the accuracy of the aging report of inventories. On a sample basis we agreed the purchase date recorded in the inventory ageing report to the supplier invoice, obtained inventory provision calculation from the Company and re-performed the calculation of the inventory provision as per the policy of the Company;
• We assessed the Company's disclosures concerning this in Note 2A on significant accounting estimates and judgements and Note 9 Inventories to the financial statements.</td></tr>
<tr><td colspan="2">Revenue recognition – Point award (Loyalty) schemes (as described in the Accounting Policies in note 2.3 to the Financial Statements)</td></tr>
<tr><td>The Company's revenue recognition policy requires the management to make assumptions about expected redemption of Point award (Loyalty) schemes to the total issued points based on historical trends in determining the reported revenue for the period.

We focused on this area for the estimate involved in determining the provisioning and the amounts involved are material. (₹ 40.29 as at March 31, 2020).</td><td>Our audit procedures in respect of the Provision for liability on account of Point award (Loyalty) schemes accrued to customers included the following:
• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to provision for Point award (Loyalty) schemes accrued to the customers;
• For the key assumptions used in the Point award (Loyalty) schemes provisions, we reviewed the historic rates of redemption and compared these to the management's estimate;
• We assessed the methodology applied by comparing the outstanding points from the system generated reports and recomputed the liability as per historic rates and management estimate of redemption;
• We also assessed the Company's disclosures concerning this in Note 2A on significant accounting estimates and judgements and Note 19 Retail sale of Merchandise to the financial statements.</td></tr>
<tr><td colspan="2">Implementation of Ind-AS 116 - Leases (as described in note 2.7 of the standalone Ind AS financial statements)</td></tr>
<tr><td>On 30 March 2019, MCA notified Ind AS 116 Leases and it replaced Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company has applied the Modified retrospective approach-2A given to ongoing leases as of April 1, 2019.

The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 523.90 Crores (net of deferred tax amounting to 277.80 Crores) in retained earnings. As at March 31, 2020, the Company has ₹ 1,342.22 Crores of Right of Use assets and ₹ 2,089.38 Crores of Lease liabilities.

Application of Ind AS 116, requires significant judgement and estimate in determining the RoU assets and lease liabilities based on terms of the underlying lease agreements, hence we considered this as a key audit matter.</td><td>Our audit procedures in respect of implementation of Ind-AS 116 included the following:
• We assessed the Company's accounting policies with respect to recognition of leases and for assessing compliance with Ind AS 116;
• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases under Ind AS 116;
• We tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and recomputed on a sample basis calculation involved;
• We assessed the underlying assumptions and estimates including the appropriateness of the discount rates.
• We also assessed the Company's disclosures made in accordance with the requirements of Ind AS 116.</td></tr>
</table>

Information other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the corporate governance report and director's report but does not include the consolidated Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of ₹ 2.11 Crores as at March 31, 2020, and total revenues of ₹ * and net cash outflows/(inflows) of ₹ * for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

(*loss below ₹ 1 lakh)

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiaries, incorporated in India for the year ended March 31, 2020;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 29 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2020.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAACZ6312

Mumbai: June 15, 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Shoppers Stop Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Shoppers Stop Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAACZ6312

Mumbai: June 15, 2020

Consolidated Balance Sheet

as at 31st March, 2020

(All amounts in ₹ crores)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, Plant and Equipment	3	506.44	544.53
Capital work in progress	3B	10.19	30.56
Goodwill on consolidation	3	-	9.65
Other Intangible Assets	3	52.06	60.52
Intangible assets under development	3B	34.23	4.53
Right to use Assets	26	1,342.22	-
Financial Assets			
i) Investments	4	36.47	215.90
ii) Other Financial Assets	6	79.66	71.42
Deferred tax assets (net)	7	264.08	32.00
Other non-current assets	8	81.10	97.80
Total non-current assets		**2,406.45**	**1,066.91**
Current assets			
Inventories	9	1,239.20	1,071.93
Financial assets			
i) Investments	4	154.04	42.45
ii) Trade Receivables	5	34.07	47.24
iii) Cash and cash equivalents	10	4.03	17.14
iv) Bank balances other than (iii) above	11	0.32	0.31
v) Other financial assets	6	73.98	64.24
Other current assets	8	168.76	165.37
Total current assets		**1,674.40**	**1,408.68**
Total assets		**4,080.85**	**2,475.59**
Equity and Liabilities			
Equity			
Equity share capital	12	44.00	44.00
Other equity	13	22.64	870.70
Equity attributable to owners of the Company		**66.64**	**914.70**
Non-current liabilities			
Financial liabilities			
i) Borrowings	14	0.22	2.02
ii) Lease liability	26	2,077.17	-
iii) Other non-current financial liabilities	15	0.64	0.61
iv) Provisions	17	-	0.10
Total non-current liabilities		**2,078.03**	**2.73**
Current liabilities			
Financial liabilities			
i) Borrowings	14.3	155.26	30.23
ii) Lease liability	26	12.21	-
iii) Trade payables due to :	16		
(a) Total outstanding dues of micro enterprises and small Enterprises		3.59	5.91
(b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		1,518.28	1,271.19
iv) Other financial liabilities	15	70.64	80.37
Provisions	17	11.08	9.65
Other current liabilities	18	165.12	160.81
Total current liabilities		**1,936.18**	**1,558.16**
Total liabilities		**4,014.21**	**1,560.89**
Total equity and liabilities		**4,080.85**	**2,475.59**
The accompanying Notes 1 to 45 are an integral part of the financial statements			

In terms of our attached report of even date

For and on Behalf of the Board of Directors

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate &
Managing Director & Chief Executive Officer
(DIN: 08124971)

Vijay Maniar
Partner
Membership No. 36738

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 15 June 2020

Mumbai: 15 June 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March 2020

(All amounts in ₹ crores)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
A) Continuing operations			
Income			
Revenue from contracts with customers	19	3,463.88	3,577.93
Other income	20	34.23	18.65
Total Income		**3,498.11**	**3,596.58**
Expenses			
Purchase of stock-in-trade	21a	2,173.80	2,793.87
Changes in Inventories of stock-in-trade - (increase)	21b	(167.27)	(715.62)
Employee benefits expense	22	334.63	329.60
Finance costs	23	197.32	13.79
Depreciation and amortisation expenses	3A	450.38	140.60
Other expenses	24	571.24	924.43
Total expenses		**3,560.10**	**3,486.67**
Profit before exceptional items and tax		(61.99)	109.91
Exceptional Item	30	9.65	-
Profit before tax		**(71.64)**	**109.91**
Current tax	25	25.25	57.15
Deferred tax	7	45.14	(12.22)
Income tax expenses		**70.39**	**44.93**
Profit for the year from continuing operations		**(142.03)**	**64.98**
B) Discontinued operations	34		
Profit / (Loss) from discontinued operations		0.01	(0.01)
Share of Profit / (Loss) in joint ventures		-	-
(Loss) for the year from discontinued operations		**0.01**	**(0.01)**
C) Profit / (Loss) for the year (A) + (B)		**(142.02)**	**64.97**
D) Other comprehensive income			
Items that will not be reclassified to profit or loss :			
i) Remeasurement of employee defined benefit obligation		(2.95)	(2.18)
Income tax relating to (i) above		0.73	0.68
ii) Changes in fair value of equity instruments		(174.85)	(46.52)
Income tax relating to (ii) above	25.1	-	-
Other comprehensive income / (Loss) for the year [D]		**(177.07)**	**(48.02)**
Total comprehensive Income / (Loss) for the year [C] + [D]		**(319.09)**	**16.95**
Profit / (loss) for the year attributable to:			
- Owners of the Company		(142.02)	64.97
- Non-controlling interests		-	-
Other comprehensive income for the year attributable to :			
- Owners of the Company		(177.07)	(48.02)
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to :			
- Owners of the Company		(319.09)	16.95
- Non-controlling interests		-	-
Earning per equity share (for continuing operations)	27		
Equity shares of face value ₹5/- each (2019 : ₹5/- each)			
Basic (₹)		(16.14)	7.38
Diluted (₹)		(16.14)	7.38
Earning per equity share (for discontinued operations)	27		
Equity shares of face value ₹5/- each (2019 : ₹5/- each)			
Basic (₹)		-	-
Diluted (₹)		-	-
Earning per equity share (for continuing and discontinuing operations)	27		
Equity shares of face value ₹5/- each (2019 : ₹5/- each)			
Basic (₹)		(16.14)	7.38
Diluted (₹)		(16.14)	7.38
The accompanying Notes 1 to 45 are an integral part of the financial statements			

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

For and on Behalf of the Board of Directors

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate &
Managing Director & Chief Executive Officer
(DIN: 08124971)

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 15 June 2020

Consolidated Statement of Cash Flows

for the year ended 31st March 2020

(All amounts in ₹ crores)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities		
Net profit (loss) before exceptional item and tax	(71.64)	109.91
Loss before tax from discontinued operations	0.01	(0.01)
Net profit (loss) after exceptional item and tax	**(71.63)**	**109.90**
Adjustments to reconcile profit before tax to net cashflow :		
Depreciation, Amortisation	450.38	140.60
Allowance for doubtful debts/advances	1.66	1.48
Impairment of investment in Crossword Bookstores Ltd.	9.65	-
Share based payment expenses	0.55	0.21
Interest and finance charges	197.32	13.79
Loss on disposal of property,plant and equipment	0.55	0.20
Loss on sale of investment	0.01	-
Refundable deposit considered in measurement of minimum lease payments	-	8.02
Profit from sale of mutual fund investments	(3.78)	(6.73)
Gain on account of remeasurement in lease term	(15.25)	-
Interest (time value) recognised on interest free lease deposit	(12.49)	(6.90)
Interest income	(0.03)	(3.66)
Operating Profit before working capital changes	**556.94**	**256.91**
Adjustments for :		
(Increase) / Decrease in inventories	(167.27)	(715.62)
Decrease in trade receivables	12.61	0.47
(Increase) in other financial assets and other non current assets	(11.95)	(1.71)
(Increase) / Decrease in Lease deposits-net	(33.77)	(14.83)
(Decrease) / Increase in Short term provisions	(1.53)	(0.74)
Increase in Trade payables,other financial liabilities and other current liabilities	263.50	734.11
Cash generated from operations	**618.53**	**258.59**
Income taxes paid (net of refunds)	(42.41)	(56.48)
Net cash from operating activities (A)	**576.12**	**202.11**
Cash flow from investing activities		
Purchase of property,plant and equipment	(181.90)	(113.68)
Proceeds from disposal of property,plant and equipment	0.95	0.39
Proceeds from sale of investment in Future Retail Ltd.	4.56	-
Purchases of investments in mutual funds	(1,366.57)	(1,119.91)
Proceeds from sale of investments in mutual funds	1,258.76	1,104.22
Interest received	0.03	3.66
Net cash used in investing activities (B)	**(284.17)**	**(125.32)**
Cash flows from financing activities		
Proceeds from Issue of share capital	-	0.01
Securities premium on issue of share capital	-	1.04
Dividend and dividend distribution tax	(7.96)	(7.96)
Repayment of actual lease rentals	(185.72)	-
Repayment of long-term borrowings	(42.21)	(42.76)
Finance costs paid	(197.32)	(13.75)
Net cash used in financing activities (C)	**(433.21)**	**(63.42)**
Net (Decrease) / Increase in cash and cash equivalents (A) + (B) + (C)	**(141.26)**	**13.37**
Cash and cash equivalents as at beginning of the year	(19.62)	(32.99)
Cash and cash equivalents as at the end of the year	(160.88)	(19.62)
	(141.26)	**13.37**

Consolidated Statement of Cash Flows (contd)

for the year ended 31st March 2020

(All amounts in ₹ crores)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note (i)		
Components of cash and cash equivalents		
Cash and Cash Equivalents as at 31 March 2020	4.03	17.14
Add : Bank Overdraft / Cash Credit	(164.91)	(36.76)
Cash and Cash Equivalent as reported above	**(160.88)**	**(19.62)**
Note (ii)		
Reconciliation between the opening and closing balances for liabilities arising from financing activities		
Particulars		
March 31, 2018 including current maturity of long term borrowings	Long-term borrowings	Short-term borrowings
Cash flow	87.00	-
Non- Cash Changes	(42.76)	-
Foreign exchange movement	-	-
Classified as current maturity	42.21	-
Accrual for the period	-	-
March 31, 2019 including current maturity of long term borrowings	44.24	-
Cash flow	(42.21)	-
Non- Cash Changes		
Foreign exchange movement	-	-
Classified as current maturity	-	
Accrual for the period	-	-
March 31, 2020 including current maturity of long term borrowings	**2.03**	**-**
The accompanying Notes 1 to 45 are an integral part of the financial statements		

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

For and on Behalf of the Board of Directors

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate &
Managing Director & Chief Executive Officer
(DIN: 08124971)

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 15 June 2020

Statement of Changes in Equity

for the year ended 31st March 2020

a. Equity share capital

	No. of shares	(₹ in Crores)
Equity shares of ₹5/- each issued , subscribed and fully paid up		
Balance as on 31 March 2018	**87,960,689**	**43.99**
Issue of equity shares under employee share option plan (Refer note 36)	29,239	0.01
Balance as on 31 March 2019	**87,989,928**	**44.00**
Issue of equity shares under employee share option plan (Refer note 36)	-	-
Balance as on 31 March 2020	**87,989,928**	**44.00**

b. Other equity

(All amounts in ₹ Crores)

Particulars:	Securities Premium	General Reserve	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2018	**654.40**	**23.29**	**182.15**	**0.62**	**860.46**	**860.46**
Profit for the year	-	-	64.97	-	64.97	64.98
Other comprehensive Loss for the year,net of income tax	-	-	(48.02)	-	(48.02)	(48.02)
Total comprehensive income for the year	**-**	**-**	**16.95**	**-**	**16.95**	**16.95**
Recognition of share-based payments *	-	-	0.62	(0.62)	(0.00)	(0.00)
Arising on employee stock option scheme	-	-	-	0.21	0.21	0.21
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Received on issue of shares	1.04	-	-	-	1.04	1.04
Balance as on 31 March 2019	**655.44**	**23.29**	**191.76**	**0.21**	**870.70**	**870.70**
Loss for the year	-	-	(142.02)	-	(142.02)	(142.02)
Other comprehensive loss for the year,net of income tax	-	-	(177.07)	-	(177.07)	(177.07)
Total comprehensive income for the year	**-**	**-**	**(319.09)**	**-**	**(319.09)**	**(319.09)**
Recognition of share-based payments *	-	-	-	0.55	0.55	0.55
IND-AS 116 adjustments#			(521.56)		(521.56)	(521.56)
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
Payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Balance as on 31 March 2020	**655.44**	**23.29**	**(656.85)**	**0.76**	**22.64**	**22.64**

*after transfer to retained earnings for options lapsed/exercised

#IND-AS 116 transitional impact ₹ 523.09 crs (Refer note 26) and reversal of straightling rental provision of earlier year ₹ 1.53 crs (net of deferred tax)

The accounting notes 1 to 45 are an integral part of financial statements.

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

For and on Behalf of the Board of Directors

B.S. Nagesh
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Customer Care Associate &
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Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 15 June 2020

(All amounts in ₹ Crores)

1. **General Background**

The Company has five subsidiaries, which along with the Company constitute "the Group". They are primarily engaged in the following activities:

SN	Entity	Business activity
1	Shoppers Stop Limited	Retailing a variety of household and consumer products through departmental stores
2	Crossword Bookstores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees
3	Shoppers' Stop Services (India) Limited	Services
4	Upasna Trading Limited	Supervising distribution and logistics operations
5	Shoppers' Stop.com (India) Limited	Retailing a variety of consumer products through online channel
6	Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations)

The financial statements were approved for issue by the Board of Directors on 15 June, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation and presentation.

2.1.1. **Statement of Compliance with Indian Accounting Standards (Ind ASs):** The consolidated financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 "the Act".

The financial statements are presented in Indian Rupees (₹) and all values are rounded off to the nearest crores, except where otherwise indicated.

2.1.2. These financial statements have been prepared on historical cost basis, except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (regardless of whether that price is directly observable or estimated using another valuation technique). In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability, at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

2.2 Consolidation of financial statements

The consolidated financial statements of the Group incorporate the assets, liabilities, equity, income, expenses and cash flows of the Company and its subsidiaries and are presented as those of a single economic entity. The Company has control of the subsidiaries as it has the rights to variable returns from its involvement and has the ability to affect those returns through its power over the subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation procedures principally followed are: (a) Like items of assets, liabilities, equity, income, expenses and cash flows of the Company and those of its subsidiaries are combined; (b) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated; (c) intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between entities of the Group are eliminated in full.

Goodwill is recognised when a change in the Group's ownership interest, (or otherwise), results in the Group acquiring control over a Company.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners)

Goodwill arising on consolidation is tested for impairment at each reporting date. If the recoverable amount of cash generating unit to which the goodwill is attributed is less than the carrying amount of the unit, an impairment loss is recognised, first to reduce the carrying amount of goodwill (and thereafter to the balance assets of the unit, pro rata to their carrying amounts).

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners and to the non-controlling interests, (even if this results in the non-controlling interests having a deficit balance).

2.3 Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.4 Revenue from contract with customer

2.4.1 In Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements except for the agency services because it typically controls the goods before transferring them to the customer and sales under sale or return basis arrangements wherein the company has during this financial year adopted modified retrospective approach in line with Ind As 115, Revenue from Contracts with customers, mandatory for reporting periods beginning on or after 1st April, 2018.

2.4.2 Retail sale of Merchandise: Revenue from Retail sales is measured at the fair value of the consideration received. Revenue is reduced for discounts and rebates, and, value added tax, sales tax and Goods and Service Tax (GST).

Retail sales are recognised on delivery of the merchandise to the customer, when the property in goods and control are transferred for a price and no effective ownership control is retained.

Where the Company is the principal in the transaction the Sales are recorded at their gross values. Where the Company is effectively the agent in the transaction, the difference between the revenue and the cost of the merchandise is disclosed as other operating income (Refer Note 19).

2.4.3 Point award schemes: The fair value of the consideration received or receivable on sale of goods that result in award credits for customers, under the Group's point award schemes, is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value from the standpoint of the holder and is recognised as revenue on redemption and/or expected redemption after breakage.

2.4.4 Gift vouchers: The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (other retail operating revenue) on expiry.

2.4.5 Other retail operating revenue: Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted / displayed. Facility management fees are recognised pro-rata over the period of the contract.

Income from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax.

2.4.6 Direct Marketing income: Such income is recognised on straight line basis over the validity of the cards.

(All amounts in ₹ Crores)

2.4.7 Franchisee income: Such income is recognized in accordance with the rates specified in the franchisee agreements and is based on the sales recorded by the franchisees for the year.

2.4.8 **Dividend and Interest income:** Dividend income from Investments is recognised when the right to receive the payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprise of all cost of purchase and other related costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Provision is made for obsolete/ slow moving inventories.

2.6 Property, plant and equipment and Intangible Assets

2.6.1 Property, plant and equipment and Intangible Assets are stated at cost less accumulated depreciation or amortisation and accumulated impairment losses. Cost comprises of all cost of purchase, construction and other related costs incurred in bringing the assets to their present location and condition.

2.6.2 Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Property, Plant and Equipment	Useful Life as Prescribed by Schedule II of the Companies Act, 2013 (In Years)	Estimated Useful Life (In Years)
Air conditioning and other equipments Plant & Machinery	15	5 to 17
Electrical Installations Components		Life as per below or lease term whichever is lower
Cabling		5-11
LED Bulbs & Non LED Fixtures		5-7
Electrical works		5-17
Firefighting systems/CCTV System		5-17
EAS Systems		5-17
Furniture, fixtures and other fittings	10	5-10
Computer Equipment (other than desktops and laptops)	6	5-6
Desktops and laptops	3	3
Leasehold Improvements components		Life as per below or lease term whichever is lower
Partition Works		5-10
Flooring & Cladding		5-11
False Ceiling		5-11
Fit out works		5-12
Civil & Painting Works		5-10
Other Components		5-10
Office Equipment	5	2-6
Vehicles	8	8
Intangible assets:		
Computer Software		6
Trademark and Patents	10	10

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Effective 1 Jan 2020, the Company has reviewed the estimated economic useful lives of all components within the broad category of Leasehold improvements as specified in the above table (2019 : 2019 : 5 to 17 years or lease term whichever is lower and Electrical Equipments in the above table (2019 : 5 to 17 years or lease term whichever is lower) of its property, plant and equipment, based on the combination of evaluation conducted by an independent consultants and management estimate (Refer Note 3)

2.6.3 Impairment losses

At the end of each reporting period, the Group reviews the carrying amounts of its property plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, (i.e. higher of fair value less costs of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.6.4 Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.7 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

The Company assesses at contract inception whether a contract is or contains a lease. That is, of the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is the lessee:

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right of use assets :

The Company recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right of use assets are also subject to impairment.

Lease liabilities :

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value are recognised as expense on a straight-line basis over the lease term.

Where the Company is the Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms. Initial direct costs incurred in negotiating and arranging on operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.8 Financial Instruments

Classification:

The Group classifies its financial assets in the following measurement categories: -those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and - those measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement:

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss. Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/ expense. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit and loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. A gain or loss on a debt investment that is subsequently measured at fair value through Statement of Profit and Loss and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Group subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through the Statement of Profit and Loss are recognised in other income / other expenses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:
The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets:
A financial asset is derecognised only when -the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8.1 **Offsetting financial instruments:** Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Group or the counterparty.

2.8.2 Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities on initial recognition. After initial recognition, all financial liabilities (other than financial guarantee contracts and derivative instruments – see below) are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial liability as FVTPL.

2.8.3 Financial guarantee contracts: The Group on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in profit or loss.

2.8.4 Derivative instruments: The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. These contracts are initially recognised at fair value and subsequently, at the end of each reporting period, re-measured at their fair values on reporting date. The resulting gain or loss is recognised in profit or loss in the same line as the movement in the hedged exchange rate.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.1 Current tax

The tax currently payable is based on the taxable profit for the year for each entity in the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.

The Group elected to exercise the option permitted u/s.115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for Income tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised in the current financial year.

2.9.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.10 Employee benefits

2.10.1 Defined Contribution Plan: The Group makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and ESI, which are recognized in the statement of profit and loss on accrual basis. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

2.10.2 Retirement benefit costs and termination benefits: Payments to defined contribution plans are recognised as expense when employees have rendered service entitling them to the contributions.

The Group determines the present value of the defined benefit obligation and fair value of plan assets and recognizes the net liability or asset in the balance sheet. The net liability or asset represents the deficit or surplus in the Group's defined benefit plans. (The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans).

The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year.

Defined benefit costs are composed of:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The first two components are recognized in profit or loss. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet and a charge or credit, (as the case may be), is recognised in other comprehensive income. Re-measurement recognised in other comprehensive income is reflected in retained earnings. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit liability or asset recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.10.3 Short-term benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Other long-term benefits: Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.10.4 Share-based payment arrangements

Equity-settled share-based payments to employees of the Group are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 36. The fair value determined at the grant date of the equity-settled share-based payments to employees of the Group is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each year, the Group revisits

its estimate of the number of equity instruments expected to vest and recognizes any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 Foreign currency transactions

The Group's financial statements are presented in INR which is also its functional currency. Transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognized in the profit or loss.

2.12 Borrowing costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for their intended use or sale (qualifying assets), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of cash flow statement comprises cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less net of outstanding bank over drafts as they are considered an integral part of the Group's cash management.

2.15 Cash dividend and non-cash distribution to equity holders

The Group recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.16 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.A Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income Tax

As stated in Note 25, tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjudges taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

Share based payment

The Company has a share option scheme for certain employees of the Company and its subsidiaries. In accordance with the terms of the share option scheme, as approved by shareholders at a previous general meeting, employees with a pre-defined grade and having more than five years of service may be granted options to purchase equity shares. Each share option converts into one equity share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised with in four years from the date of grant, as per vesting schedule. The share options vests based on a pre-determined vesting schedule from the date of grant.

Equity settled transactions

The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

Effective 1 Jan 2020, the Company has reviewed the estimated economic useful lives of all components within the broad category of Leasehold improvements and Electrical Equipments of its property, plant and equipment, based on the combination of evaluation conducted by an independent consultants and management estimate. The impact of the same on current financial year is disclosed in note 3(iv)

The company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a store (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in profit or loss.

Point award schemes

Customer award credits having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to fair value from the standpoint of the holder and revenue is deferred. The Group at the end of each reporting period estimates the number of points redeemed and that it expects will be further redeemed, based on empirical data of redemption / lapses, and revenue is accordingly recognised.

Service tax on renting of immovable properties given for commercial use

As stated in Note 29, the Group has challenged the retrospective levy of service tax on renting of immovable properties given for commercial use and pending the final disposal of the matter, which is presently before the Supreme Court, the Group continues not to provide for the retrospective levy.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

Employee Benefits

Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 31.

Impairment of Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

During the year, the group has impaired ₹ 9.65 crores which represent impairment of goodwill on Crossword Bookstores Limited, a wholly owned subsidiary.

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

Leases:

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases – Estimating the lease term

The Group adopted Ind AS 116 using the modified retrospective -2A method of adoption, with the date of initial application on 1 April 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. The comparative figures are not restated and the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Please refer Note 26 and Note 41 for detail disclosures on leases.

(All amounts in ₹ Crores)

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

3 Property, Plant and Equipment and Intangible Assets

(All amounts in ₹ crores)

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2018	233.06	232.02	226.28	14.78	56.03	0.22	762.39	1.34	104.96	9.65	115.95
Additions	18.26	16.31	18.62	2.04	11.57	0.57	67.37	0.05	15.86	-	15.91
Reclassification	1.35	0.06	(1.25)	0.49	(0.57)	-	0.08	(0.00)	(0.09)	-	(0.09)
Disposal	(2.68)	(9.90)	(4.79)	(0.05)	(3.14)	-	(20.56)	-	-	-	-
As at 31 March 2019	**249.99**	**238.49**	**238.86**	**17.26**	**63.89**	**0.79**	**809.28**	**1.39**	**120.73**	**9.65**	**131.77**
Additions (Refer note iii)	54.76	44.54	65.64	6.95	10.00	0.15	182.04	0.81	10.16	-	10.96
Disposal	(12.79)	(11.97)	(8.48)	(0.22)	(3.13)	(0.66)	(37.25)	-	-	(9.65)	(9.65)
As at 31 March 2020	**291.96**	**271.06**	**296.02**	**23.99**	**70.76**	**0.28**	**954.07**	**2.20**	**130.88**	**-**	**133.08**
Accumulated Depreciation											
As at 1 April 2018	(37.12)	(34.88)	(65.78)	(6.32)	(18.70)	0.21	(162.59)	(0.67)	(42.46)	-	(43.13)
Depreciation and amortisation expense for the year (Refer note ii)	(31.02)	(39.53)	(34.67)	(3.06)	(13.48)	(0.37)	(122.13)	(0.72)	(17.75)	-	(18.47)
Disposal	2.62	9.73	4.44	0.05	3.13	-	19.97	-	-	-	-
As at 31 March 2019	**(65.52)**	**(64.68)**	**(96.01)**	**(9.33)**	**(29.05)**	**(0.16)**	**(264.75)**	**(1.39)**	**(60.21)**	**-**	**(61.60)**
Depreciation and amortisation expense for the year (Refer note ii & iv)	(87.84)	(71.34)	(42.08)	(3.93)	(13.21)	(0.12)	(218.52)	(0.81)	(18.62)	-	(19.43)
Disposal	12.35	11.64	8.07	0.20	3.07	0.31	35.64	-	0.01	-	0.01
As at 31 March 2020	**(141.01)**	**(124.38)**	**(130.02)**	**(13.06)**	**(39.19)**	**0.03**	**(447.63)**	**(2.20)**	**(78.82)**	**-**	**(81.02)**
Net Book Value											
As at 31 March 2019	**184.47**	**173.81**	**142.85**	**7.93**	**34.84**	**0.63**	**544.53**	**-**	**60.52**	**9.65**	**70.17**
As at 31 March 2020	**150.95**	**146.68**	**166.00**	**10.93**	**31.57**	**0.31**	**506.44**	**-**	**52.06**	**-**	**52.06**

Note :

i) Movable assets have been pledged to secure borrowings of the Company (Refer note 14)

ii) Depreciation for the year includes accelerated amounts aggregating to ₹54.63 crores (2019: ₹35.59 crores) on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises

iii) During the year, the Company has capitalised the following expenses to cost of Property, plant and equipment.

	As at 31 March'2020	As at 31 March'2019
Employee Costs	10.57	5.94
Travelling	0.05	0.97
Consultancy	8.33	4.69
Miscellaneous expenditure	0.99	1.25
Total	**19.94**	**12.85**

iv) Effective 1 Jan 2020, the Company has reviewed the estimated economic useful life of all components within the broad category of Leasehold improvements and Electrical Equipments of its property,plant and equipments, based on the combination of evaluation conducted by an independent consultants and management estimate (Refer note 2.6)."

As a result, the depreciation charge for the current financial year is higher by ₹30.60 crores.

(All amounts in ₹ Crores)

		As at 31 March 2020	As at 31 March 2019
3A	**Depreciation and amortisation expenses**		
	Depreciation of tangible assets (Refer note 3)	218.52	122.13
	Amortisation of intangible assets (Refer note 3)	19.43	18.47
	Depreciation on right to use assets (Refer note 26)	212.43	-
		450.38	**140.60**

		As at 31 March 2020	As at 31 March 2019
3B	**Capital work in progress and Intangible assets under development**		
	Capital work in progress		
	Opening	30.56	15.34
	Additions	130.64	94.73
	Capitalisation	(151.01)	(79.51)
		10.19	**30.56**
	Intangible assets under development		
	Opening	4.53	2.81
	Additions	40.64	20.45
	Capitalisation	(10.94)	(18.73)
		34.23	**4.53**

		As at 31 March 2020	As at 31 March 2019
4	**Investments - Non current**		
A	**(Unquoted at cost unless otherwise stated)**		
	i) Other investments		
	(At fair value through Profit and Loss)		
	Stargaze Properties Private Limited	0.00	0.00
	1,000 (2019: 1,000) equity shares of ₹ 10/- each Fully paid		
	Retailers Association of India	0.00	0.00
	10,000 (2019:10,000) equity shares of ₹ 10/- each Fully paid		
	Aesthetic Realtors Private Limited		
	66 (2019 : 66) Equity Shares of ₹ 10/- each Fully Paid	0.00	0.00
	Increase/(decrease) due to change in the fair value of investments	(0.00)	(0.00)
		-	**-**
	Retailers Association's Skill Council of India	0.01	0.01
	500 (2019 : 500) equity shares of ₹ 100/- each Fully paid		
	Total (A)	**0.01**	**0.01**
B	**Quoted (fair value through Other Comprehensive Income)**		
	Investments in equity instruments		
	Future Retail Limited		
	46,30,115 (2019 : 47,56,823) equity shares of ₹2/- each Fully paid	248.64	255.44
	Less: Provision for diminution in the value of investment	(212.18)	(39.55)
	Total (B)	**36.46**	**215.89**
	Total (A) + (B)	**36.47**	**215.90**

(All amounts in ₹ Crores)

		As at 31 March 2020	As at 31 March 2019
4	**Investments - Current**		
	Investments in mutual funds		
	Unquoted (At fair value through Profit and Loss)		
	Aditya Birla Sun Life Mutual Fund	-	8.82
	85,980.263 units in Overnight fund - Regular Growth		
	Reliance Mutual Fund	-	7.83
	7,69,558.585 units in Overnight fund - Regular Growth		
	UTI Mutual Fund	-	7.80
	30,236.516 units in Overnight fund - Regular Growth		
	SBI Mutual Fund	43.02	8.75
	1,33,427.655 (2019 : 2,85,33.169) units in Overnight fund - Regular Growth		
	Axis Mutual Fund	34.00	-
	3,22,382.475 (2019 : Nil) units in Overnight fund - Regular Growth		
	Kotak Mutual Fund	34.01	-
	3,19,283.894 (2019 : Nil) units in Overnight fund - Regular Plan Growth		
	Total (A)	**111.03**	**33.20**
	Quoted (At fair value through Profit and Loss)		
	HDFC Mutual Fund	43.01	9.25
	1,45,541.385 (2019 : 3,29,05.349) units in Overnight fund - Regular Growth		
	Total (B)	**43.01**	**9.25**
	Total (A) + (B)	**154.04**	**42.45**
	Aggregate value of quoted investment	79.47	225.14
	Aggregate value of unquoted investment	111.04	33.21
	Aggregate amount of impairment in value of investments	0.00	0.00
	Aggregate amount of Increase/(decrease) due to change in the fair value of investments	-212.18	-39.55

		As at 31 March 2020	As at 31 March 2019
5	**Trade receivables - current**		
	(Unsecured)		
	Considered good	34.07	47.24
	Considered credit impaired	1.55	1.19
		35.62	48.43
	Impairment allowance (allowance for bad and doubtful debts) Considered credit impaired	1.55	1.19
		34.07	**47.24**

5.1 Trade receivables are carried at amortised cost.

5.2 These financial assets have been pledged to secure borrowings of the Company (Refer note 14)

5.3 No trade or other receivables are due from directors or other officer of the Company either severally or jointly with any other persons.

5.4 For terms and conditions relating to related party receivables, (Refer note 32)

5.5 Trade receivables are non interest bearing and are generally on terms of 30 to 120 days.

(All amounts in ₹ Crores)

		As at 31 March 2020	As at 31 March 2019
6	**Other financial assets**		
	(unsecured)		
	Non-current		
	Premises and other deposits		
	- Considered good	79.66	71.30
	- Considered credit impaired	5.27	4.17
		84.93	**75.47**
	Less: Impairment allowance (allowance for bad and doubtful debts)		
	- Considered credit impaired	5.27	4.17
		79.66	**71.30**
	Loan to employees	-	0.12
		79.66	**71.42**
	Current		
	Advances to employees	0.95	0.81
	Premises and other deposits	70.94	62.05
	Other Receivables		
	- Considered good	2.09	1.38
	- Considered credit impaired	3.45	3.45
		5.54	**4.83**
	Less: Impairment allowance (allowance for bad and doubtful debts)		
	- Considered credit impaired	3.45	3.45
		2.09	**1.38**
		73.98	**64.24**

6.1 These are carried at amortised cost.

6.2 These financial assets have been pledged to secure borrowings of the Company (Refer note 14)

		As at 31 March 2020	As at 31 March 2019
7	**Deferred tax assets / Liabilities (net)**		
	Deferred tax assets	264.08	32.00
	Deferred tax liabilities	-	-
		264.08	**32.00**

		Balance Sheet		Statement of Profit and Loss	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
7.1	**Deferred tax (liabilities)/assets in relation to:**				
	Deferred tax Liabilities				
	Property, Plant and Equipment and Intangible Assets	-	-	-	(0.10)
	Deferred tax Assets				
	Property, Plant and Equipment and Intangible Assets	44.00	14.17	(29.83)	(14.17)
	Right to use assets*	203.63		74.17	
	Impairment allowance (allowance for bad and doubtful debts	7.79	4.42	(4.32)	(0.05)
	Provision for expenses	2.90	4.24	1.21	(0.51)
	Employee benefit expenses	3.02	4.04	1.52	(0.45)
	Deferred Revenue on point reward schemes	-	-		0.64
	Lease Deposits	1.54	2.14	0.60	(0.36)
	Changes in fair value of equity instruments	-	-		0.72
	Short Term Capital Loss	1.20	2.99	1.79	2.01
	Net deferred tax assets / (liabilities)	**264.08**	**32.00**	**45.14**	**(12.21)**

(All amounts in ₹ Crores)

		Balance Sheet		Statement of Profit and Loss	
		As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
*	Deferred tax assets (DTA) created on difference between ROU Assets & ROU liabilities as on 1 April 2019 (Refer note 26)	277.80	-	-	-
	Deferred tax reversal on reserves created on IND-AS 116 Transition (Refer note 25.2)	(77.45)	-	77.45	-
	DTA created on movement of ROU assets & ROU liabilities during the year	3.28		(3.28)	-
		203.63	**-**	**74.17**	**-**

	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2020	As at 31 March 2019	**As at 31 March 2020**	As at 31 March 2019
Deferred tax (liabilities) / assets in relation to certain subsidiaries :				
Property, Plant and Equipment and Intangible Assets	3.45	2.47	(0.98)	(1.23)
Right to use assets (IND-AS 116) - Reserve movements	2.07	-	-	-
IND-AS 116 adjustments	0.06	-	(0.06)	-
Unused tax losses	15.14	12.25	(2.90)	(8.66)
Employee benefit expenses & others	0.84	0.78	(0.06)	(0.24)
Deferred tax assets # #	**21.56**	**15.50**	**(4.00)**	**(10.13)**

In the absence of convincing evidence, the Company has not recognized deferred tax assets (DTA) on timing differences arising on the above mentioned items.

		As at 31 March 2020	As at 31 March 2019
8	**Other assets**		
	(Unsecured, considered good)		
	Non-current		
	Capital advances	17.10	8.79
	Service tax deposited under protest (Refer note 29(ii))	36.35	36.35
	Advance income tax (net of provision)	27.65	12.15
	Prepaid Expenses	-	40.51
	Loans and advances to related parties (Note 32)		
	- Considered good	-	-
	- Considered doubtful	22.01	22.01
		22.01	**22.01**
	Less : Allowance for doubtful loans and advances	22.01	22.01
		-	**-**
	Statutory recoverables		
	- Considered good		-
	- Considered doubtful	0.99	0.99
		0.99	**0.99**
	Less : Allowance for doubtful advances	0.99	0.99
		-	**-**
		81.10	**97.80**
	Current		
	Balance with government authorities	143.73	117.40
	Service deposited under protest (Refer Note 29(i))	3.45	3.45
	Advance for Goods & Services		
	- Considered good	19.08	29.71
	- Considered credit impaired	4.60	3.41
		23.68	**33.12**
	Less : Allowance for doubtful advances	4.60	3.41
		19.08	**29.71**

(All amounts in ₹ Crores)

	As at 31 March 2020	As at 31 March 2019
Prepaid Expenses	2.15	14.32
Other assets		
- Considered good	0.35	0.49
- Considered credit impaired	2.36	2.36
	2.71	**2.85**
Less : Allowance for doubtful assets	2.36	2.36
	0.35	0.49
	168.76	**165.37**

	As at 31 March 2020	As at 31 March 2019
9 Inventories		
(At lower of cost and Net realisable value)		
Stock-in-trade: Retail merchandise	1,239.20	1,071.93
	1,239.20	**1,071.93**

9.1 Inventories have been pledged as security for borrowings. (Refer note 14)

9.2 The mode of valuation of inventories has been stated in Note 2.5

	As at 31 March 2020	As at 31 March 2019
10 Cash and cash equivalents		
Balance with banks In		
- Current accounts	3.35	8.40
- Deposit accounts	0.07	0.12
Cash on hand	0.61	8.62
	4.03	**17.14**

10.1 These financial assets have been pledged to secure borrowings of the Company (Refer note 14)

10.2 Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

10.3 For the purpose of Statement of cash flow,Cash and cash equivalents comprise the followings :

	As at 31 March 2020	As at 31 March 2019
Balance with banks In		
- Current accounts	3.35	8.40
- Deposit accounts	0.07	0.12
Cash on hand	0.61	8.62
	4.03	**17.14**
Less : Bank overdraft / Cash credit (Refer note 14.3 and 15)	(164.91)	(36.76)
	(160.88)	**(19.62)**

	As at 31 March 2020	As at 31 March 2019
11 Other bank balances		
Margin money account (under lien against bank guarantee)	0.32	0.30
Earmarked accounts (for unpaid dividend)	0.00	0.01
	0.32	**0.31**

	As at 31 March 2020	As at 31 March 2019
12 Share capital		
12.1 Authorised		
200,000,000 equity shares of ₹ 5/- each	100.00	100.00
12.2 Issued, Subscribed and Fully paid up shares		
87,989,928 (2019 : 87,989,928) equity shares of ₹ 5/- each fully paid up	44.00	44.00
Share Application Money	-	
	44.00	**44.00**

12.3 Reconciliation of number of equity shares:

Particulars:	31 March 2020		31 March 2019	
	Numbers	**₹ Crores**	Numbers	₹ Crores
Balance at the beginning of the year	87,989,928	44.00	87,960,689	43.99
Issued during the year (Refer note 12.6)	-	-	29,239	0.01
Balance at the end of the year	**87,989,928**	**44.00**	**87,989,928**	**44.00**

12.4 Details of shareholders holding more than 5% shares as at 31 March:

Name of the Shareholder	31 March 2020		31 March 2019	
	Shares held (Nos)	**Shares held (%)**	Shares held (Nos)	Shares held (%)
Palm Shelter Estate Development LLP	8,471,534	9.63%	11,813,300	13.43%
Anbee Construction LLP	10,386,401	11.80%	10,386,401	11.80%
Cape Trading LLP	10,386,401	11.80%	10,386,401	11.80%
Aditya Birla Sun Life Trustee Private Limited	6,225,597	7.08%	5,789,554	6.58%
Raghukool Estate Development LLP	5,593,300	6.36%	5,593,300	6.36%
Capstan Trading LLP	7,032,417	7.99%	5,459,768	6.21%
Casa Maria Properties LLP	7,032,417	7.99%	5,253,300	5.97%
Reliance Capital Trustee Co.Ltd.	3,150,865	3.58%	4,754,987	5.40%

12.5 The Company has one class of equity shares having a par value of ₹ 5 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31 March 2020	As at 31 March 2019
13 Other equity		
Securities Premium	655.44	655.44
General Reserves	23.29	23.29
Retained earnings	(656.85)	191.76
Share options outstanding account	0.76	0.21
	22.64	**870.70**

For addition and deductions under each of the above heads, refer Statement of changes in equity

13.1 Securities premium

Securities premium account is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act 2013.

13.2 General reserve

The General Reserve is mainly created/built by the Company from time to time by transfering the profits from retained earnings. This reserve may be utilized mainly to declare dividend as permitted under the Companies Act 2013.

13.3 Share Options outstanding account

Share options outstanding account relates to share options granted by the Company to certain employees under share option plan. Further information about share based payments to employees is set out in Note 36.

	As at 31 March 2020	As at 31 March 2019
14 Borrowings		
Non-current		
Term loans (Secured) from banks	2.02	44.23
Less : Current maturities (Refer note 15)	1.80	42.21
	0.22	**2.02**

(All amounts in ₹ Crores)

14.1 Term loans are secured by a first pari passu charge on stocks, book debts, hypothecation charge on credit card/debit card receivables (Escrow account) and all the movable fixed assets of the Company, both present & future.

Term loans availed by Crossword Bookstores Ltd. amounting to ₹2.02 crores (2019: 2.02 crores) have corporate guarantees, joint and several, given by the Company.

Borrowings are carried at amortised cost.

			As at 31 March 2020	As at 31 March 2019
14.2 Terms of the Facilities :-				
Non Current Borrowings				
Name of the Bank	**Rate of Interest**	**Repayment Schedule**	**31 March 2020**	31 March 2019
IDBI Bank	Nil (2019 : 9.45%)	10 equal quarterly installments from 09 December 2017.	-	40.00
Kotak Mahindra Bank	Nil (2019 : 10.75%)	12 equally quarterly Installments from 01 August 2016 to 31 May 2019	-	0.41
Kotak Mahindra Bank	9.80% (2019: 10.33%)	Repayable in 12 Equated quarterly Installments from February 2018 to November 2020	0.75	1.75
Kotak Mahindra Bank	10.15% (2019: 10.50%)	Repayable in 36 Equated quarterly Installments from November 2018 to October 2021.	1.27	2.07
Total Non-current borrowings			**2.02**	**44.23**
Current maturities of long-term borrowings				
IDBI Bank	Nil (2019 : 9.45%)	10 equal quarterly installments from 9 December 2017.	-	40.00
Kotak Mahindra Bank	Nil (2019 : 10.75%)	12 equal quarterly Installments from 1 August 2016 to 31 May 2019	-	0.41
Kotak Mahindra Bank	9.80% (2019: 10.33%)	Repayable in 12 equal quarterly Installments from February, 2018 to November 2020	1.00	1.00
Kotak Mahindra Bank	10.15% (2019: 10.50%)	Repayable in 36 equal quarterly Installments from November 2018 to October 2021.	0.80	0.80
Total Current borrowings			**1.80**	**42.21**

	As at 31 March 2020	As at 31 March 2019
14.3 Current		
From banks		
- Secured	133.24	8.21
From Others		
- Unsecured	22.02	22.02
	155.26	**30.23**

14.4 Loan repayable on demand viz.Cash credit, Working capital loans and Other loans viz. short term loans, are secured by a first pari passu charge on credit card/debit card receivables (Escrow account), current assets and all movable fixed assets of the Company both present and future and an exclusive lien on lease deposits except ICICI Bank loan which is secured by first pari passu charge on the current assets and all the movable fixed assets of the Group both present and future excluding leasehold rights, lease deposits and shoppers stop brands. Loans amounting to ₹ 9.54 crores (2019 : 8.21 crores) are further secured by corporate guarantees, joint and several, given by the Group.

(All amounts in ₹ Crores)

14.5 Terms of the Facilities :-

Name of the Bank	Rate of Interest	Repayment Schedule	31 March 2020	31 March 2019
Secured :				
Axis Bank	8.70% (2019 : NIl)	On demand	14.65	-
ICICI Bank (Cash Credit)	9.50% (2019 : NIl)	On demand	13.79	-
Bank of India (Cash Credit)	9.40% (2019 : NIl)	On demand	4.85	-
Kotak Mahindra Bank Ltd. (Cash Credit)	8.75% (2019 : NIl)	On demand	32.00	-
Kotak Mahindra Bank Ltd. (Cash Credit)	10.30% (2019: 10.20%,)	On demand	9.54	8.21
HDFC Bank Ltd. (Cash Credit)	9.00% (2019 : NIl)	On demand	9.78	-
IDFC Bank	9.75% (2019 : NIl)	On demand	48.63	-
			133.24	**8.21**
Unsecured :				
From other parties				
Hypercity Retail (India) Limited	10.75 %(2019 : 10.75%)	On demand	22.02	22.02
			22.02	**22.02**

		As at 31 March 2020	As at 31 March 2019
15	**Other financial liabilities - Non current**		
	Security deposits	0.64	0.61
		0.64	**0.61**
	Other financial liabilities - current		
	Other financial liabilities measured at amortised cost		
	Current maturities of long term borrowings	1.80	42.21
	Accrued payroll	15.22	20.79
	Creditors for capital expenditure	39.51	9.88
	Overdrawn bank balances	9.65	6.53
	Security deposits	1.22	0.80
	Interest accrued and not due on borrowings	0.09	0.09
	Income received in advance	3.00	-
	Unpaid dividends	0.00	0.00
	Others	0.15	0.07
		70.64	**80.37**

		As at 31 March 2020	As at 31 March 2019
16	**Trade payables**		
	Retail Merchandise:		
	- Total outstanding dues of micro enterprises and small enterprises	3.59	5.91
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,518.28	1,271.19
		1,521.87	**1,277.10**

16.1 There are no Micro and Small Enterprises, to whom the Company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	3.59	5.91
The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-

(All amounts in ₹ Crores)

		As at 31 March 2020	As at 31 March 2019
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro and Small Enterprise Development Act, 2006.	-	-

		As at 31 March 2020	As at 31 March 2019
17	**Provisions**		
	Non- current		
	Provision for employee benefits:		
	Gratuity	-	0.10
		-	**0.10**
	Current		
	Provision for employee benefits:		
	Gratuity	4.53	2.77
	Leave Encashment	6.55	6.88
		11.08	**9.65**

		As at 31 March 2020	As at 31 March 2019
18	**Other current liabilities**		
	Statutory liabilities	60.56	76.34
	Payable to employees	0.32	-
	Advance from customers	0.80	0.98
	Award schemes and gift vouchers	97.18	82.55
	Others	6.26	0.94
		165.12	**160.81**

		For the year ended 31 March 2020	For the year ended 31 March 2019
19	**Revenue from contracts with customers**		
	Retail sale of merchandise	3,169.99	3,315.55
	Other Retail operating revenue		
	Net proceeds from SOR (Refer note 40)	180.88	151.20
	Net income from concessionaire & consignment model	60.27	48.50
	Facility management fees	22.16	26.38
	Income from store displays and sponsorship	3.12	5.62
	Gift Vouchers lapsed	14.13	18.53
	Direct marketing	11.62	10.14
	Income from franchisees	1.72	2.01
		293.89	**262.38**
		3,463.88	**3,577.93**
19.1	**Disaggregated revenue information**		
	Set out below is the disaggregation of the Group's revenue from contracts with customers:		
	Type of goods or service		
	Sale of goods	3,572.68	3,722.17
	Net proceeds from SOR	180.88	151.20
	Net income from concessionaire & consignment model	60.27	48.50
	Other operating income	52.74	62.68
	Tax	(402.69)	(406.62)
	Total Revenue from contracts with customers	**3,463.88**	**3,577.93**

(All amounts in ₹ Crores)

	For the year ended 31 March 2020	For the year ended 31 March 2019
India	3,463.88	3,577.93
Outside India	-	-
Timing of revenue recognition		
Goods transferred at a point in time	3,411.14	3,515.25
Services transferred over time (Other operating income)	52.74	62.68
Total Revenue from contracts with customers	**3,463.88**	**3,577.93**
19.2 Contract balances		
Trade receivables*	34.07	47.24
*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.		
19.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Particulars	31 March 2020	31 March 2019
Revenue as per contracted price	5,048.38	4,823.14
Adjustments		
Loyalty points	(49.44)	(42.08)
Sales return	(236.51)	(224.30)
Discount	(1,298.55)	(978.83)
Revenue from contract with customers	**3,463.88**	**3,577.93**

	For the year ended 31 March 2020	For the year ended 31 March 2019
20 Other Income		
Interest on financial assets :		
On lease deposits measured at amortised cost	12.46	6.90
Bank deposits	0.03	0.08
Profit on sale of mutual fund investments	3.78	6.73
On income tax refund	-	3.59
Miscellaneous income	17.48	1.33
Profit on sale of fixed assets	-	0.02
Remeasurement of Lease life	0.45	-
Provision no longer required written back	0.03	-
	34.23	**18.65**

	For the year ended 31 March 2020	For the year ended 31 March 2019
21a Purchase of stock in trade		
Apparels	1,322.77	1,711.94
Non-apparels	815.21	1,040.35
Books & others	36.02	41.58
(A)	**2,173.80**	**2,793.87**

(All amounts in ₹ Crores)

21b	**Changes in inventories of stock in trade**			
	Opening inventory			
	- Retail merchandise		1,071.93	356.31
			-	-
	Closing inventory			
	- Retail merchandise		1,239.20	1,071.93
			-	-
		(B)	**(167.27)**	**(715.62)**
21c	**Cost of inventories recognised as an expenses***	(A)+(B)	2,006.53	2,078.25
	*Includes write-downs/offs (net) of inventory to net realisable value on account of old season stock and shrinkages.		33.48	21.26

		For the year ended 31 March 2020	For the year ended 31 March 2019
22	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	303.55	300.34
	Contribution to provident and other funds (Refer note 31)	21.93	20.22
	Share-based payments cost * (Refer note 36)	0.55	0.21
	Staff welfare expenses	8.60	8.83
		334.63	**329.60**

* Measured at fair value

		For the year ended 31 March 2020	For the year ended 31 March 2019
23	**Finance costs**		
	Interest on borrowings	7.41	13.06
	Interest on ROU Liabilities	189.70	-
	Bank charges	0.21	0.73
		197.32	**13.79**

		For the year ended 31 March 2020	For the year ended 31 March 2019
24	**Other expenses**		
	Lease rent and hire Charges (Refer note 26.3)	65.99	404.51
	Business conducting fees (Refer note 26.3)	3.94	16.57
	Rates and taxes	5.92	6.70
	Repairs and maintenance		
	- Buildings	103.09	94.83
	- Plant and machinery	0.12	0.05
	- Others	11.31	9.65
	Legal and professional fees (Refer note 24.1)	23.72	9.16
	Housekeeping charges	19.57	19.18
	Security charges	27.76	29.57
	Computer expenses	42.48	38.18
	Conveyance and travelling expenses	14.69	24.97
	Electricity charges	98.93	96.98
	Advertisement and publicity	60.24	72.31
	Sales promotion	0.69	8.09
	Charges on credit card transactions	24.47	24.76
	Allowances for bad and doubtful financial assets*	1.66	1.48
	Loss on Sale of Fixed Assets (net)	0.55	0.22
	Foreign exchange loss (net)	(0.25)	(0.34)
	Corporate Social Responsibility Expenses (Refer note 24.2)	0.85	1.39
	Miscellaneous expenses	65.51	66.17
		571.24	**924.43**
	*excludes exceptional items		

(All amounts in ₹ Crores)

	For the year ended 31 March 2020	For the year ended 31 March 2019
24.1 Payments to Auditors (excluding GST / service tax) :		
i) Audit fees	0.66	0.67
ii) Other matters	0.11	0.04
iii) Out of pocket expenses	0.09	0.04
	0.86	**0.75**
In respect of subsidiary companies:		
Payments to Auditors (excluding GST / service tax) :		
i) Audit fees	0.07	0.08
ii) Other matters	0.11	0.04
iii) Out of pocket expenses	0.09	0.04
24.2 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act,2013 read with Schedule VIII thereof		
a) Gross amount required to be spent by the Company	1.68	1.39

b) Details of amount spent are as under :

	31 March 2020	31 March 2019
Livelihood creation for persons with disabilities (Employment linked training)	0.31	0.89
Disaster Relief Fund	-	0.10
Livelihood creation for young underprivileged women (Employment linked training)	0.13	0.10
Promote sustainable fashion through reuse, recycle and reduce	0.30	0.30
Ensuring environmental sustainability (Swachh Bharat)	-	-
Promoting healthcare, empowering women employment, enhancing vocation skill for women	0.11	
Total	**0.85**	**1.39**

c) Details of expenditure paid to related party in relation to CSR expenditure - Refer Note 32

	For the year ended 31 March 2020	For the year ended 31 March 2019
25 Income tax expense recognised in profit or loss		
Current income tax :		
Current income tax charge	25.25	58.79
Adjustments in respect of current income tax of previous year	-	(1.64)
Total	**25.25**	**57.15**
Deferred tax		
In respect of current year	36.19	(12.22)
Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (2019 : 34.944%)	8.95	-
	45.14	**(12.22)**
Income tax expense reported in the statement of profit and loss	**70.39**	**44.93**
OCI section - Deferred tax related to items recognised in OCI during in the year:		
i) Remeasurement of employee defined benefit obligation	(0.73)	(0.68)
ii) Changes in fair value of equity instruments (Refer note 25.1)	-	-
Income tax charged to OCI	**(0.73)**	**(0.68)**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:		
Accounting Profit before income tax (before exceptional item)	(71.63)	109.89
Income tax expense calculated at 25.17% (2019 : 34.608%)	(18.03)	38.40

(All amounts in ₹ Crores)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Effect of expenses that are not deductible in determining taxable profit		
Corporate social responsibility expenses	0.21	0.49
Interest disallowances u/s.14A	0.73	1.02
Donations / Rates and taxes	-	(0.24)
Adjustments in respect of current income tax of previous year		
Deferred tax written off on Service tax, FCC provisions and mark to market	-	1.24
Earlier year IT provision reversals	-	(0.76)
Deferred tax reversal on opening balance on account of change in income tax rate (Refer note 25.2)	8.95	-
Deferred tax reversal on reserves created on IND-AS 116 Transition	77.45	-
Others		
Effect of unused tax losses for the year not recognised as deferred tax assets	-	5.19
Others	1.07	(0.39)
Income tax expense recognised in profit or loss	**70.39**	**44.93**

25.1 In the absence of reasonable certainty, the Company has not recognized deferred tax assets (DTA) on mark to market loss on equity shares of Future Retail Ltd.

25.2 The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance,2019. Accordingly, the Company has recognised Provision for Income Tax and re-measured its Deferred tax assets basis the rate prescribed in the said section. The impact of this change has been recognised during the current financial year.

	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (2019 : 34.944%)	8.95	-
Deferred tax reversal on reserves created on IND-AS 116 Transition	77.45	-

26. The Group has lease contracts for offices, store premises and warehouses used in its operations which has lease terms between 3 and 24 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Group has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from 1 April 2019. This has resulted in recognizing a Right of Use assets of ₹1,163.31 crores and Lease Liability of ₹1,964.20 crores as on 1 April 2019 and difference between Right of Use Assets and Lease Liability amt.to ₹523.09 crores (net of deferred tax of ₹277.80 crores) has been adjusted in retained earnings.

26.1 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period :

(₹ in crores)

	Right to Use Assets	Total
As at 1 April 2019	1,220.07	1,220.07
Additions	348.53	348.53
Modifications	(13.95)	(13.95)
Depreciation Expenses	212.43	212.43
As at 31 March 2020	**1,342.22**	**1,342.22**

26.2 Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(₹ in crores)

	Lease liabilities	Total
As at 1 April 2019	1,964.19	1,964.19
Additions	326.98	189.68
Accretion of interest	189.68	189.68
Modification	(29.63)	(29.63)
Others	13.57	13.57
Repayments	(375.41)	(375.41)
As at 31 March 2020	**2,089.38**	**2,089.38**
Current	12.21	12.21
Non-current	2,077.17	2,077.17

The effective interest rate for lease liabilities is 8.50% as on 31 March 2020 (9.45% as on 1 April 2019)

26.3 The following are the amounts recognised in profit or loss:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation expense of right-of-use assets	212.43	-
Interest expense on lease liabilities	189.70	-
Expense relating to short-term leases (included in other expenses)	6.82	-
Expense relating to leases of low-value assets (included in other expenses)	0.10	-
Fixed Rentals	-	346.28
Variable lease payments (included in other expenses)	63.00	74.80
Total amount recognised in profit or loss	**472.05**	**421.08**

26.4 The following provides information on the Company's variable Lease payments including the magnitude in relation to fixed payments

	As at 31 March 2020	As at 31 March 2019
Fixed rent	125.31	129.77
Variable rent with minimum payment	269.93	243.80
Variable rent only	23.33	22.73

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

26.5 Set out below are the future minimum lease rentals payments in respect of lease for offices, store premises and warehouses are as follows :

	As at 31 March 2020	As at 31 March 2019
Within one year	434.06	394.14
After one year but not more than five years	1,466.81	1,575.64
More than five years	1,645.83	1,971.05
Grand Total	**3,546.70**	**3,940.83**

27 EARNING PER EQUITY SHARE

Calculated as follows:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by weighed average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations :

		As at 31 March 2020	As at 31 March 2019
(a)	Profit attributable to equity share holders from continuing operations (₹in Crores)	(142.03)	64.98
(b)	Loss attributable to equity share holders from discontinued operations (₹in Crores)	0.01	(0.01)
(c)	Profit / (Loss) attributable to equity share holders (₹in Crores)	(142.02)	64.97
(d)	Weighted Number of equity shares outstanding during the year	87,989,928	87,987,765
(e)	Weighted Number of equity shares outstanding during the year after adjustment for dilution	87,989,928	87,987,765
(f)	Nominal value per share (₹)	5.00	5.00
(g)	Earning per Share		
	Continuing operations		
	Basic (₹)	(16.14)	7.38
	Diluted (₹)	(16.14)	7.38
	Discontinued operations		
	Basic (₹)	-	-
	Diluted (₹)	-	-
	Continuing and Discontinued operations		
	Basic (₹)	(16.14)	7.38
	Diluted (₹)	(16.14)	7.38
	Weighted Average number of Equity shares for basic EPS	87,989,928	87,987,765
	Effect of dilution :		
	Share options		-
	Weighted average number of Equity shares adjusted for the effect of dilution	87,989,928*	87,987,765

*Note- Since average market price is less than exercise price and there is loss hence it becomes antidilutive.

	As at 31 March 2020	As at 31 March 2019
28 Contingent Liabilities and Commitments:		
i) Contingent liabilities		
a) Claims against the Company not acknowledged as debts comprise of :		
Income tax claims disputed by the Company relating to disallowances aggregating *	142.60	112.20
*2020 : The IT department has passed order directing the company to pay tax w.r.t.TDS for A.Y.13-14 ₹ 25.93 crores on account of non deduction on contract manufacturing goods. Further, the Company has also filed an appeals to higher authorities against disallowances of Section 14A and other matters notional interests amounting to ₹ 21.11 Crores with respect to Block assessment years AY 2013-14 to AY 2017-18 and AY 2018-19. The Company is confident of getting relief at higher authorities as these issues are squarely covered in favour of assessee's own case for earlier years however the Company has already created a provision of ₹ 14.06 Crs. Also, in case of AY 2013-14, AY 2014-15 and AY 2015-16, CIT(A) has already granted relief in relation to appeal filed for the same disallowances as per the original assessment order, of which the assessing officer has not taken cognizance of in the Block assessment orders.		

	As at 31 March 2020	As at 31 March 2019
*2019 : The survey action was carried out by income tax authorities w.r.t. TDS for AY 17-18, AY18-19 and AY 12-13 post which order was passed directing the company to pay tax of ₹ 44.08 crores for AY17-18 ₹ 42.13 crores for A.Y 18-19 and ₹ 23.41 crores for A.Y.12-13 on account of non deduction on contract manufacturing goods. The company has filed an appeal to higher authorities and deposited ₹ 10.00 Crores under protest. The company is confident of getting the same quashed hence no provision on the same has been made and disclosed under contingent liabilities as on 31 March 2019 and 31 March 2020.		
Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating		
- Service Tax other than on Rent (Refer note 29(i)	11.20	11.20
- Service Tax on Rent (Refer note 29 (ii))	20.11	20.11
- VAT	0.01	0.01
- Custom Duty*	0.47	0.47
*Aggrieved with the decision of custom department for demanding the payment of SAD refund of ₹ 41.60 Lacs the Company has filed an appeal before CESTAT. Further, the company has received demand order of ₹5.17 Lacs on account of misclassification of imported goods. Against the said order the Company has filed an appeal before CESTAT. Both these matters are pending with CESTAT.		
b) Others	0.25	0.25
c) Provident Fund		
2019 : There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February'2019. Pending clarity, the Company has made a provision on a prospective basis from 1st March 2019. Appropriate changes to provision would be made on receiving further clarity on the subject.		
d) Bank Guarantees	9.16	6.00
Note: Future cash outflows in respect of (a) (b), and (c) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.		
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for"	45.35	37.70
b) Corporate guarantee given to banks jointly and severally :		
- Shoppers Stop Limited has given the corporate guarantee for loans taken by Crossword Bookstores Ltd. ₹ 18.40 Crores (2019 : Crossword Bookstores Ltd. ₹ 23.40 Crores	18.40	23.40

29 Service Tax

i) The Service tax authority has raised demand through SCN amounting to ₹ 3.45 Crores (Basis Duty of ST) towards business support services (concessionaire business model) for the period from May'2006 to May'2007. The final liability after considering the penalty and interest amounting to ₹ 11.20 Crores (deposit paid under protest ₹ 3.45 Crores). The Company has filed an appeal and matter is still pending before Mumbai High Court.

ii) Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007, the Company has based on a legal advice, challenged the said levy and, inter-alia, its retrospective application. Pending the final disposal of the matter, which is presently before the Supreme Court, the Company continues not to provide for the retrospective levy aggregating to ₹ 20.11 Crores out of the total demand of ₹ 36.35 Crores for the period 1st June, 2007 to 31st March, 2010 which has paid under protest.

30 Exceptional Items :

The accumulated losses of Crossword Bookstores Limited, a wholly owned subsidiary company, amounting to ₹46.78 crores at 31 March, 2020 (31 March 2019 : ₹28.37 crores) have eroded its net worth. Crossword Bookstores Limited continues to take steps to revamp its operations, (such as store right sizing, brand positioning, closing of loss making stores, etc), the gestation period to achieve the turnaround may be longer owing to the present Covid situation. The Group has taken an impairment ₹ 9.65 crores represents impairment of goodwill on crossword investments.

(All amounts in ₹ Crores)

31 Employee Benefits

31.1 Defined contribution plans

The Group operates defined contribution retirement benefit plans for all qualifying employees of the Group. The assets of the plans are held separately from those of the Group in funds maintained with the government PF authorities. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. The Group's contribution to Provident Fund and Superannuation Fund aggregating ₹16.26 crores (2019 : ₹13.72 crores) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Information about the contributions to defined contribution plans for key managerial personnel is disclosed in note 32."

31.2 Defined benefit plan

The Group sponsors funded defined benefit plan for qualifying employees. The defined benefit plan is administered by a third-party insurer. This third-party insurer is responsible for the investment policy with regard to the assets of the plan.

Under the plan, the employees are entitled to a lump-sum amounting to 15 days' final basic salary for each year of completed service payable at the time of retirement/resignation provided the employee has completed 5 years of continuous service.

a) The plan exposes the company to actuarial risks such as: investment risk, interest rate risk, salary risk and longetivity risk.

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Longivity risk	The Group has used certain mortality and attrition assumptions in the valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

b) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	**As at 31 March 2020**	As at 31 March 2019
Discount rate	5.60%	6.85%-7.00%
Expected rate of salary increase	4% - 5%	3% - 5%
Average Longevity at retirement age for current beneficiaries of the plan (years)	Indian Assured Lives Mortality 2006-08	
Rate of employee turnover	35% - 35%	35% - 43%
Upto 5 Year	11% - 12%	12% - 12%

c) Amount recognised in statement of profit and loss in respect of these defined benefit plan

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	2.47	2.07
Net interest cost	0.20	0.13
Components of defined benefits costs recognised in profit or loss.	**2.67**	**2.20**
Remeasurements on the net defined benefit liability :		
- Return on plan assets, excluding amount included in interest expense/(income)	0.26	0.10
- Actuarial (gain)/loss from change in demographic assumptions	0.02	0.10
- Actuarial (gain)/loss from change in financial assumptions	1.53	0.82
- Actuarial (gain)/loss from change in experience adjustments	1.15	1.16
Total amount recognised in other comprehensive income	**2.95**	**2.17**
Total	**5.62**	**4.37**

(All amounts in ₹ Crores)

d) The amount included in the balance sheet arising from Group's obligation in respect of its benefit plan is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of funded defined benefit obligation	17.68	14.63
Fair value of plan assets	13.15	11.76
Net liability arising from defined benefit obligation	**4.53**	**2.87**

e) Movement in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	14.63	13.98
Current service cost	2.47	2.07
Interest cost	1.05	1.03
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	0.02	0.10
- Actuarial (gain)/loss from change in financial assumptions	1.53	0.82
- Actuarial (gain)/loss from change in experience adjustments	1.14	1.16
Movements on account of subsidiaries	-	-
Benefits paid	(3.14)	(4.53)
Closing defined benefit obligation	**17.68**	**14.63**

f) Movement in the fair value of the plan assets are as follows.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening fair value of plan assets	11.76	12.19
Interest income	0.82	0.90
Remeasurement (gains)/losses:	-	-
- Return on plan assets, excluding amount included in net interest expense	0.04	(0.10)
Contributions from the employer	3.67	3.30
Movements on account of subsidiaries	-	-
Benefits paid/transferred	(3.14)	(4.53)
Closing fair value of plan assets	**13.15**	**11.76**

g) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is as follows:

Particulars	31 March 2020	31 March 2019
Defined benefit obligation (base)	17.68	14.62

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +1%)	18.91	16.59	15.58	13.78
% change compared to base due to sensitivity	6.90%-7.30%	(6.20%)-(6.50%)	6.10%-6.50%	(5.50%)-(5.80%)
Salary growth rate (- / +1%)	16.57	18.91	13.75	15.59
% change compared to base due to sensitivity	(6.30%)-(6.50)%	7.00%-7.30%	(5.70%)-(6.00)%	6.20%-6.60%
Attrition rate (- / +50%)	18.12	17.19	14.24	14.55
% change compared to base due to sensitivity	2.30%-6.40%	(2.70%)-(480.00%)	(2.50%)-(6.00%)	(0.70%)-2.00%
Mortality rate (- / +10%)	17.68	17.68	14.62	14.63
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%

% in bracket indicates negative

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

There in no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note 31.2b above.

h) Asset liability matching strategies:

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)."

i) Effect of plan on entity's future cash flows

a) Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) The Group expects to contribute ₹7.24 crores to its gratuity plan for the next year.

c) Weighted average duration of the defined benefit obligation is ranging in between 4.21- 6 years (based on discounted cashflows)

	₹ in crores
Expected cash flows over the next (valued on undiscounted basis):	
1 year	2.63
2 to 5 years	8.06
6 to 10 years	7.02
More than 10 years	9.59

32 Related party disclosures

Names of related parties and description of relationship:

(a) Key Management Personnel	
Executive Director	Govind Shrikhande (upto June 30,2018)
	Rajiv Suri (w.e.f June 08, 2018)
Non Executive Directors	Chandru L.Raheja (upto June 08,2018)
	Ravi Raheja
	Neel Raheja
	B.S.Nagesh
	Nitin Sanghavi
	Deepak Ghaisas
	Nirvik Singh
	Ameera Shah (w.e.f.June 08,2018)
	Abanti Sankaranarayanan (upto June 08,2018)
	Gareth Thomas (upto October 26, 2017)
	Manish Chokhani
	Amisha Prabhu
	Robert Bready (w.e.f. July 27,2018)

(All amounts in ₹ Crores)

	Chief Executive Officer	Rajiv Suri (w.e.f January 09, 2018)
	Chief Financial Officer	Karunakaran M (w.e.f. June 08,2018)
		Sanjay Chakravarti (upto December 22, 2017)
	Deputy Chief Financial Officer	Vijay Jain (From April 27, 2018 to June 08, 2018)
	Company Secretary	
	Holding Company	Bharat Sanghavi
	Subsidiary Company	Valde Varghese (upto May 5 2019)
	(Crossword Bookstores Ltd)	Mukti Pandya (w.e.f. July 30,2019)
	Business Head	Maulik Desai (upto April 18, 2019)
	(Crossword Bookstores Ltd)	
	Chief Executive Officer	Chiragh Oberoi (w.e.f. September 23,2019)
	(Crossword Bookstores Ltd)	
(b)	**Promoter directors**	
		Chandru L.Raheja
		Ravi Raheja
		Neel Raheja
(c)	**Entities in which a director is a director**	
		Ivory Properties and Hotels Private Limited *
		Avacado Properties and Trading India Private Limited *
		Trion Properties Private Limited *
		Retailers Association of India
		K.Raheja Corp. Private Limited*
		Inorbit Malls (India) Private Limited*
		K.Raheja Private Limited*,
		Chalet Hotels Limited*
		Magna Warehousing & Distribution Private Limited*
		Juhu Beach Resorts Ltd.*,
		Genext Hardware and Parks Private Limited *
(d)	**Entities in which other directors are directors / trustees**	
		Sanghavi Associates Ltd.,
		Trust for Retailers & Retailers Associates of India
		Trrain Circle Private Limited
		Trrain Foundation,
		JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt Ltd *

Note 35 provides the information about the group's structure including the details of the subsidiaries. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Trading transactions				
Purchase of Property Options	**0.00**			**0.00**
Chalet Hotels Ltd *	0.00			
	-			-
Compensation to key management personnel				
Remuneration to managing director	-	-	-	-
(Mr.Govind Shrikhande was managing director upto 08 June 2018)				
Short term benefits	-	-	-	
Post employment benefits	-	-	-	
Share based payments			-	
			(5.06)	(5.06)

(All amounts in ₹ Crores)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Remuneration to managing director & chief executive officer	**-**	**-**	**6.96**	**6.96**
(Mr.Rajiv Suri, chief executive officer was appointed as managing director & chief executive officer w.e.f. 08 June 2018)				
Short term benefits	-	-	6.82	
Post employment benefits**	-	-	-	
Share based payments	-	-	0.14	
			(6.22)	(6.22)
Remuneration to company secretary	**-**	**-**	**0.54**	**0.54**
Short term benefits	-	-	0.54	
post employment benefits **	-	-	-	
Share based payments	-	-	-	
			(0.51)	(0.51)
Remuneration to chief financial officer	**-**	**-**	**1.59**	**1.59**
Short term benefits	-	-	1.54	
Post employment benefits**	-	-	-	
Share based payments	-	-	0.05	
			(1.03)	(1.03)
Remuneration to Deputy Chief Financial Officer	-	-	-	-
Short term benefits	-	-	-	
Post employment benefits	-	-	-	
Share based payments	-	-	-	
			(0.17)	**(0.17)**
Remuneration to company secretary of Subsidiary Co	-	-	0.11	0.11
Short term benefits	-	-	0.11	
Post employment benefits	-	-	-	
Share based payments	-	-	-	
			(0.17)	(0.17)
Maulik Desai	-	-	-	0.07
Short term benefits	-	-	0.07	
Post employment benefits	-	-	-	
Share based payments	-	-	-	
			(0.45)	(0.45)
Chiragh Oberoi	-	-	0.32	0.32
Short term benefits	-	-	0.32	
Post employment benefits	-	-	-	
Share based payments	-	-	-	
			-	-
Other related party transactions				
Payment of Business conducting fees	**4.31**	**-**	**-**	**16.95**
Ivory Properties and Hotels Private Limited *	4.31	-	-	
	(16.57)	-	-	(16.57)

(All amounts in ₹ Crores)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Payment of variable lease rent	**2.07**	**-**	**-**	**37.92**
	(38.69)	-	-	(38.69)
Ivory Properties and Hotels Private Limited *	0.92	-	-	
	(2.54)	-	-	
Inorbit Malls (India) Private Limited *	1.05	-	-	
	(24.67)	-	-	
Chalet Hotels Ltd *	-	-	-	
	(3.74)	-	-	
Trion Properties Private Limited *	0.11	-	-	
	(7.74)	-	-	
Repayment of lease liability (Principal) - IND-AS 116	**20.37**	**-**		
	-	**-**		
Ivory Properties and Hotels Private Limited *	**9.28**	**-**		
	-	**-**		
Inorbit Malls (India) Private Limited *	**10.12**	**-**		
	-	**-**		
Chalet Hotels Ltd *	**-**	**-**		
	-	**-**		
Trion Properties Private Limited *	**0.97**	**-**		
	-	**-**		
Repayment of finance charges - IND-AS 116	**28.13**	**-**		
	-	**-**		
Ivory Properties and Hotels Private Limited *	**3.36**	**-**		
	-	**-**		
Inorbit Malls (India) Private Limited *	**13.82**	**-**		
	-	**-**		
Chalet Hotels Ltd *	**3.92**	**-**		
	-	**-**		
Trion Properties Private Limited *	**7.03**	**-**		
	-	**-**		
Payment of common area maintenance (Repair & Maintenance-Building)	**11.12**			**11.12**
	(9.93)			(9.93)
Ivory Properties and Hotels Private Limited *	0.25			
	(0.16)			
Inorbit Malls (India) Private Limited *	7.06			
	(6.86)			
Chalet Hotels Ltd *	0.96			
	(0.37)			
Trion Properties Private Limited *	2.86			
	(2.52)			
Reimbursement of Expenses	**7.54**	**-**	**0.03**	**7.57**
	(5.24)	-	(0.02)	(5.26)
Inorbit Malls (India) Private Limited *	4.81			
	(3.64)			

(All amounts in ₹ Crores)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Trion Properties Private Limited *	1.46			
	(1.21)			
Chalet Hotels Ltd*	1.22			
	(0.19)			
Juhu Beach Resorts Limited *	-			
	(0.11)			
Retailers Association of India	-			
	(0.04)			
Trrain Foundation	-			
	(0.04)			
Trrain Circle Pvt Ltd	0.04			
	-			
K.Raheja Corp.Pvt.Ltd.*	0.01			
	-			
B.S.Nagesh	-		0.03	
			(0.02)	
Deposits Paid	**0.18**	**-**	**-**	**0.18**
	(0.24)			(0.24)
Inorbit Malls (India) Private Limited *	0.18			
	-			
Trion Properties Private Limited *	-			
	(0.01)			
Genext Hardware and Parks Private Limited *	-			
	-			
Chalet Hotels Ltd*	-			
	(0.23)			
Advance Rent	**0.24**	**-**	**-**	**0.24**
	-	-	-	-
Inorbit Malls (India) Private Limited *	0.24			
	-			
Expenses paid	**0.74**	**-**	**-**	**0.74**
	(2.22)	-	-	(2.22)
Miscellaneous expenses				
Chalet Hotels Ltd*	0.03			
	(0.06)			
Inorbit Malls (India) Private Limited *	-			
	(0.06)			
Juhu Beach Resorts Ltd.*	0.34			
	(0.02)			
Retailers Association of India	0.03			
	(0.02)			
Trrain Circle Pvt Ltd *	-			
	-			
Legal and professional fees				
Chalet Hotels Ltd*	-			
	(0.00)			

(All amounts in ₹ Crores)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Retailers Association of India	0.02			
	(0.05)			
JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt ltd *	0.00			
	-			
Advertisement and publicity				
Inorbit Malls (India) Private Limited *	-			
	(0.73)			
Trion Properties Private Limited *	-			
	(0.23)			
Salaries & Wages (Recruitment expenses)				
Juhu Beach Resorts Ltd.*	0.02			
	(0.05)			
Corporate Social Responsibility expenses				
CSR- Trust for Retailers & Retail Association of India	0.31			
	(0.99)			
Commission and Sitting fees to non executive Directors			**0.81**	**0.81**
Chandru L.Raheja (upto June 8,2018)			-	
Ravi Raheja			0.10	
Neel Raheja			0.08	
B.S.Nagesh			0.07	
Nitin Sanghavi			0.11	
Deepak Ghaisas			0.12	
Nirvik Singh			0.12	
Manish Chokhani			0.07	
Ameera Shah (appointed w.e.f. June 08,2018)			0.08	
Robert Bready (appointed w.e.f. July 27,2018)			0.07	
			(0.85)	(0.85)

The figure in bracket pertain to previous year

Balance outstanding at the year end	31 March 2020	31 March 2019
Lease liability as per Ind-AS 116		
Ivory Properties and Hotels Private Limited *	30.45	-
Inorbit Malls (India) Private Limited *	140.68	-
Chalet Hotels Ltd*	43.17	-
Trion Properties Private Limited*	73.87	-
Receivables		
Ivory Properties and Hotels Private Limited *	10.16	10.17
Inorbit Malls (India) Private Limited *	8.70	8.61
Trion Properties Private Limited *	2.87	2.87
Chalet Hotels Ltd.*	2.03	2.03

The Company has given corporate guarantee to banks for loans taken by subsidiaries - Refer note 28(ii)(b)

* These parties are not related to Shoppers Stop Ltd. per Ind AS 24 definition. These parties have been reported on the basis of their classification as related party under the Companies Act 2013."

** Post employment benefits have been provided at gross level on totality basis and not available at individual employee level.

(All amounts in ₹ Crores)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: RS. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Segment Reporting

Information about operating segments:

i) The Group is primarily engaged in Retail operations i.e. trading of Apparels, Non-apparels such as Cosmetics, Household items, Food products, Books etc. which in the terms of IndAS 108 on 'Operating Segments' constitute the reporting segment.

ii) The Group operates in a single geographical environment i.e. in India.

iii) No single customer contributed 10% or more to Groups revenue.

34 Discontinued Operations

The Board of Directors of Gateway Multichannel Retail (India) Limited (Gateway), a subsidiary of SSL had decided to discontinue operation in January 2009. SSL has committed to provide the necessary level of support, to enable Gateway to remain in existence and continue as a going concern.

Statement showing the revenue and expenses of discontinued operations:

	As at 31 March 2020	As at 31 March 2019
Revenue	-	-
Other Income	0.02	0.00
Total Revenue	**0.02**	**0.00**
Operating Expenses	0.01	0.01
Loss before tax from discontinued operations	**0.01**	**(0.01)**
Share of Profit/(Loss) in Joint Ventures	-	-
Loss before tax from discontinued operations	**0.01**	**(0.01)**
Income tax	-	-
(Loss) after tax from discontinued operations (attributable to owners of the Company)	**0.01**	**(0.01)**

The major classes of assets and liabilities of discontinued operations is as follows :

	As at 31 March 2020	As at 31 March 2019
Non-current assets	0.26	0.26
Current assets	0.04	0.03
Non-current liabilities	22.02	22.02
Current liabilities	0.40	0.41
Carrying value of Group's interest in Joint Ventures	-	-
Equity attributable to owners of the company	-	-
Non-controlling interests	-	-

	As at 31 March 2020	As at 31 March 2019
Cash flows from discontinued operations		
Net cash inflow/(outflow) from operating activities	0.00	0.00
Net cash inflow/(outflow) from investing activities	0.00	0.00
Net cash inflow/(outflow) from financing activities	-	-
Net cash Inflows	0.00	0.00

(All amounts in ₹ Crores)

35 SUBSIDIARIES AND JOINT VENTURE

a) The subsidiaries (which alongwith SSL Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are :

Name of subsidiary	Principal activity	Place of incorporate and operation	Proportion of ownership interest and voting power held by the Group	
			31 March 2020	31 March 2019
Crossword Book Stores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees	India	100%	100%
Upasna Trading Limited	Supervising distribution and logistics operations	India	100%	100%
Shopper's Stop Services (India) Limited	Services	India	100%	100%
Shopper's Stop.Com (India) Limited	Retailing a variety of consumer products through online channel	India	100%	100%
Gateway Multichannel Retail (India) Limited	Catalogue retailing	India	100%	100%

36 Share based payments

The expense recognised for employee services received during the year is show in the following table :

	Year ended 31 March 2020	Year ended 31 March 2019
Expense arising on Employee Stock Option Scheme	0.55	0.21
Total expense arising from share-based payment transactions	**0.55**	**0.21**

36.1 Employee share option plan of the Group

The Group has a share option scheme for certain employees of the Company and its subsidiaries. In accordance with the terms of the share option scheme, as approved by shareholders at a previous general meeting, employees with a pre-defined grade and having more than five years of service may be granted options to purchase equity shares. Each share option converts into one equity share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised with in four years from the date of grant, as per vesting schedule. The share options vests based on a pre-determined vesting schedule from the date of grant.

The fair value of the share options is estimated at the grant date using a Lattice model for option pricing taking into account the terms and conditions upon which the share options are granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The Contractual term of each option granted is three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

The following share-based payment arrangements were in existence during the current and prior years :

Options series	Number	Grant date	Vesting Date	Exercise Price (₹)	Fair value at grant date (₹)
Granted on July 31,2015	3,275	31.07.2015	31.07.2018	404.00	124.35
Granted on April 29,2014	160,675	29.04.2014	29.04.2017	362.00	123.21
Granted on June 8,2018	9,191	08.06.2018	07.06.2021	544.00	219.45
Granted on June 8,2018	5,253	08.06.2018	08.06.2021	544.00	189.71
Granted on July 27,2018	28,720	27.07.2018	27.07.2021	546.00	167.93
Granted on January 28,2019	6,610	28.01.2019	28.01.2022	514.00	160.20
Granted on April 30,2019	10,684	30.04.2019	29.04.2021	468.00	137.41
Granted on April 30,2019	20,712	30.04.2019	30.04.2022	468.00	139.39
Granted on July 30,2019	21,582	30.07.2019	30.07.2022	387.00	110.22
Granted on Jan 30,2020	26,452	30.01.2020	31.01.2023	383.00	135.80

(All amounts in ₹ Crores)

All options vested based on the pre determined vesting schedule (i.e. over a period of or at the end of three years) from the date of grant and expire after 12 months from the last date of vesting schedule, six months from the date of retirement or twelve months after the resignation of the employee, whichever is the earlier.

36.2 Fair value of share options granted in the year

The following are the new grants during the financial year 2019-20

Options series	Number	Grant date	Vesting Date	Exercise Price (₹)	Fair value at grant date (₹)
Granted on April 30,2019	10,684	30.04.2019	29.04.2021	468.00	137.41
Granted on April 30,2019	24,197	30.04.2019	30.04.2022	468.00	139.39
Granted on July 30,2019	21,582	30.07.2019	30.07.2022	387.00	110.22
Granted on Jan 30,2020	26,452	30.01.2020	31.01.2023	383.00	135.80

36.3 Movements in share options during the year

Number of Employee Stock Option Outstanding :	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
	31 March 2020		31 March 2019	
Outstanding at the beginning of the year	55,464	536.40	49,919	363.07
Granted during the year	82,915	419.80	60,374	536.40
Lapsed/Cancelled during the year	14,085	-	25,590	-
Exercised during the year	-	-	29,239	362.00
Outstanding at the end of the year	124,294	465.26	55,464	536.40

Of the above outstanding share options, 1,24,294 (2019: 55,464) shares are exercisable at the end of the respective reporting periods.

Details of yearwise grant and exercise:

Year / (date of Grant)	Options granted (net of lapsed)	Exercised till 31.3.2018	Exercised in 2018-19	Exercised till 31.3.2019	Outstanding 31.3.2019	Exercised in 2019-20	Outstanding 31.3.2020
2009-10 (29.04.2009)	958,740	958,740	-	958,740	-	-	-
2009-10 (24.03.2010)	358,200	358,200	-	358,200	-	-	-
2011-12 (29.04.2011)	124,100	124,100	-	124,100	-	-	-
2012-13 (09.06.2012)	101,807	101,807	-	101,807	-	-	-
2013-14 (28.08.2013)	42,512	42,512	-	42,512	-	-	-
2014-15 (29.04.2014)	83,906	54,667	29,239	83,906	-	-	-
2014-15 (05.11.2014)	-	-	-	-	-	-	-
2015-16 (31.07.2015)	1,964	1,964	-	1,964	-	-	-
2018-19 (08.06.2018)	9,191	-	-	-	9,191	-	9,191
2018-19 (08.06.2018)	5,253	-	-	-	5,253	-	5,253
2018-19 (27.07.2018)	23,810	-	-	-	23,810	-	23,810
2018-19 (08.06.2018)	17,210	-	-	-	17,210	-	17,210
2019-20 (30.04.2019)	10,684	-	-	-	-	-	10,684
2019-20 (30.04.2019)	24,197	-	-	-	-	-	24,197
2019-20 (30.07.2019)	21,582	-	-	-	-	-	21,582
2019-20 (30.01.2020)	26,452	-	-	-	-	-	26,452
			29,239	**1,671,229**	**55,464**	**-**	**138,379**

36.4 Share options exercise during the year

2020 : No share options were exercised during the year.

2019 : The following share options were exercised during the year

Options series	Number Exercised	Exercise date	Weighted Average Share price at exercise date (₹)
Granted on April 29,2014	29,239	27.04.2018	362

36.5 New Schemes Launched

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options.

Date of grant	2019-20				2018-19			
	30.04.2019	**30.04.2019**	**30.07.2019**	**30.01.2020**	08.06.2018	08.06.2018	27.07.2018	28.01.2019
Number of option granted	10,684	24,197	21,582	26,452	9,191	5,253	28,720	17,210
Contractual life	2years	3years	3years	3years	3years	3years	3years	3years
Vesting Schedule (from the date of grant)								
First Year	-	30%	30%	30%	-	30%	30%	30%
Second Year	100%	30%	30%	30%	-	30%	30%	30%
Third Year		40%	40%	40%	100%	40%	40%	40%
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Estimated Fair Values(Arrived at by applying Lattice model for option Pricing)	137.41	139.39	110.22	135.80	219.45	189.71	167.93	160.20
Model inputs (share price at the grant date) ₹	468.00	468.00	387.00	383.00	544.00	544.00	546.00	514.00
Exercise Price ₹	468.00	468.00	387.00	383.00	544.00	544.00	546.00	514.00
Expected Volatility	33.08%	33.50%	33.01%	32.52%	32.83%	33.01%	33.12%	34.08%
Risk free rate of return	1.73%	1.73%	1.52%	1.52%	1.97%	1.93%	1.90%	1.84%

36.6 The weighted average contractual life of the options outstanding is 3.72 years

37 Derivatives / Forward foreign exchange contracts

a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading and speculative purposes.

Their are no outstanding Forward Exchange Contracts entered into by the Group as at 31 March 2020.

b) Unhedged Foreign Currency exposure

The following are the foreign currency exposures that have not been hedged by a derivative instrument or otherwise at the end of the year.

Particulars	**31 March 2020**		31 March 2019	
	₹ In Lacs	**In Foreign currency**	₹ In Lacs	In Foreign currency
Trade Payable	0.16	USD 21,269	0.91	USD 1,31,429
	0.14	GBP 14,820	-	-
Creditors for capital expenditure	0.74	EURO 89,652	0.01	EURO 889
	0.14	USD 18,099	-	-
	0.03	GBP 3,200	-	-
Creditors for expenses (professional fees)	0.65	USD 86,562	-	-

(All amounts in ₹ Crores)

38. Financial Instruments

A. Capital risk management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Group determines the amount of capital required for respective companies on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores, technology. The Group's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings. Majorly Group raise long term loan for its CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. The following table summarise the capital of the Group:

₹ in crores

Capital	As at 31 March 2020	As at 31 March 2019
Long term borrowings (including current maturities)	2.02	44.23
Interest accrued and not due on borrowing	0.09	0.09
Short term borrowings	155.26	30.23
Total debt*	**157.37**	**74.55**
Equity share capital	44.00	44.00
Other equity (including Non-Controlling Interests, less goodwill on consolidation)	22.64	870.70
Total Equity	66.64	914.70
Debt to Total Equity Ratio	**2.36 :1**	**0.08 :1**

*Excluding lease liability as per Ind-AS 116

B. Financial risk management

A wide range of risks may affect the Group's business and operational / financial performance. The risks that could have significant influence on the Group are market risk, credit risk and liquidity risk. The Board of Directors of respective Companies reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Group's operational and financial performance.

(a) Market risk:

Market Risk is the risk that changes in market place could affect the future cash flows to the Group. The market risk for the Group arises primarily from product price risk, interest rate risk and, to some extent, foreign currency risk.

Product price risk: In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases, which are not in line with the levels of customers' discretionary, spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Interest risk: The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Group 's profit before tax by approximately ₹0.16 crores (2019 ₹0.15 crores).

Currency risk: The Group's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Group fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward foreign exchange contracts. Also Refer Note 37 for the forward foreign currency contracts outstanding at the end of the reporting period.

(b) Credit risk:

Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Group. The credit risk for the Group primarily arises from credit exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

Trade and other receivables: The Group's retail business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, the Group is not exposed to concentration risks.

(c) Liquidity Risk:

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Group's financial liabilities based on contractual undiscounted cash flows.

₹ in crores

	Less than 1 year	Between 1 and 5 years	Carrying amounts
At 31 March 2019	₹ in crores	₹ in crores	₹ in crores
Borrowings (long term and short term)	72.44	2.02	74.46
Interest payable	0.09	-	0.09
Trade payables and other accruals	1,277.10	-	1,277.10
Other financial liabilities	38.06	-	38.06
At 31 March 2020			
Borrowings (long term and short term)	157.06	0.22	157.28
Interest payable	0.09	-	0.09
Lease liability	12.21	-	12.21
Trade payables and other accruals	1,521.87	-	1,521.87
Other financial liabilities	168.75	-	68.75

In respect of financial guarantee contracts, no amounts are recognised based on the results of the liability adequacy test for likely deficiency / defaults by the entities on whose behalf the Group has given guarantees, grounded on the Group's actual experience.

The Group has access to following financing facilities which were undrawn as at the end of reporting periods mentioned.

₹ in crores

Undrawn financing facility	As at 31 March 2020	As at 31 March 2019
Secured Working Capital Facilities		
Amount Used	131.92	7.78
Amount Unused	29.08	326.22
Total	**161.00**	**334.00**
Unsecured Working Capital Facilities		
Amount Used	-	-
Amount Unused	-	25.00
Total	**-**	**25.00**

C. Fair Value Measurements

(i) Financial assets and liabilities that are measured at amortised cost:

₹ in crores

	As at 31 March 2020	As at 31 March 2019
Financial Assets (amortised cost):		
Trade receivables	34.07	47.24
Cash & Cash equivalents	4.03	17.14
Other bank balances	0.32	0.31
Other financial assets		
- Premises and other deposits	150.60	133.34
- Others	3.04	2.31
Financial Liabilities (amortised cost):		
Borrowings - long term	0.22	2.02
Borrowings - short term	155.26	30.23
Trade payables	1,521.87	1,277.10
Other financial liabilities	70.64	80.37

The fair values of the above financial assets and liabilities approximate their carrying amounts

(ii) Financial assets and liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Financial assets / Financial liabilities	Fair value as at		Fair value hierarchy
	31 March 2020	31 March 2019	
Fair Value through Profit and Loss Forward foreign currency contracts. Investment in Mutual Funds	Assets Nil Assets ₹ 154.04 crores	Assets Nil Assets ₹ 42.45 crores	Level 2 Level 2
Fair Value through OCI Investment in Future Retail Limited	Assets ₹36.46 crores	Assets ₹ 215.89 crores	Level 1

Valuation technique and key input used: Fair value is determined using discounted future cash flows which are estimated based on forward exchange rates at the end of the reporting period, discounted at a rate that reflects the credit risk of the Group.

The fair values of the quoted instruments (Investment in Mutual funds and Future Retail Limited) are based on the price quotations at the reporting date.

39 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)
Holding Company								
Shoppers Stop Limited	151%	100.85	86%	(122.64)	100%	(177.04)	94%	(299.67)
Subsidiaries (Indian)								
Crossword Book Stores Limited	-22%	(14.65)	14%	(19.76)	0%	(0.04)	6%	(19.80)
Upasna Trading Limited	-1%	(0.91)	0%	(0.00)	0%	-	0%	(0.00)
Shopper's Stop Services (India) Limited	0%	0.07	0%	(0.03)	0%	-	0%	(0.03)
Shopper's Stop.Com (India) Limited	4%	2.98	0%	0.38	0%	-	0%	0.38
Gateway Multichannel Retail (India) Limited	-33%	(21.72)	0%	0.01	0%	-	0%	0.01
Non controlling interest	0%	-	0%	-	0%	-	0%	-

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In **crores**)
Holding Company								
Shoppers Stop Limited	101%	927.42	120%	78.00	100%	(47.78)	178%	30.22
Subsidiaries (Indian)								
Crossword Book Stores Limited	1%	9.77	-20%	(12.98)	0%	(0.24)	-78%	(13.22)
Upasna Trading Limited	0%	(0.89)	0%	(0.01)	0%	-	0%	(0.01)
Shopper's Stop Services (India) Limited	0%	0.08	0%	(0.01)	0%	-	0%	(0.01)
Shopper's Stop.Com (India) Limited	0%	0.04	0%	(0.01)	0%	-	0%	(0.01)
Gateway Multichannel Retail (India) Limited	-2%	(21.71)	0%	(0.01)	0%	-	0%	(0.01)
Non controlling interest	0%	-	0%	-	0%	-	0%	-

40 Revenue from contracts with customers

The Group has applied IND AS 115 for the first time with effect from 1st April,2018. IND AS 115 supersedes IND AS 18 Revenues and it applies, with limited exceptions to all revenues arising from contracts with customers. IND AS 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IND AS 115 requires entitles to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IND AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018 and there are no adjustments required to the retained earnings as at 1 April, 2018.

Due to the application of Ind-AS 115, consolidated revenue for the year ended March 31, 2020 is lower by ₹494.85 crores (2019 : ₹411.48 crores) and other operating income is higher by ₹ 180.88 crores (2019 : ₹151.20 crores) resulting into lower revenue from operations and cost of goods sold by ₹313.97 crores (2019 : ₹260.28 crores) on account of impact of sales or return (SOR) basis arrangements as company is agent. However, this does not have any impact on profits/(loss) for year ended March 31 2020 and March 31, 2019.

41. Ind AS 116 Leases :

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). "

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from 1 April 2019. This has resulted in recognizing a Right of Use assets of ₹1,163.31 crores and Lease Liability of ₹1,964.20 crores as on 1 April 2019 and difference between Right of Use Assets and Lease Liability amt.to ₹523.09 crores (net of deferred tax of ₹277.80 crores) has been adjusted in retained earnings.

Reconciliation for the above effect on statement of profit and loss for the year ended 31 March, 2020 as follows :

Adjustment to increase / (decrease) in net profit	Year ended 31 March 2020 comparable basis	Change due to IND AS 116 increase / (decrease)	Year ended 31 March 2020 as reported
Purchase of stock-in-trade	2,181.45	(7.65)	2,173.80
Lease rent and hire charges	421.12	(355.13)	65.99
Other expenses	517.89	(12.64)	505.25
Finance costs	7.64	189.69	197.32
Depreciation and amortisation expenses	253.42	196.96	450.38
Profit before tax	(60.40)	(11.24)	(71.64)

42. Events after the reporting period

The Group has evaluated subsequent events from the balance sheet date through 15 June 2020, the date at which the financial statement were available to be issued, and determine that there are no material items to disclose other than those disclosed above.

43. The retail industry as a whole has been adversely impacted by the spread of COVID-19. The Company faces significant headwinds due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of store closures due to complete lockdown. This unprecedented disruption has had an adverse impact on the quarterly performance and continue to impact the business and our financial results. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our stores and the society associated with it.

The company has begun restoration of store operations from first week of June and has been opening the stores, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities.

The Company believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

44. Amount appearing as zero "0.00" in financials are below the rounding off norm adopted by the Company.

45. The previous year's figures have been regrouped / reclassified wherever necessary.

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

For and on Behalf of the Board of Directors

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate &
Managing Director & Chief Executive Officer
(DIN: 08124971)

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 15 June 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Shoppers Stop Limited

Report on the Audit of the Consolidated Ind AS Financial Statements[1]

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Shoppers Stop Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter – Litigation

We draw attention to Note 28 to the consolidated Ind AS financial statements which, describes the uncertainty related to the outcome of the appeal filed before the Supreme Court regarding non provision of retrospective levy of service tax for the period from 1 June 2007 to 31 March 2010 on renting of immovable properties given for commercial use, aggregating to ₹ 2,010.90 lacs.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

KAM reported by us on the Standalone Ind AS Financial Statements

Key audit matters	How our audit addressed the key audit matter
(a) Allowance for Inventory obsolescence and shrinkage (as described in note 2.4 of the consolidated Ind AS financial statements)	
As at 31 March 2019, the carrying amount of inventories amounted to ₹ 105,354.96 lacs after considering allowance for Inventory obsolescence and shrinkage of ₹ 1,578.27 lacs. These inventories are held at the stores and distribution centres of the holding Company. Allowance for Inventory obsolescence and shrinkage was an audit focus area since inventory cycle counts were carried out during the year at periodic intervals during the year and further significant judgement is involved in identifying the amount of provision for shrinkages.	Our procedures over allowance for Inventory obsolescence and shrinkage included the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the holding Company has in relation to allowance for inventory obsolescence and shrinkage; • We performed testing on the holding Company's controls over the inventory cycle count process. In testing these controls, we observed the inventory cycle count process at selected store and distribution centres on a sample basis, inspected the results of the inventory cycle count and confirmed variances were accounted for and approved by management; • We tested the accuracy of the aging report of inventories. On a sample basis we agreed the purchase date recorded in the inventory ageing report to the supplier invoice, obtained inventory provision calculation from the holding Company and re-performed the calculation of the inventory provision as per the policy of the holding Company; • We assessed the Group's disclosures concerning this in Note 2A on significant accounting estimates and judgements and Note 9 Inventories to the financial statements.
Revenue recognition – Point award (Loyalty) schemes	
As described in the Accounting Policies in note 2.4.3 to the Financial Statements, the holding Company's revenue recognition policy requires the management to make assumptions about expected redemption of Point award (Loyalty) schemes to the total issued points based on historical trends in determining the reported revenue for the period. We focussed on this area for the estimate involved in determining the provisioning and the amounts involved are material. (INR 3,898 lacs as at 31 March 2019).	Our audit procedures in respect of the Provision for liability on account of Point award (Loyalty) schemes accrued to customers included the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to provision for Point award (Loyalty) schemes accrued to the customers; • For the key assumptions used in the Point award (Loyalty) schemes provisions, we reviewed the historic rates of redemption and compared these to the managements 'estimate; • We assessed the methodology applied by comparing the outstanding points from the system generated reports and recomputed the liability as per historic rates and management estimate of redemption; • We also assessed the Company's disclosures concerning this in Note 2.4.3 on significant accounting estimates and judgements and Note 19 Retail sale of Merchandise to the financial statements.

We have determined that there, are no other key audit matters to communicate in our report

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the corporate governance report and director's report but does not include the Ind AS financial statements and our auditors report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31 March 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of ₹ 198.60 lacs as at 31 March 2019, and total revenues of ₹ Nil and net cash outflows of ₹ 0.41 lacs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended 31 March 2019 has been paid/provided by the Holding Company, its subsidiaries, incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

i. The Group does not have any pending litigations which would impact its consolidated financial position;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2019;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2019.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738
Mumbai, 30 April 2019

ANNEXURE

To the Independent Auditor's Report of even date on the Consolidated Financial Statements of Shopppers Stop Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

in conjunction with our audit of the consolidated financial statements of Shoppers Stop Limited as of and for the year ended March 31,2019 , We have audited the internal financial controls over financial reporting of Shoppers Stop Limited ("hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financials Controls

The respective Board of Directors of the Holding Company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing , both, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below,is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738
Mumbai; 30 April 2019

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

(All amounts in ₹ lacs)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, Plant and Equipement	3	54,452.96	59,981.81
Capital work-in-progress	3B	3,055.67	1,534.17
Goodwill on consolidation	3	965.36	965.36
Other Intangible Assets	3	6,051.71	6,316.71
Intangible assets under development	3B	452.95	281.30
Financial Assets			
(i) Investments	4	21,590.45	26,242.61
(ii) Other financial assets	6	7,142.31	11,956.94
Deferred tax assets (net)	7	3,199.54	1,977.60
Other non-current assets	8	9,779.97	9,678.12
Total non-current assets		**106,690.92**	**118,934.62**
Current assets			
Inventories	9	107,193.32	35,631.57
Financial assets			
(i) Investments	4	4,245.12	2,003.55
(ii) Trade receivables	5	4,724.24	4,771.72
(iii) Cash and cash equivalents	10	1,713.70	534.88
(iv) Bank balances other than (iii) above	11	30.52	68.80
(v) Other financial assets	6	6,424.14	588.82
Other current assets	8	16,537.00	16,227.84
Total current assets		**140,868.04**	**59,827.18**
Total assets		**247,558.96**	**178,761.80**
Equity and liabilities			
Equity			
Equity share capital	12	4,399.50	4,398.03
Other equity	13	87,070.50	86,045.96
Equity attributable to owners of the Company		**91,470.00**	**90,443.99**
Total equity		**91,470.00**	**90,443.99**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	14	201.92	4,400.08
Other financial liabilities	15	61.40	61.40
Provisions	17	9.93	-
Total non-current liabilities		**273.25**	**4,461.48**
Current liabilities			
Financial liabilities			
(i) Borrowings	14.3	3,022.26	3,834.77
(ii) Trade payables	16		
(a) Total outstanding dues of micro enterprises and small Enterprises		590.66	460.17
(b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		127,119.16	51,446.64
(iii) Other financial liabilities	15	8,036.87	8,258.91
Provisions	17	965.07	821.82
Other current liabilities	18	16,081.69	19,034.02
		155,815.71	**83,856.33**
Total liabilities		**156,088.96**	**88,317.81**
Total equity and liabilities		**247,558.96**	**178,761.80**

The accompanying Notes 1 to 43 are an integral part of the financial statements

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 30 April 2019

For and on Behalf of the Board of Directors

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate &
Managing Director & Chief Executive Officer
(DIN: 08124971)

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 30 April 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2019

(All amounts in ₹ lacs)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
A) Continuing operations			
Income			
Revenue from contracts with customers	19	357,793.15	369,672.43
Other income	20	1,865.26	1,653.10
Total Income		**359,658.41**	**371,325.53**
Expenses			
Purchase of stock-in-trade	21a	279,386.83	224,315.09
Changes in Inventories of stock-in-trade - (increase)	21b	(71,561.75)	2,477.91
Employee benefits expense	22	32,959.89	31,566.33
Finance costs	23	1,378.76	3,768.46
Depreciation and amortisation expenses	3A	14,060.19	11,490.46
Other expenses	24	92,442.83	90,164.22
Total expenses		**348,666.75**	**363,782.47**
Profit before exceptional items and tax		**10,991.66**	**7,543.06**
Exceptional Item	30	-	(21,598.69)
Profit before tax		**10,991.66**	**29,141.75**
Current tax	25	5,715.29	3,304.01
Deferred tax	7	(1,221.94)	(1,548.38)
Income tax expenses		**4,493.35**	**1,755.63**
Profit for the year from continuing operations		**6,498.31**	**27,386.12**
B) Discontinued operations	34		
Loss from discontinued operations		(1.25)	(6,082.34)
Share of Profit/(Loss) in joint ventures		-	143.12
(Loss) for the year from discontinued operations		**(1.25)**	**(5,939.22)**
C) Profit / (Loss) for the year (A) + (B)		**6,497.06**	**21,446.90**
D) Other comprehensive income			
Items that will not be reclassified to profit or loss:			
i) Remeasurement of employee defined benefit obligation		(217.35)	123.72
Income tax relating to (i) above		67.60	(43.22)
ii) Changes in fair value of equity instruments	25.1	(4,652.17)	696.87
Income tax relating to (ii) above		-	(72.48)
Other comprehensive income / (Loss) for the year [D]		**(4,801.92)**	**704.89**
Total comprehensive Income / (Loss) for the year [C] + [D]		**1,695.14**	**22,151.79**
Profit / (loss) for the year attributable to:			
- Owners of the Company		6,497.06	24,421.66
- Non-controlling interests		-	(2,974.76)
Other comprehensive income for the year attributable to:			
- Owners of the Company		4,801.92	(704.89)
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Owners of the Company		1,695.14	25,126.55
- Non-controlling interests		-	(2,974.76)
Earning per equity share (for continuing operations)	27		
Equity shares of face value ₹5/- each (2017: ₹5/- each)			
Basic (₹)		7.38	32.42
Diluted (₹)		7.38	32.42
Earning per equity share (for discontinued operations)	27		
Equity shares of face value ₹5/- each (2017: ₹5/- each)			
Basic (₹)		-	(3.51)
Diluted (₹)		-	(3.51)
Earning per equity share (for continuing and discontinuing operations)	27		
Equity shares of face value ₹5/- each (2017: ₹5/- each)			
Basic (₹)		7.38	28.91
Diluted (₹)		7.38	28.91

The accompanying Notes 1 to 43 are an integral part of the financial statements

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 30 April 2019

For and on Behalf of the Board of Directors

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate &
Managing Director & Chief Executive Officer
(DIN: 08124971)

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 30 April 2019

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2019

(All amounts in ₹ lacs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Profit before tax from continuing operations	10,991.66	29,141.75
(Loss) before tax from discontinued operations	(1.25)	(5,939.22)
Net (Loss)/ profit after exceptional item and tax	**10,990.41**	**23,202.53**
Adjustments to reconcile profit before tax to net cashflow		
Depreciation and amortisation	14,060.19	11,490.46
Allowance for doubtful debts / advances	148.26	270.65
Share-based payment expense	20.59	10.63
Finance costs	1,378.76	3,768.46
Loss on sale of property, plant and equipment (net)	20.06	52.39
Refundable deposit considered in measurement of minimum lease payments	802.13	821.28
Interest(time value) recognised on interest free lease deposit	(690.15)	(680.87)
Interest income	(366.48)	(1,458.08)
Exceptional items	–	(21,598.69)
Operating Profit before working capital changes	**26,363.77**	**15,878.76**
Working capital adjustment:		
(Increase) / Decrease in inventories	(71,561.75)	22,124.62
Decrease in trade receivables	47.48	1,479.02
(Increase) in other financial assets and other non-current assets	(170.73)	(33,758.01)
(Increase) / Decrease in Lease deposits-net	(1,482.92)	5,753.89
(Decrease) / Increase in Short-term provisions	(74.10)	4.22
Increase in Trade payables, other financial liabilities and other current liabilities	73,409.81	21,886.42
Cash generated from operations	**26,531.56**	**33,368.92**
Income taxes paid (net of refunds)	(5,647.69)	(3,562.32)
Net cash from operating activities (A)	**20,883.87**	**29,806.60**
Cash flows from Investing activities		
Purchase of property, plant and equipment	(11,368.31)	(11,458.49)
Proceeds from disposal of property, plant and equipment	39.19	52.03
Proceeds from sale of investment in Joint ventures (Refer note 35)	–	2,870.43
Net Proceeds from sale of investments in subsidiary (Refer note 35)	–	5,568.62
Purchases of investments in mutual funds	(111,990.78)	(24,479.72)
Proceeds from sale of investments in mutual funds	109,749.21	22,476.17
Interest received	366.48	1,464.39
Net cash used in investing activities (B)	**(13,204.21)**	**(3,506.57)**
Cash flows from Financing activities		
Proceeds from issue of equity shares	1.47	222.79
Securities premium on issue of share capital	104.39	17,918.50
Issue of share capital to minority shareholders	–	1,451.07
Dividend and dividend distribution tax	(795.60)	(753.81)
Repayment of long-term borrowings	(4,276.78)	(19,426.16)
Short-term loans (net)	–	(12,353.97)
Finance costs paid	(1,375.73)	(4,159.83)
Net cash used in financing activities (C)	**(6,342.25)**	**(17,101.41)**
Net (Decrease) / Increase in cash and cash equivalents (A)+(B)+(C)	**1,337.41**	**9,198.62**
Cash and cash equivalents as at beginning of the year	(3,299.89)	(12,498.51)
Cash and cash equivalents as at the end of the year	(1,962.48)	(3,299.89)
	1,337.41	**9,198.62**

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2019

(All amounts in ₹ lacs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note (i)		
Components of cash and cash equivalents		
Cash and Cash Equivalents as at 31 March 2019 (Refer note 10)	1,713.70	534.88
Add: Bank overdraft / Cash credit	(3,676.18)	(3,834.77)
Total cash and cash equivalents	**(1,962.48)**	**(3,299.89)**

Note (ii)

Reconciliation between the opening and closing balances for liabilities arising from financing activities

Particulars	Long – term borrowings	Short – term borrowings
31 March 2017 including current maturities of long term borrowings	63,110.26	12,353.97
Cash flow	(19,426.16)	(12,353.97)
Non - Cash Changes		
Borrowings pertaining to subsidiary sold during the year (Net proceeds shown under investing activities)	(34,983.99)	
Foreign exchange movement	–	–
Classified as current maturity	4,300.03	–
Accrual for the period	–	–
31 March 2018 including current maturities of long term borrowings	8,700.11	–
Cash flow	(4,276.78)	–
Non - Cash Changes		
Foreign exchange movement	–	–
Classified as current maturity	4,221.41	
Accrual for the period	–	–
31 March 2019 including current maturities of long term borrowings	**4,423.33**	**–**

The accompanying Notes 1 to 43 are an integral part of the financial statements

In terms of our attached report of even date
For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 30 April 2019

For and on Behalf of the Board of Directors

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate & Managing Director & Chief Executive Officer
(DIN: 08124971)

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 30 April 2019

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

(All amounts in ₹ lacs)

a) Equity share capital	No.of shares	(₹in Lacs)
Equity shares of ₹5/- each issue, subscribed and fully paid up		
Balance as on 31 March 2017	**83,504,744**	**4,175.24**
Issue of equity shares under employee share option plan (Refer note 36)	60,020	3.00
Issued on preferential basis (Refer note 12.6)	4,395,925	219.79
Balance as on 31 March 2018	**87,960,689**	**4,398.03**
Issue of equity shares under employee share option plan (Refer note 36)	29,239	1.47
Balance as on 31 March 2019	**87,989,928**	**4,399.50**

b) Other equity

Particulars	Securities Premium	General Reserve	Retained earnings	Share Options Outstanding Account	Debenture Redemption Reserve	Share application money pending allotment	Attributable to owners of Company	Non controlling Interests	Total
Balance as on 31 March 2017	**47,521.31**	**1,909.18**	**(6,329.80)**	**226.95**	**420.00**	-	**43,747.64**	**521.06**	**44,268.70**
Loss for the year	-	-	24,421.66	-	-	-	24,421.66	(2,974.76)	21,446.90
Other comprehensive Profit for the year, net of income tax	-	-	(704.89)	-	-	-	(704.89)	-	(704.89)
Total comprehensive income for the year	-	-	**25,126.55**	-	-	-	**25,126.55**	**(2,974.76)**	**22,151.79**
Recognition of share-based payments *	-	-	172.52	(165.45)	-	-	7.07	-	7.07
Issue of equity shares to Non-controlling interests	-	-	-	-	-	-	-	1,451.07	1,451.07
Transferred from Debenture redemption reserve	-	420.00	-	-	(420.00)	-	-	-	-
Payment of dividends on equity shares	-	-	(626.31)	-	-	-	(626.31)	-	(626.31)
Payments of tax on dividends on equity shares	-	-	(127.49)	-	-	-	(127.49)	-	(127.49)
Received on issue of shares	17,918.50	-	-	-	-	-	17,918.50	-	17,918.50
Sale of interests in subsidiary company	-	-	-	-	-	-	-	1,002.63	1,002.63
Balance as on 31 March 2018	**65,439.81**	**2,329.18**	**18,215.47**	**61.50**	-	-	**86,045.96**	-	**86,045.96**
Profit for the year	-	-	6,497.06	-	-	-	6,497.06	-	6,497.06
Other comprehensive loss for the year, net of income tax	-	-	(4,801.92)	-	-	-	(4,801.92)	-	(4,801.92)
Total comprehensive income for the year	-	-	**1,695.14**	-	-	-	**1,695.14**	-	**1,695.14**
Recognition of share-based payments *	-	-	61.50	(61.50)	-	-	-	-	-
Arising on employee stock option scheme	-	-	-	20.59	-	-	20.59	-	20.59
Payment of dividends on equity shares	-	-	(659.95)	-	-	-	(659.95)	-	(659.95)
Payments of tax on dividends on equity shares	-	-	(135.63)	-	-	-	(135.63)	-	(135.63)
Received on issue of shares	104.39	-	-	-	-	-	104.39	-	104.39
Balance as on 31 March 2019	**65,544.20**	**2,329.18**	**19,176.53**	**20.59**	-	-	**87,070.50**	-	**87,070.50**

* after transfers to retained earnings for options lapsed/exercised.

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 30 April 2019

For and on Behalf of the Board of Directors

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Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 30 April 2019

NOTES

to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

1. General Background

The Company has five subsidiaries which along with the Company constitute "the Group". They are primarily engaged in the following activities:

SN	Entity	Business activity
1	Shoppers Stop Limited	Retailing a variety of household and consumer products through departmental stores
2	Crossword Bookstores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees
3	Shoppers' Stop Services (India) Limited	Services
4	Upasna Trading Limited	Supervising distribution and logistics operations
5	Shoppers' Stop.com (India) Limited	Services
6	Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations)

The financial statements were approved for issue by the board of directors on 30 April 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

2.1.1 Statement of Compliance with Indian Accounting Standards (Ind ASs): The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 "the Act".

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lacs, except where otherwise indicated.

2.1.2 These financial statements have been prepared on historical cost basis, except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (regardless of whether that price is directly observable or estimated using another valuation technique). In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability, at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

2.2 Consolidation of financial statements

The consolidated financial statements of the Group incorporate the assets, liabilities, equity, income, expenses and cash flows of the Company and its subsidiaries and are presented as those of a single economic entity. The Company has control of the subsidiaries as it has the rights to variable returns from its involvement and has the ability to affect those returns through its power over the subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation procedures principally followed are: (a) Like items of assets, liabilities, equity, income, expenses and cash flows of the Company and those of its subsidiaries are combined; (b) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated; (c) intragroup assets and liabilities, equity, income, expenses, and cash flows relating

NOTES

to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

to transactions between entities of the Group are eliminated in full.

Goodwill is recognised when a change in the Group's ownership interest, (or otherwise), results in the Group acquiring control over a Company.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners)

Goodwill arising on consolidation is tested for impairment at each reporting date. If the recoverable amount of cash generating unit to which the goodwill is attributed is less than the carrying amount of the unit, an impairment loss is recognised, first to reduce the carrying amount of goodwill (and thereafter to the balance assets of the unit, pro rata to their carrying amounts).

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners and to the non-controlling interests, (even if this results in the non-controlling interests having a deficit balance).

2.2.1 Investments in joint ventures

The Company's investment in a joint venture is accounted for by the Equity Method. On initial recognition the investment is recorded at cost, and the carrying amount is increased or decreased to recognise the Company's share of profit or loss and other comprehensive income of the joint venture after the date of acquisition. Distributions received from the joint venture reduce the carrying amount of the investment. The carrying amount of the investment is tested for impairment at each reporting date.

2.3 Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.4 Revenue from contract with customer

2.4.1 In Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements except for the agency services because it typically controls the goods before transferring them to the customer and sales under sale or return basis arrangements where in the Company has during this financial year adopted modified retrospective approach in line with Ind As 115, Revenue from Contracts with customers, mandatory for reporting periods beginning on or after 1 April 2018.

NOTES

to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

2.4.2 Retail sale of Merchandise: Revenue from Retail sales is measured at the fair value of the consideration received. Revenue is reduced for discounts and rebates, and, value added tax, sales tax and Goods and Service Tax (GST).

Retail sales are recognised on delivery of the merchandise to the customer, when the property in goods and control are transferred for a price and no effective ownership control is retained.

Where the Company is the principal in the transaction the Sales are recorded at their gross values. Where the Company is effectively the agent in the transaction, the difference between the revenue and the cost of the merchandise is disclosed as other operating income. (Refer Note 19)

Point award schemes: The fair value of the consideration received or receivable on sale of goods that result in award credits for customers, under the Group's point award schemes, is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value from the standpoint of the holder and is recognised as revenue on redemption and/or expected redemption after breakage.

Property option revenue: The Group has acquired the rights to sell flats in a property being constructed by a third party (termed Property Options), which are initially recognised at cost and at each reporting date valued at lower of cost and net realisable value. Sale of option inventory is recognised when there is a transfer of significant risks and rewards in accordance with the terms of the sale contracts. To the extent the transactions contain a significant financing component, it is adjusted from the total consideration using the appropriate discount rate and recognised in profit or loss over the credit period.

2.4.3 Gift vouchers: The amount collected on sale of a gift voucher is recognised as a liability and transferred to revenue (sales) when redeemed or to revenue (other retail operating revenue) on expiry.

2.4.4 Other retail operating revenue:

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted / displayed. Facility management fees are recognised pro-rata over the period of the contract.

Income from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax.

2.4.5 Direct Marketing income: Such income is recognised on straight line basis over the validity of the cards.

2.4.6 Franchisee income: Such income is recognized in accordance with the rates specified in the franchisee agreements and is based on the sales recorded by the franchisees for the year.

2.4.7 Dividend and Interest income

Dividend income from Investments is recognised when the right to receive the payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprise of all cost of purchase and other related costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Provision is made for obsolete/ slow moving inventories.

2.6 Property, plant and equipment and Intangible Assets

2.6.1 Property, plant and equipment and Intangible Assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises of all cost of purchase, construction and other related costs incurred in bringing the assets to their present location and condition.

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2.6.2 Depreciation / amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Property, Plant and Equipment	Useful Life as Prescribed by Schedule II of the Companies Act, 2013 (In Years)	Estimated Useful Life (In Years)
Air conditioning and other equipment	5	5 to 17
Furniture, fixtures and other fittings	10	5 to 10
Computer Equipment (other than desktops and laptops)	6	5 to 6
Desktops and laptops	3	3
Leasehold Improvements	On lease term	5 to 17 or Lease term whichever is lower
Office Equipment	5	2 to 6
Vehicles	8	8
Intangible assets:		
Computer Software		6
Trademark and Patents	10	10

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

2.6.3 Impairment losses

At the end of each reporting period, the Group reviews the carrying amounts of its property plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, (i.e. higher of fair value less costs of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.6.4 Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is the Lessee:

Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Where the Company is the Lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

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Assets subject to operating leases are included in the property, plant and equipment. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

Key requirements or Changes in accounting policy with effect from 1 April 2019

Ind AS 116 was notified on 30 March 2019 and is effective for the Company in the first quarter of fiscal 2020. This standard changes the recognition, measurement, presentation and disclosure of leases. In particular, it require lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases. At the commencement of a lease, a lessee will recognise lease payments (lease liability) and an asset representing the right to use the asset during the lease term (right of use asset). Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right of user asset. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The standard has no impact on the actual cash flows of a group. However, the standard requires the capitalisation and subsequent depreciation of costs that are currently expenses as paid which impacts disclosures of cash flows with in the cash flow statement. The amounts currently expensed as operating cash outflows, which will instead be capitalised, are presented as financing cash outflows.

The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

2.8 Financial Instruments

Classification:

The Group classifies its financial assets in the following measurement categories:– those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and – those measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement:

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss. Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial

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assets is included in other income using the effective interest rate method.

Fair value through profit and loss:
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. A gain or loss on a debt investment that is subsequently measured at fair value through Statement of Profit and Loss and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss In the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:
The Group subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through the Statement of Profit and Loss are recognised in other income / other expenses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:
The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets:
A financial asset is derecognised only when – the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.8.1 Offsetting financial instruments:
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Group or the counterparty.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities on initial recognition. After initial recognition, all financial liabilities (other than financial guarantee contracts and derivative instruments – see below) are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial liability as FVTPL.

2.8.2 Financial guarantee contracts: The Group on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in profit or loss.

2.8.3 Derivative instruments: The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. These contracts are initially recognised at fair value and subsequently, at the end of each reporting period, re-measured at their fair values on reporting date. The resulting gain or loss is recognised in profit or loss in the same line as the movement in the hedged exchange rate.

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2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.1 Current tax

The tax currently payable is based on the estimated taxable profit for the year for each entity in the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.

2.9.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.10 Employee benefits

2.10.1 Defined Contribution Plan: The Group makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and ESI, which are recognised in the statement of profit and loss on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

2.10.2 Retirement benefit costs and termination benefits: Payments to defined contribution plans are recognised as expense when employees have rendered service entitling them to the contributions.

The Group determines the present value of the defined benefit obligation and fair value of plan assets and recognises the net liability or asset in the balance sheet. The net liability or asset represents the deficit or surplus in the Group's defined benefit plans. (The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans).

The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year.

Defined benefit costs are composed of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement

The first two components are recognised in profit or loss. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet and a charge or credit, (as the case may be), is recognised in other comprehensive income. Re-measurement recognised in other comprehensive income is reflected in retained earnings. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest

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is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit liability or asset recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.10.3 Short-term benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short-term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Other long-term benefits: Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.10.4 Share-based payment arrangements

Equity-settled share-based payments to employees of the Group are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 36. The fair value determined at the grant date of the equity-settled share-based payments to employees of the Group is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each year, the Group revisits its estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 Foreign currency transactions

The Group's financial statements are presented in INR which is also its functional currency. Transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the profit or loss.

2.12 Borrowing costs

Borrowing Cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for their intended use or sale (qualifying assets), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents in the balance sheet for the purpose of cash flow statement comprises cash in hand and cash at bank including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank over drafts as they are considered an integral part of the Group's cash management.

2.15 Cash dividend and non-cash distribution to equity holders

The Group recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.16 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.A Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income Tax

As stated in Note 25, tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjudges taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2019, 2018, 2017, 2016 and 2015 there were no changes in useful lives of property plant and equipment and intangible assets other than those resulting from store closures / shifting of premises.

The Group at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a store (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in profit or loss.

Point award schemes

Customer award credits having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to fair value from the standpoint of the holder and revenue is deferred. The Group at the end of each reporting period estimates the number of points redeemed and that it expects will be further redeemed, based on empirical data of redemption / lapses, and revenue is accordingly recognised.

Service tax on renting of immovable properties given for commercial use

As stated in Note 29, the Group has challenged the retrospective levy of service tax on renting of immovable properties given for commercial use and pending the final disposal of the matter, which

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is presently before the Supreme Court, the Group continues not to provide for the retrospective levy.

Inventories
An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

Employee Benefits
Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 31.

Property Options Receivable
In evaluating the allowance for credit loss against Property Options Receivable, the Group assesses the risk or probability that the cash flows that are due in accordance with the contract may not be received. The expected cashflows are reckoned with considering a variety of relevant factors, including the age and past due detail of the receivable, credit enhancements (guarantee's) that are integral to the contractual terms and confirmed by third parties.

Impairment of Goodwill
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

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3 Property, Plant and Equipment and Intangible Assets

(All amounts in ₹ Lacs)

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2017	**26,237.05**	**29,178.06**	**24,483.27**	**1,421.82**	**6,322.11**	**22.21**	**87,664.52**	**118.93**	**9,705.75**	**9,764.55**	**19,589.23**
Additions	3,193.24	3,266.59	3,722.60	360.24	1,349.72	-	11,892.40	14.93	2,627.85	-	2,642.78
Disposal	(6,124.23)	(9,242.28)	(5,578.05)	(304.08)	(2,068.36)	-	(23,317.00)	-	(1,837.55)	(8,799.19)	(10,636.74)
As at 31 March 2018	**23,306.06**	**23,202.37**	**22,627.83**	**1,477.98**	**5,603.47**	**22.21**	**76,239.92**	**133.86**	**10,496.05**	**965.36**	**11,595.27**
Additions (Refer note iii)	1,826.50	1,630.73	1,861.98	203.71	1,154.51	57.01	6,734.44	5.28	1,585.87	-	1,591.15
Reclassification	135.10	6.46	(124.75)	49.39	(57.32)	-	8.88	(0.04)	(8.84)	-	(8.88)
Disposal	(267.72)	(990.22)	(478.93)	(5.03)	(313.58)	-	(2,055.48)	-	-	-	-
As at 31 March 2019	**24,999.94**	**23,849.34**	**23,886.13**	**1,726.05**	**6,387.08**	**79.22**	**80,927.76**	**139.10**	**12,073.08**	**965.36**	**13,177.54**
Accumulated Depreciation											
As at 1 April 2017	(2,155.44)	(2,711.79)	(4,943.01)	(427.96)	(1,481.71)	29.49	(11,690.42)	(50.02)	(3,265.19)	-	(3,315.21)
Depreciation and amortisation expense for the year (Refer note ii)	(2,488.21)	(2,485.61)	(3,322.26)	(298.39)	(1,205.56)	(8.24)	(9,808.26)	(17.00)	(1,665.20)	-	(1,682.20)
Disposal	931.61	1,709.75	1,687.00	94.45	817.77	-	5,240.58	-	684.21	-	684.21
As at 31 March 2018	**(3,712.04)**	**(3,487.65)**	**(6,578.27)**	**(631.90)**	**(1,869.50)**	**21.25**	**(16,258.10)**	**(67.02)**	**(4,246.18)**	**-**	**(4,313.20)**
Depreciation and amortisation expense for the year (Refer note ii)	(3,101.53)	(3,953.47)	(3,466.71)	(305.52)	(1,348.86)	(36.83)	(12,212.92)	(72.08)	(1,775.19)	-	(1,847.27)
Disposal	261.76	972.86	443.69	4.88	313.04	-	1,996.23	-	-	-	-
As at 31 March 2019	**(6,551.81)**	**(6,468.26)**	**(9,601.29)**	**(932.54)**	**(2,905.32)**	**(15.58)**	**(26,474.79)**	**(139.10)**	**(6,021.37)**	**-**	**(6,160.47)**
Net Book Value											
As at 31 March 2018	19,594.02	19,714.72	16,049.56	846.08	3,733.97	43.46	59,981.81	66.84	6,249.87	965.36	7,282.07
As at 31 March 2019	**18,448.13**	**17,381.08**	**14,284.84**	**793.51**	**3,481.76**	**63.64**	**54,452.96**	**-**	**6,051.71**	**965.36**	**7,017.07**

Notes:

i) Movable assets have been pledged to secure borrowings of the Company (Refer note 14).

ii) Depreciation for the year includes accelerated amounts aggregating to ₹3,559.04 Lacs (2018: ₹1,712.40 Lacs) on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises.

iii) During the Company has capitalised the following expenses to cost of Property, plant and equipement.

	As at 31 March 2019	As at 31 March 2018
Employee Costs	593.56	306.85
Travelling	96.50	43.34
Consultancy	468.91	351.03
Miscellanous expenditure	125.20	56.96
Total	**1,284.17**	**758.18**

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

		As at 31 March 2019	As at 31 March 2018
3A	**Depreciation and amortisation expenses**		
	Depreciation of tangible assets (Refer note 3)	12,212.92	9,808.26
	Amortisation of intangible assets (Refer note 3)	1,847.27	1,682.20
		14,060.19	**11,490.46**

		As at 31 March 2019	As at 31 March 2018
3B	**Capital work-in-progress and Intangible assets under development**		
	Capital work-in-progress		
	Opening	1,534.17	1,472.33
	Additions	9,473.17	9,629.20
	Capitalisation	(7,951.67)	(9,567.36)
		3,055.67	**1,534.17**
	Intangible assets under development		
	Opening	281.30	527.59
	Additions	2,044.19	1,879.20
	Capitalisation	(1,872.54)	(2,125.49)
		452.95	**281.30**

		As at 31 March 2019	As at 31 March 2018
4	**Investments - Non-current**		
A	**(Unquoted at cost unless otherwise stated)**		
	i) Other investments		
	(At fair value through Profit and Loss)		
	Stargaze Properties Private Limited	0.10	0.10
	1,000 (2018: 1,000) equity shares of ₹ 10/- each Fully paid		
	Retailers Association of India	1.00	1.00
	10,000 (2018:10,000) equity shares of ₹ 10/- each Fully paid		
	Aesthetic Realtors Private Limited		
	66 (2018: 66) Equity Shares of ₹ 10/- each Fully Paid	0.01	0.01
	Increase / (Decrease) due to changes in the fair value of investments	(0.01)	(0.01)
		-	-
	Retailers Association's Skill Council of India	0.50	0.50
	500 (2018: 500) equity shares of ₹ 100/- each Fully paid		
	Total (A)	**1.60**	**1.60**
	Aggregate amount of impairment value of unquoted investments	**0.01**	**0.01**
B	**Quoted (fair value through Other Comprehensive Income)**		
	Investments in equity instruments		
	Future Retail Limited		
	47,56,823 (2018: 47,56,823) equity shares of ₹2/- each Fully paid	25,544.14	25,544.14
	Increase / (Decrease) due to changes in the fair value of investments	(3,955.30)	696.87
	Total (B)	**21,588.84**	**26,241.01**
	Total (A) + (B)	**21,590.45**	**26,242.61**
4	**Investments - Current**		
	Unquoted (At fair value through Profit and Loss)		
	Investments in mutual funds		
	L & T Mutual Fund	-	600.97
	Nil (2018: 25,220) units in Liquid fund - Direct Growth Plan		
	ICICI Prudential Mutual Fund	-	600.73
	Nil (2018: 2,49,970) units in Money market fund - Direct Growth Plan		
	JM Financial Mutual Fund High Liquidity fund - Direct - Growth	-	200.35
	Nil (2018: 42,115) units in High Liquidity fund - Direct Growth Plan		
	Axis Mutual Fund	-	601.50
	Nil (2018: 31,187) units in Liquid fund - Direct Growth plan		
	Aditya Birla Sun Life Mutual Fund	881.87	-
	85,980.263 (2018: Nil) units in Overnight fund - Regular Growth		

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

	As at 31 March 2019	As at 31 March 2018
Reliance Mutual Fund 7,69,558.585 (2018: Nil) units in Overnight fund - Regular Growth	783.25	-
UTI Mutual Fund 30,236.516 (2018: Nil) units in Overnight fund - Regular Growth	779.79	-
HDFC Mutual Fund 2,810.2261 (2018: Nil) units in Overnight fund - Regular Growth	925.18	-
SBI Mutual Fund 3,065.0046 (2018: Nil) units in Overnight fund - Regular Growth	875.04	-
Total	**4,245.12**	**2,003.55**
Aggregate value of quoted investment	**21,588.84**	26,241.01
Aggregate value of unquoted investment	**4,246.72**	2,005.15
Aggregate amount of impairment in value of investments	**0.01**	0.01
Aggregate amount of Increase/(decrease) due to change in the fair value of investments	**(3,955.30)**	696.87

	As at 31 March 2019	As at 31 March 2018
5 Trade receivables - current		
(Unsecured)		
Considered good	4,724.24	4,771.72
Considered credit impaired	119.39	60.46
	4,843.63	**4,832.18**
Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	119.39	60.46
	4,724.24	**4,771.72**

5.1 Trade receivables are carried at amortised cost.

5.2 These financial assets have been pledged to secure borrowings of the Company (Refer note 14).

5.3 No trade or other receivables are due from directors or other officer of the Company either severally or jointly with any other persons.

5.4 For terms and conditions relating to related party receivables, Refer note No. 32.

5.5 Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

	As at 31 March 2019	As at 31 March 2018
6 Other financial assets		
(unsecured)		
Non-current		
Premises and other deposits		
- Considered good	7,129.81	11,842.85
- Considered credit impaired	417.23	357.38
	7,547.04	**12,200.23**
'Less: Impairment allowance (allowance for bad and doubtful debts)		
- Considered credit impaired	417.23	357.38
	7,129.81	**11,842.85**
Loan to employees	12.50	-
Other Bank Balance		
Bank deposits more than 12 months maturity from balance sheet date	-	114.09
	7,142.31	**11,956.94**
Current		
Advances to employees	81.66	108.99
Premises and other deposits	6,204.62	154.39
Other Receivables		
- Considered good	137.86	325.44
- Considered credit impaired	344.94	344.94
	482.80	**670.38**
Less: Impairment allowance (allowance for bad and doubtful debts)		
- Considered credit impaired	344.94	344.94
	137.86	**325.44**
	6,424.14	**588.82**

6.1 These are carried at amortised cost.

6.2 These financial assets have been pledged to secure borrowings of the Company (Refer note 14).

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

	As at 31 March 2019	As at 31 March 2018
7. Deferred tax assets / Liabilities (net)		
Deferred tax assets	3,199.54	1,987.77
Deferred tax liabilities	-	(10.17)
	3,199.54	1,977.60

	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2019	As at 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018
7.1 Deferred tax (liabilities)/assets in relation to:				
Deferred tax Liabilities				
Property, plant and equipment & Intangible assets	-	10.17	(10.17)	(728.90)
Deferred tax Assets				
Property, plant and equipment & Intangible assets	1,416.61	-	(1,416.61)	
Impairment allowance (allowance for bad and doubtful debts)	442.37	437.22	(5.15)	(93.00)
Provision for expenses	423.73	372.41	(51.32)	(227.39)
Employee benefit expenses	403.81	358.40	(45.41)	38.77
Deferred Revenue on point reward schemes	-	64.30	64.30	87.61
Lease Deposits	214.05	176.48	(37.57)	(46.51)
Changes in fair value of equity instruments	-	72.47	72.47	(72.47)
Short-Term Capital Loss	298.97	506.49	207.52	(506.49)
Net deferred tax assets / (liabilities)	**3,199.54**	**1,977.60**	**(1,221.94)**	**(1,548.38)**

	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2019	As at 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018
Deferred tax (liabilities) / assets in relation to certain subsidiaries:				
Property, Plant and Equipment and Intangible Assets	247.00	124.00	123.00	124.00
Unused tax losses #	1,225.00	869.00	866.00	869.00
Employee benefit expenses & others	78.00	11.00	24.00	11.00
Deferred tax assets ##	1,550.00	1,004.00	1,013.00	1,004.00

To the extent of deferred tax liability on Property, plant and equipment & Intangible assets.

In the absence of convincing evidence, the Company has not recognised deferred tax assets (DTA) on timing differences arising on the above mentioned items.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

	As at 31 March 2019	As at 31 March 2018
8. Other Assets		
(Unsecured, considered good)		
Non-current		
Capital advances	878.60	930.78
Service tax deposited under protest (Refer note 29)	3,635.03	3,635.03
Advance income tax (net of provision)	1,214.92	1,210.52
Prepaid Expenses	4,051.42	3,898.04
Other receivables	-	3.75
	9,779.97	**9,678.12**
Current		
Recoverables - Statutory dues	12,084.44	10,508.43
Advance for Goods & Services		
- Considered good	2,971.13	3,723.86
- Considered credit impaired	341.41	309.69
	3,312.54	**4,033.55**
Less: Allowance for doubtful advances	341.41	309.69
	2,971.13	**3,723.86**
Prepaid Expenses	1,432.44	1,710.00
Other assets		
- Considered good	48.99	285.55
- Considered credit impaired	236.00	236.00
	284.99	**521.55**
Less: Allowance for doubtful assets	236.00	236.00
	48.99	**285.55**
	16,537.00	**16,227.84**

	As at 31 March 2019	As at 31 March 2018
9. Inventories		
(At lower of cost and Net realisable value)		
Stock-in-trade: Retail merchandise	107,193.32	35,631.57
	107,193.32	**35,631.57**

9.1 Inventories have been pledged as security for borrowings. (Refer note 14)
9.2 The mode of valuation of inventories has been stated in Note 2.5.

	As at 31 March 2019	As at 31 March 2018
10. Cash and cash equivalents		
Balance with banks In		
- Current accounts	840.19	120.74
- Deposit accounts	11.17	5.22
Cash on hand	862.34	408.92
	1,713.70	**534.88**

10.1 These financial assets have been pledged to secure borrowings of the Company (See Note 14).

10.2 Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

10.3 For the purpose of Statement of cash flow, Cash and cash equivalents comprise the followings:

	As at 31 March 2019	As at 31 March 2018
Balance with banks In		
- Current accounts	840.19	120.74
- Deposit accounts	11.17	5.22
Cash on hand	862.34	408.92
	1,713.70	**534.88**
Less: Bank overdraft / Cash credit (Refer note 14.3 & 15)	(3,676.18)	(3,834.77)
	(1,962.48)	**(3,299.89)**

	As at 31 March 2019	As at 31 March 2018
11. Other bank balances		
Margin money account (under lien against bank guarantee)	30.14	68.42
Earmarked accounts (for unpaid dividend)	0.38	0.38
	30.52	**68.80**

	As at 31 March 2019	As at 31 March 2018
12 Share capital		
12.1 Authorised		
200,000,000 equity shares of ₹ 5/- each	**10,000.00**	**10,000.00**
12.2 Issued, subscribed and fully paid up shares		
87,989,928 (2018: 87,960,689) equity shares of ₹ 5/- each fully paid up	4,399.50	4,398.03
	4,399.50	**4,398.03**

12.3 Reconciliation of number of equity shares:

Particulars:	31 March 2019		31 March 2018	
	Numbers	**₹ Lacs**	Numbers	₹ Lacs
Balance at the beginning of the year	87,960,689	4,398.03	83,504,744	4,175.24
Issued during the year (Refer note 12.6)	29,239	1.47	4,455,945	222.79
Balance at the end of the year	**87,989,928**	**4,399.50**	**87,960,689**	**4,398.03**

12.4 Details of shareholders holding more than 5% shares as at 31 March:

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	Shares held (Nos.)	**Shares held (%)**	Shares held (Nos.)	Shares held (%)
Palm Shelter Estate Development LLP	11,813,300	13.43%	11,813,300	13.43%
Anbee Construction LLP	10,386,401	11.80%	10,386,401	11.81%
Cape Trading LLP	10,386,401	11.80%	10,386,401	11.81%
Aditya Birla Sun Life Trustee Private Limited	5,789,554	6.58%	48,53,014	5.52%
Raghukool Estate Development LLP	5,593,300	6.36%	5,593,300	6.36%
Capstan Trading LLP	5,459,768	6.21%	5,459,768	6.21%
Casa Maria Properties LLP	5,253,300	5.97%	5,253,300	5.98%
Reliance Capital Trustee Co.Ltd.	4,754,987	5.40%	6,346,491	7.22%

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

12.5 The Company has one class of equity shares having a par value of ₹ 5 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12.6 During the previous year ended, the Company issued and allotted 43,95,925 equity shares of ₹5 each at an issue price of ₹ 407.78 per equity share to Amazon.com NV Investment Holdings LLC, on a preferential basis.

12.7 The Company has issued and allotted 29,239 (2018 : 60,020) number of shares under Share options schemes to certain employees - Refer note 36

		As at 31 March 2019	As at 31 March 2018
13	**Other equity**		
	Securities Premium	65,544.20	65,439.81
	General Reserves	2,329.18	2,329.18
	Retained earnings	19,176.53	18,215.47
	Share options outstanding account	20.59	61.50
		87,070.50	**86,045.96**

For addition and deductions under each of the above heads, refer Statement of changes in equity.

13.1 Securities premium account

Securities premium account is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act, 2013.

13.2 General reserve

The General Reserve is mainly created/built by the Company from time to time by transfering the profits from retained earnings. This reserve may be utilised mainly to declare dividend as permitted under the Companies Act, 2013.

13.3 Share Options outstanding account

Share options outstanding account relates to share options granted by the Company to certain employees under share option plan. Further information about share based payments to employees is set out in note 36.

		As at 31 March 2019	As at 31 March 2018
14	**Borrowings**		
	Non-current		
	Term loans (Secured) from banks	4,423.33	8,700.11
	Less: Current maturities (Refer note 15)	4,221.41	4,300.03
		201.92	**4,400.08**

14.1 Term loans are secured by a first *Pari Passu* charge on stocks, book debts, hypothecaton charge on credit card/debit card receivables (Escrow account) and all the movable fixed assets of the Company, both Present & Future.

Term loans availed by Crossword Bookstores Ltd. amounting to ₹201.92 Lacs (2018: 423.30 Lacs) have corporate guarantees, joint and serveral, given by the Company.

Borrowings are carried at amortised cost.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

14.2 Terms of the Facilities:-

Non-current borrowings

Name of the Bank	Rate of Interest	Repayment Schedule	31 March 2019	31 March 2018
IDBI Bank	9.45% (2018: 9.45%)	10 equal quarterly instalments from 9 December 2017.	4,000.00	7,976.77
Kotak Mahindra Bank	10.75% (2018: 10.20%)	12 equally quarterly Instalments from 1 August 2016 to 31 May 2019	41.33	208.34
Kotak Mahindra Bank	10.33% (2018: 9.80%)	Repayable in 12 Equated quarterly Instalments from February 2018 to November 2020	175.00	275.00
Kotak Mahindra Bank	10.50% (2018: 9.95%)	Repayable in 36 Equated quarterly Instalments from November 2018 to October 2021.	207.00	240.00
Total Non-current borrowings			**4,423.33**	**8,700.11**
Current maturities of long-term borrowings				
IDBI Bank	9.45% (2018: 9.45%)	10 equal quarterly instalments from 9 December 2017.	4,000.00	4,000.00
Kotak Mahindra Bank	10.75% (2018: 10.20%)	12 equal quarterly Instalments from 1 August 2016 to 31 May 2019	41.37	166.68
Kotak Mahindra Bank	10.33% (2018: 9.80%)	Repayable in 12 equal quarterly Instalments from February 2018 to November 2020	100.00	100.00
Kotak Mahindra Bank	10.50% (2018: 9.95%)	Repayable in 36 equal quarterly Instalments from November 2018 to October 2021.	80.04	33.35
Total Current borrowings			**4,221.41**	**4,300.03**

		As at 31 March 2019	As at 31 March 2018
14.3	**Current**		
	From banks	820.60	1,633.11
	- Secured		
	From Others	2,201.66	2,201.66
	- Unsecured		
		3,022.26	**3,834.77**

14.4 Loan repayable on demand viz. Cash credit, Working capital loans and Other loans viz. short-term loans are secured by a first *pari passu* charge on credit card/debit card receivables (Escrow account), current assets and all movable fixed assets of the Company both present and future and an exclusive lien on lease deposits except ICICI Bank loan which is secured by first *Pari passu* charge on the current assets and all the movable fixed assets of the Company both present and future excluding leasehold rights,lease deposits and shoppers stop brands. Loans amounting to ₹820.60 Lacs (2018: 872 Lacs) are further secured by corporate guarantees, joint and several, given by the Company.

14.5 Terms of the Facilities:-

Name of the Bank	Rate of Interest	Repayment Schedule	31 March 2019	31 March 2018
Secured:				
Axis Bank	Nil (2018: 9.25%)	On demand	-	234.14
ICICI Bank (Cash Credit)	Nil (2018: 9.25%)	On demand	-	1.15
IDBI Bank (Cash Credit)	Nil (2018: 10.50%)	On demand	-	153.05
Kotak Mahindra Bank Ltd. (Cash Credit)	Nil (2018: 9.00%,)	On demand	-	146.47
Kotak Mahindra Bank Ltd. (Cash Credit)	10.20% (2018: 10.20%)	On demand	820.60	872.00
HDFC Bank Ltd. (Cash Credit)	Nil (2018: 10.55%)	On demand	-	13.30
Yes Bank	Nil (2018: 10.75%)	On demand	-	0.79
IDFC Bank	Nil (2018: 9.05%)	On demand	-	212.21
			820.60	**1,633.11**
Unsecured:				
From other parties				
Hypercity Retail (India) Limited	10.75% (2018: 10.75%)	On demand	2,201.66	2,201.66
			2,201.66	**2,201.66**

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

	As at 31 March 2019	As at 31 March 2018
15.1 Other financial liabilities - Non-current		
Security deposits	61.40	61.40
	61.40	**61.40**
15.2 Other financial liabilities - current		
Other financial liabilities measured at amortised cost		
Current maturities of long-term borrowings	4,221.41	4,300.03
Accrued payroll	2,077.60	1,516.14
Creditors for capital expenditure	988.31	2,337.84
Overdrawn bank balances	653.91	-
Security deposits	80.41	98.15
Interest accrued and not due on borrowings	9.40	6.37
Unpaid dividends	0.38	0.38
Others	5.45	-
	8,036.87	**8,258.91**

	As at 31 March 2019	As at 31 March 2018
16 Trade payables		
Retail Merchandise:		
- Total outstanding dues of micro enterprises and small enterprises	590.66	460.17
- Total outstanding dues of creditors other than micro enterprises and small enterprises	127,119.16	51,446.64
	127,709.82	**51,906.81**
16.1 There are no Micro and Small Enterprises, to whom the Company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro,Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	590.66	460.17
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro and Small Enterprise Development Act, 2006.	-	-

	As at 31 March 2019	As at 31 March 2018
17 Provisions		
Non-current		
Provision for employee benefits:		
Gratuity	9.93	-
	9.93	**-**
Current		
Provision for employee benefits:		
Gratuity	276.62	193.22
Leave Encashment	688.45	628.60
	965.07	**821.82**

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

		As at 31 March 2019	As at 31 March 2018
18	**Other current liabilities**		
	Statutory liabilities	7,634.10	7,798.27
	Advance from customers	98.37	135.74
	Award schemes and gift vouchers	8,255.49	10,973.86
	Others	93.73	126.15
		16,081.69	**19,034.02**

		For the year ended 31 March 2019	For the year ended 31 March 2018
19	**Revenue from contracts with customers**		
	Retail sale of merchandise	331,554.63	363,468.12
	Other Retail operating revenue		
	Net proceeds from SOR (Refer note 40)	15,119.99	-
	Net income from concessionaire and consignment model	4,849.58	-
	Facility management fees	2,638.00	2,578.98
	Income from store displays and sponsorship	561.71	631.69
	Gift Vouchers lapsed	1,853.60	1,721.92
	Direct marketing	1,013.66	1,059.72
	Income from franchisees	201.98	212.00
		26,238.52	**6,204.31**
		357,793.15	**369,672.43**
19.1	**Disaggregated revenue information**		
	Set out below is the disaggregation of the Company's revenue from contracts with customers:		
	Type of goods or sevice		
	Sale of goods	372,216.73	406,004.69
	Net proceeds from SOR	15,119.99	-
	Net income from concessionaire and consignment model	4,849.58	-
	Other operating income	6,268.95	6,204.31
	Tax	(40,662.10)	(42,536.57)
	Total Revenue from contracts with customers	**357,793.15**	**369,672.43**
	India	357,793.15	369,672.43
	Outside India	-	-
	Timing of revenue recognition		
	Goods transferred at a point in time	351,524.20	363,468.12
	Services transferred over time (Other operating income)	6,268.95	6,204.31
	Total Revenue from contracts with customers	**357,793.15**	**369,672.43**
19.2	**Contract balances**		
	Trade receivables*	4,724.24	4,771.72

*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

19.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	31 March 2019	31 March 2018
Revenue as per contracted price	482,313.83	460,914.44
Adjustments		
Loyalty points	(4,207.69)	(4,427.98)
Sales return	(22,430.48)	(18,043.66)
Discount	(97,882.51)	(68,770.37)
Revenue from contract with customers	**357,793.15**	**369,672.43**

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

			For the year ended 31 March 2019	For the year ended 31 March 2018
20	**Other income**			
	Interest on financial assets:			
	On lease deposits measured at amortised cost		690.15	1,388.52
	Bank deposits		7.72	69.56
	On mutual fund investment		672.50	-
	On income tax refund		358.76	-
	Miscellaneous income		134.34	193.28
	Profit on sale of fixed assets		1.79	1.74
			1,865.26	**1,653.10**

			For the year ended 31 March 2019	For the year ended 31 March 2018
21a	**Purchase of stock-in-trade**			
	Apparels		171,194.41	1,29,823.99
	Non-apparels		104,035.15	89,081.76
	Book and Others		4,157.27	5,409.34
		(A)	**279,386.83**	**224,315.09**
21b	**Changes in inventories of stock-in-trade**			
	Opening inventory			
	- Retail merchandise		35,631.57	38,109.48
	Closing inventory			
	- Retail merchandise		107,193.32	35,631.57
		(B)	**(71,561.75)**	**2,477.91**
21c	**Cost of inventories recognised as an expenses***	(A)+(B)	207,825.08	226,793.00
	* Includes write-downs/offs (net) of inventory to net realisable value on account of old season stock and shrinkages.		2,126.27	1,399.33

		For the year ended 31 March 2019	For the year ended 31 March 2018
22	**Employee benefits expenses**		
	Salaries and Wages	30,034.32	28,582.86
	Contribution to Provident and other funds (Refer note 28(i)(c) & 31)	2,022.21	1,969.05
	Share-based payments cost* (Refer note 36)	20.59	10.63
	Staff welfare expenses	882.77	1,003.79
		32,959.89	**31,566.33**

* Measured at fair value

		For the year ended 31 March 2019	For the year ended 31 March 2018
23	**Finance costs**		
	Interest on borrowings	1,306.20	3,700.00
	Bank charges	72.56	68.46
		1,378.76	**3,768.46**

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

		For the year ended 31 March 2019	For the year ended 31 March 2018
24	**Other expenses**		
	Lease rent and hire Charges (Refer note 26)	40,450.53	37,655.89
	Business conducting fees	1,657.25	1,441.11
	Rates and taxes	670.00	2,928.55
	Repairs and maintenance		
	- Buildings	9,482.96	8,633.26
	- Plant and machinery	4.79	3.63
	- Others	964.79	1,024.13
	Legal and professional fees (Refer note 24.1)	916.07	1,168.06
	Housekeeping charges	1,918.02	1,914.40
	Security charges	2,957.11	2,861.18
	Computer expenses	3,817.62	2,582.43
	Conveyance and travelling expenses	2,497.04	2,268.90
	Electricity charges	9,698.39	9,443.95
	Advertisement and publicity	7,231.44	5,725.15
	Sales promotion	809.04	4,248.36
	Charges on credit card transactions	2,475.84	2,715.05
	Allowances for bad and doubtful financial assets*	148.26	270.65
	Loss on Sale of Fixed Assets (net)	21.85	54.13
	Foreign exchange loss (net)	(33.98)	(16.27)
	Corporate Social Responsibility Expenses (Refer note 24.2)	139.28	84.16
	Miscellaneous expenses	6,616.53	5,157.50
		92,442.83	**90,164.22**

*excludes exceptional items

		For the year ended 31 March 2019	For the year ended 31 March 2018
24.1	**Payments to Auditors (excluding GST / service tax):**		
	i) Audit fees	66.66	59.08
	ii) Other matters	4.38	11.74
	iii) Out of pocket expenses	3.50	2.26
		74.54	**73.08**
	In respect of subsidiary companies		
	Payments to Auditors (excluding GST / service tax):		
	i) Audit fees	7.66	9.08
	ii) Other matters	0.28	0.28
	iii) Out of pocket expenses	-	-

		For the year ended 31 March 2019	For the year ended 31 March 2018
24.2	**Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VIII thereof**		
	a) Gross amount required to be spent by the Company	139.28	84.16
	b) Details of amount spent are as under:		
	Livelihood creation for persons with disabilities (Employment linked training)	89.28	64.08
	Disaster Relief Fund	10.00	-
	Livelihood creation for young underprivileged women (Employment linked training)	10.00	-
	Promote sustainable fashion through reuse,recycle and reduce	30.00	-
	Ensuring environmental sustainability (Swacch Bharat)	-	20.08
	Total	**139.28**	**84.16**
	c) Details of expenditure paid to related party in relation to CSR expenditure - Refer Note 32		

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

		For the year ended 31 March 2019	For the year ended 31 March 2018
25	**Income tax expense recognised in profit or loss**		
	Current income tax:		
	Current income tax charge	5,879.27	3,897.31
	Adjustments in respect of current income tax of previous year	(163.98)	(593.30)
	Total	**5,715.29**	**3,304.01**
	Deferred tax		
	In respect of current year	(1,221.94)	(1,548.38)
	In respect of prior years	**-**	-
		(1,221.94)	**(1,548.38)**
	Income tax expense reported in the statement of profit and loss	**4,493.35**	**1,755.63**

OCI section - Deferred tax related to items recognised in OCI during in the year:

	For the year ended 31 March 2019	For the year ended 31 March 2018
i) Remeasurement of employee defined benefit obligation	(67.60)	43.22
ii) Changes in fair value of equity instruments (Refer note 25.1)	-	72.48
Income tax charged to OCI	**(67.60)**	**115.70**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Accounting Profit before income tax (before exceptional item)	10,990.41	1,603.83
Income tax expense calculated at 34.944% (2018: 34.608%)	3,840.49	555.05
Effect of expenses that are not deductible in determining taxable profit		
Corporate social responsibility expenses	48.67	29.10
Interest disallowances u/s.14A	101.52	128.64
Donations / Rates and taxes	(24.34)	3.46
Adjustments in respect of current income tax of previous year		
Deferred tax written off on Service tax, FCC provisions and mark to market	123.61	(154.49)
Earlier year IT provision reversals	(76.23)	(438.81)
Others		
Effect of unused tax losses for the year not recognised as deferred tax assets	518.53	2,198.68
Deferred tax assets on short-term capital loss on sale of subsidiary	-	(506.48)
Others	(38.90)	(59.52)
Income tax expense recognised in profit or loss	**4,493.35**	**1,755.63**

25.1 In the absence of reasonable certainty, the Company has not recognised deferred tax assets (DTA) on mark to market loss on equity shares of Future Retail Ltd.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

		As at 31 March 2019	As at 31 March 2018
26	**Leasing Transactions**		
	Operating lease commitment as lessee		
	Expenses recognised in the statement of profit and loss		
	a) Minimum lease payments	34,628.10	32,408.62
	b) Contingent rent	5,822.43	5,247.27
	Variable rent for certain stores is payable in accordance with the lease agreement as the higher of (a) fixed minimum guarantee amount and (b) revenue share percentage.		
	c) The future minimum rental payments in respect of non-cancellable lease for premises are as follows:		
	Not later than one year	3,767.41	5,785.19
	Later than one year and not later than five years	4,452.66	7,353.04
	Later than five years	-	-
	The agreements are executed for periods ranging from 24 to 288 months with a non-cancellable period at the beginning of the agreement ranging from 24 to 108 months and having a renewable clause.		

27 Earning Per Equity Share

Calculated as follows:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by weighed average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

		As at 31 March 2019	As at 31 March 2018
(a)	Profit attributable to equity share holders from continuing operations (₹ in Lacs)	6,498.31	27,386.12
(b)	Loss attributable to equity share holders from discontinued operations (₹ in Lacs)	(1.25)	(2,964.46)
(c)	Profit / (Loss) attributable to equity share holders (₹ in Lacs)	6,497.06	24,421.66
(d)	Weighted Number of equity shares outstanding during the year	87,987,765	84,476,168
(e)	Weighted Number of equity shares outstanding during the year after adjustment for dilution	87,987,765	84,491,999
(f)	Nominal value per share (₹)	5.00	5.00
(g)	Earning per Share		
	Continuing operations		
	Basic (₹)	7.38	32.42
	Diluted (₹)	7.38	32.42
	Discontinued operations		
	Basic (₹)	-	(3.51)
	Diluted (₹)	-	(3.51)
	Continuing and Discontinued operations		
	Basic (₹)	7.38	28.91
	Diluted (₹)	7.38	28.91
	Weighted Average number of Equity shares for basic EPS	87,987,765	84,476,168
	Effect of dilution:		
	Share options	*	15,831
	Weighted average number of Equity shares adjusted for the effect of dilution	87,987,765	84,491,999

* Note: Since average market price is less than exercise price effect becomes anti-dilutive.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

	As at 31 March 2019	As at 31 March 2018
28 Contingent liabilities and commitments:		
i) Contingent liabilities		
a) Claims against the Company not acknowledged as debts comprise of:		
Income tax claims disputed by the Company relating to disallowances aggregating *	11,220.25	240.00
* During the year, the survey action was carried out by income tax authorities w.r.t. TDS for AY17-18, AY18-19 and AY12-13 post which order was passed directing the Company to pay tax of ₹ 4,408 Lacs for AY17-18 ₹4,213 Lacs for A.Y 18-19 and ₹ 2341 Lacs for A.Y. 12-13 on account of non-deduction of contract manufacturing goods. The Company has filed an appeal to higher authorities and deposited ₹ 1000 Lacs under protest. The Company is confident of getting the same quashed hence no provision on the same has been made and disclosed under contingent liabilities as on 31 March 2019. Further, the Company has also filed an appeals to higher authorities against disallowances of section 14A and other matters amounting to ₹ 258.25 Lacs.		
Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating		
- Service tax other than on rent #	1,120.42	1,120.42
- Service tax on rent (Refer note 29)	2,010.90	2,010.90
- VAT	0.89	6.67
- Customs Duty *	46.77	42.61
# The Service tax authority has raised demand through SCN amounting to ₹ 344.45 Lacs (Basis Duty of ST) towards business support services (concessionaire business model) for the period from May'2006 to May'2007. The final liability after considering the penalty and interest amounting to ₹1,120.42 Lacs (deposit paid under protest ₹ 344.45 Lacs). The Company has filed an appeal and matter is still pending before Mumbai High Court.		
* Aggrieved with the decision of custom department for demanding the payment of SAD refund of ₹ 41.60 Lacs the Company has filed an appeal before CESTAT. Futher, the Company has received demand order of ₹5.17 Lacs on account of misclassification of imported goods. Against the said order the Company has filed an appeal before CESTAT. Both these matters are pending with CESTAT.		
b) Others	25.00	25.00
c) Providend Fund	-	-
There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February 2019. Pending clarity, the Company has made a provision on a prospective basis from 1 March 2019. Appropriate changes to provision would be made on receiving further clarity on the subject.		
d) Bank Guarantees	600.02	554.80
Note: Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.		
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,770.02	2,220.75
b) Corporate guarantee given to bank jointly and severally:		
- Shoppers Stop Limited has given the corporate guarantee for loans taken by Crossword Bookstores Ltd. (2018: Crossword Bookstores Ltd. ₹2,340 Lacs)	2,340.00	2,340.00

29 Service tax

Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007, the Company has based on a legal advice, challenged the said levy and, *inter-alia*, its retrospective application. Pending the final disposal of the matter, which is presently before the Supreme Court, the Company continues not to provide for the retrospective levy aggregating to (Consolidated) ₹2,010.90 Lacs for the period 1 June 2007 to 31 March 2010, (fully paid under protest).

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

30 Exceptional Items

During the previous year ended 31 March 2018 exceptional items comprised of net gain on sale of a subsidiary, amounting to ₹ 20,856.36 lacs (Standalone net loss of ₹ 4,886.75 lacs) and net gain of ₹ 742.33 lacs (Standalone net loss of ₹ 154.21 lacs) on account of disposal of its shareholding in two Joint ventures.

31 Employee Benefits

31.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees of the Company. The assets of the plans are held separately from those of the Company in funds maintained with the government PF authorities. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹1,401.39 Lacs (2018: ₹1,215.64 Lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Information about the contributions to defined contribution plans for key managerial personnel is disclosed in note 32.

31.2 Defined benefit plan

The Company sponsors funded defined benefit plan for qualifying employees. The defined benefit plan is administered by a third-party insurer. This third-party insurer is responsible for the investment policy with regard to the assets of the plan.

Under the plan, the employees are entitled to a lump-sum amounting to 15 days' final basic salary for each year of completed service payable at the time of retirement/resignation provided the employee has completed 5 years of continuous service.

a) The plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longetivity risk.

Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Longevity risk	The Company has used certain mortality and attrition assumptions in the valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

b) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**As at 31 March 2019**	As at 31 March 2018
Discount rate	6.85%-7.00%	7.30%-7.40%
Expected rate of salary increase	3% - 5%	3% - 4%
Average Longevity at retirement age for current beneficiaries of the plan (years)	Indian Assured Lives Mortality 2006-08	
Rate of employee turnover		
Upto 5 Year	35% - 43%	34% - 43%
Above 5 Year	12% - 12%	11% - 12%

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

c) Amount recognised in statement of profit and loss in respect of these defined benefit plan:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	206.66	260.74
Net interest cost	13.30	14.57
Components of defined benefits costs recognised in profit or loss.	**219.96**	**275.31**
Remeasurements on the net defined benefit liability:		
- Return on plan assets, excluding amount included in interest expense/(income)	9.85	(16.14)
- Actuarial (gain)/loss from change in demographic assumptions	9.84	(99.57)
- Actuarial (gain)/loss from change in financial assumptions	82.04	(20.98)
- Actuarial (gain)/loss from change in experience adjustments	115.61	10.58
Total amount recognised in other comprehensive income	**217.34**	**(126.11)**
Total	**437.30**	**149.20**

d) The amount included in the balance sheet arising from Company's obligation in respect of its benefit benefit plan is as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Present value of funded defined benefit obligation	1,462.86	1,398.38
Fair value of plan assets	1,176.31	1,218.76
Net liability arising from defined benefit obligation	**286.55**	**179.62**

e) Movement in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening defined benefit obligation	1,398.38	1,577.53
Current service cost	206.66	260.74
Interest cost	103.38	99.29
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	9.84	(99.57)
- Actuarial (gain)/loss from change in financial assumptions	82.04	(20.98)
- Actuarial (gain)/loss from change in experience adjustments	115.61	10.58
Movements on account of subsidiaries	-	(190.17)
Benefits paid	(453.05)	(239.04)
Closing defined benefit obligation	**1,462.86**	**1,398.38**

f) Movement in the fair value of the plan assets are as follows.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening fair value of plan assets	1,218.76	1,278.70
Interest income	90.06	84.72
Remeasurement (gains)/losses:	-	-
- Return on plan assets, excluding amount included in net interest expense	(9.85)	16.13
Contributions from the employer	330.39	173.39
Movements on account of subsidiaries	-	(95.13)
Benefits paid/transferred	(453.05)	(239.05)
Closing fair value of plan assets	**1,176.31**	**1,218.76**

g) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality.The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.The results of sensitivity analysis is as follows:

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(All amounts in ₹ lacs)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation (base)	**1,462.35**	1,397.89

Particulars	31 March 2019		31 March 2018	
	Decrease	**Increase**	Decrease	Increase
Discount rate (- / +1%)	1,557.72	1,378.17	1,483.25	1,322.61
% change compared to base due to sensitivity	6.10% - 6.50%	(5.50%) - (5.80%)	5.90% - 6.10%	(5.30%) - (5.40%)
Salary growth rate (- / +1%)	1,375.46	1,559.16	1,319.52	1,485.31
% change compared to base due to sensitivity	(5.70%) - (6.00%)	6.20% - 6.60%	(5.60%)	6.10% - 6.20%
Attrition rate (- / +50%)	1,424.31	1,454.79	1,328.01	1,412.06
% change compared to base due to sensitivity	(2.50%) - (6.00%)	(0.70%) - 2.00%	(4.90%) - (7.50%)	0.90% - 2.70%
Mortality rate (- / +10%)	1,462.45	1,463.25	1,397.90	1,398.86
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%

% in bracket indicates negative

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

There in no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note 30.2b above.

h) Asset liability matching strategies:

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

i) Effect of plan on entity's future cash flows

a) Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) The Company expects to contribute ₹508.46 lacs to its gratuity plan for the next year.

c) Weighted average duration of the defined benefit obligation is ranging in between 4.21- 6 years (based on discounted cashflows)

Expected cash flows over the next (valued on undiscounted basis):	₹ In Lacs
1 year	208.20
2 to 5 years	758.21
6 to 10 years	630.73
More than 10 years	877.64

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32 Related party disclosures

Names of related parties and description of relationship:

(a)	Key Management Personnel	Executive Director	Govind Shrikhande (upto June 30,2018) Rajiv Suri (w.e.f June 08, 2018)
		Non Executive Directors	Chandru L.Raheja (upto June 08,2018) Ravi Raheja Neel Raheja B. S. Nagesh Nitin Sanghavi Deepak Ghaisas Nirvik Singh Ameera Shah (w.e.f.June 08,2018) Abanti Sankaranarayanan (upto June 08,2018) Gareth Thomas (upto October 26, 2017) Manish Chokhani Amisha Prabhu Robert Bready (w.e.f.July 27,2018)
		Chief Executive Officer	Rajiv Suri (w.e.f January 09, 2018)
		Chief Financial Officer	Karunakaran M (w.e.f.June 08,2018) Sanjay Chakravarti (upto December 22, 2017)
		Deputy Chief Financial Officer	Vijay Jain (from April 27, 2018 to June 08, 2018)
		Company Secretary Holding Company	Bharat Sanghavi
		Subsidiary Company (Crossword Bookstores Ltd)	Valde Varghese
		Business Head and Manager (Crossword Bookstores Ltd)	Maulik Desai
(b)	Promoter directors	Chandru L.Raheja Ravi Raheja Neel Raheja	
(c)	Entities in which a director is a director	Ivory Properties and Hotels Private Limited * Avacado Properties and Trading India Private Limited * Trion Properties Private Limited * Retailers Association of India K. Raheja Corp. Private Limited* Inorbit Malls (India) Private Limited* K. Raheja Private Limited* Chalet Hotels Pvt Limited* Magna Warehousing & Distribution Private Limited* Juhu Beach Resorts Ltd.*, Genext Hardware and Parks Private Limited *	
(d)	Entities in which other directors are directors / trustees	Sanghavi Associates Ltd., Trust for Retailers & Retailers Associates of India Trrain Circle Private Limited Trrain Foundation, JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt Limited*	

Note 35 provides the information about the group's structure including the details of the subisidiaries. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

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(All amounts in ₹ lacs)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Compensation to key management personnel				
Remuneration to managing director	**-**	**-**	**506.21**	**506.21**
Short term benefits	-	-	380.57	
Post employment benefits	-	-	125.64	
Share based payments			-	
			(499.16)	(499.16)
Remuneration to managing director & chief executive officer	**-**	**-**	**621.62**	**621.62**
(Mr. Rajiv Suri,chief executive officer was appointed as managing director & chief executive officer w.e.f. 08 June 2018)				
Short term benefits	-	-	616.09	
Post employment benefits	-	-	0.08	
Share based payments	-	-	5.45	
			(100.22)	(100.22)
Remuneration to company secretary	**-**	**-**	**51.32**	**51.32**
Short term benefits	-	-	49.81	
Post employment benefits	-	-	0.36	
Share based payments	-	-	1.15	
			(43.63)	(43.63)
Remuneration to chief financial officer	**-**	**-**	**102.85**	**102.85**
Short term benefits	-	-	95.02	
Post employment benefits	-	-	5.14	
Share based payments	-	-	2.69	
			(100.65)	(100.65)
Remuneration to Deputy Chief Financial Officer	**-**	**-**	**16.62**	**16.62**
Short term benefits	-	-	15.94	
Post employment benefits	-	-	0.68	
Share based payments	-	-	-	
			-	-
Remuneration to company secretary of Subsidiary Co	**-**	**-**	**17.34**	**17.34**
Short term benefits	-	-	17.02	
Post employment benefits	-	-	0.32	
Share based payments	-	-	-	
			(8.89)	(8.89)
Maulik Desai	**-**	**-**	**45.43**	**45.43**
Short term benefits	-	-	45.43	
Post employment benefits	-	-	-	
Share based payments	-	-	-	
			(33.56)	(33.56)

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Other related party transactions				
Payment of Business conducting fees	**1,657.25**			**1,657.25**
Ivory Properties and Hotels Private Limited *	1,657.25			
	(1,441.11)			(1,441.11)
Payment of Lease rent	**3,868.71**			**3,868.71**
	(3,745.49)			(3,745.49)
Ivory Properties and Hotels Private Limited *	253.76			
	(264.88)			
Inorbit Malls (India) Private Limited *	2,466.68			
	(2,457.66)			
Chalet Hotels Ltd *	374.40			
	(143.79)			
Trion Properties Private Limited *	773.87			
	(706.61)			
Genext Hardware and Parks Private Limited *	-			
	(172.55)			
	-			
Payment of common area maintenance (Repair & Maintenance- Building)	**992.56**			**992.56**
	(997.14)			(997.14)
Ivory Properties and Hotels Private Limited *	16.41			
	(10.45)			
Inorbit Malls (India) Private Limited *	686.49			
	(717.47)			
Chalet Hotels Ltd *	37.19			
	-			
Trion Properties Private Limited *	252.47			
	(269.22)			
Reimbursement of Expenses	**524.13**	**-**	**1.56**	**525.68**
	(627.40)	-	-	(627.40)
Inorbit Malls (India) Private Limited *	363.71			
	(472.63)			
Trion Properties Private Limited *	121.42			
	(138.71)			
Chalet Hotels Ltd*	19.40			
	-			
Sanghavi Associates Ltd	-	-		
	(10.06)	-		
Juhu Beach Resorts Limited *	10.97			
	(0.10)			
Retailers Association of India	4.16			
	(3.51)			
Trrain Foundation	4.47			
	-			
Trrain Circle Pvt Ltd	-			
	(0.77)			
K.Raheja Corp.Pvt.Ltd.*	-			
	(1.63)			
B.S.Nagesh	-		1.56	
			(0.95)	

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Deposits Paid	**24.30**	**-**	**-**	**24.30**
	(71.04)			(71.04)
Inorbit Malls (India) Private Limited *	-			
	(49.64)			
Trion Properties Private Limited *	1.01			
	(0.88)			
Genext Hardware and Parks Private Limited *	-			
	(20.52)			
Chalet Hotels Ltd*	23.30			
	-			
Advance Rent	**-**	**-**	**-**	**-**
	(29.47)	-	-	(29.47)
Genext Hardware and Parks Private Limited *	-			
	(28.76)			
Avacado Properties and Trading (India) Private Limited *	-			
	(0.71)			
Expenses paid	**221.59**	**-**	**-**	**221.59**
	(150.88)	-	-	(150.88)
Miscellaneous expenses				
Chalet Hotels Ltd*	5.99			
	-			
Inorbit Malls (India) Private Limited *	5.60			
	(8.88)			
Juhu Beach Resorts Ltd.*	1.76			
	-			
Retailers Association of India	2.00			
	(2.00)			
JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt ltd *	-			
	(4.78)			
Legal and professional fees				
Chalet Hotels Ltd*	0.37			
	-			
Retailers Association of India	5.00			
	-			
JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt ltd *	-			
	(0.37)			
Advertisement and publicity				
Inorbit Malls (India) Private Limited *	73.14			
	(53.82)			
Trion Properties Private Limited *	23.17			
	(17.04)			
Salaries & Wages (Recruitment expenses)				
Juhu Beach Resorts Ltd.*	5.27			
	-			
Corporate Social Responsibility expenses				
CSR- Trust for Retailers & Retail Association of India	99.29			
	(64.00)			

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

Nature	Entities in which a director is a director (refer (c) above	Related Parties of Joint Ventures (refer note 35)	Key Management Personnel	Total
Deposit received back				
Trion Properties Private Limited	-	-	-	-
	(197.18)			(197.18)
Commission and Sitting fees to non executive Directors			**84.99**	**84.99**
Chandru L. Raheja (upto June 8,2018)			1.00	
Ravi Raheja			11.50	
Neel Raheja			9.00	
B. S. Nagesh			8.03	
Nitin Sanghavi			10.50	
Deepak Ghaisas			13.50	
Nirvik Singh			9.50	
Ameesha Prabhu			0.12	
Vidya Hariharan			0.09	
Abanti Sankaranarayanan (upto June 8,2018)			1.25	
Manish Chokhani			9.50	
Ameera Shah (appointed w.e.f. June 08,2018)			5.50	
Robert Bready (appointed w.e.f. July 27,2018) **			5.50	
			(50.83)	(50.83)

The figure in bracket pertain to previous year

Balance outstanding at the year end	31 March 2019	31 March 2018
Receivables		
Ivory Properties and Hotels Private Limited *	1,016.52	1,010.52
Inorbit Malls (India) Private Limited *	861.23	846.31
Trion Properties Private Limited *	286.83	285.96
Genext Hardware And Parks Pvt Ltd *	-	179.55

The Company has given corporate guarantee to banks for loans taken by subsidiaries - Refer note 28(ii)(b)

* These parties are not related to Shoppers Stop Ltd. per Ind AS 24 definition. These parties have been reported on the basis of their classification as related party under the Companies Act 2013.

** An amount of Rs.9 Lacs is payable to Mr. Robert Bready, for providing training and advisory services to the senior management of the Company.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Segment reporting

Information about operating segments:

i) The Group is primarily engaged in Retail operations i.e. trading of Apparels, Non-apparels such as Cosmetics, Household items, Food products, Books etc. which in the terms of Ind AS 108 on 'Operating Segments' constitute the reporting segment.

ii) The Group operates in a single geographical environment i.e. in India.

iii) No single customer contributed 10% or more to Groups revenue.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

33.1

Particulars	31 March 2019	31 March 2018
Segment revenue from external customers		
Continuing Operations		
Retail Operations	357,793.15	369,672.43
Property Options	-	-
	357,793.15	**369,672.43**
Discontinued Operations		
Retail Operations	0.20	73,096.64
	0.20	**73,096.64**
Total segment revenue from external customers	**357,793.35**	**442,769.07**
Segment operating results		
Continuing Operations		
Retail Operations	12,370.41	11,311.51
	12,370.41	**11,311.51**
Discontinued Operations		
Retail Operations	(1.25)	(2,915.82)
	(1.25)	**(2,915.82)**
Total segment operating results	**12,369.17**	**8,395.69**
Interest Expense		
Continuing Operations	1,378.76	3,768.46
Discontinued Operations	-	3,023.40
	1,378.76	**6,791.86**
Exceptional Item	-	(21,598.69)
Profit / (Loss) before tax from continuing operations	10,991.67	29,141.75
Profit / (Loss) before tax from discontinued operations	(1.25)	(5,939.22)
Profit / (Loss) before tax	**10,990.42**	**23,202.53**
Tax expense	(4,493.35)	(1,755.63)
Profit / (Loss) after tax from continuing operations	6,498.31	27,386.12
Profit / (Loss) after tax from discontinued operations	(1.25)	(5,939.22)
Profit / (Loss) after tax	**6,497.06**	**21,446.90**

33.2

Particulars	31 March 2019	31 March 2018
Segment Assets		
Retail Operations	247,558.96	178,761.80
Total	**247,558.96**	**178,761.80**
Segment Liabilities		
Retail Operations	156,088.96	88,317.80
Total	**156,088.96**	**88,317.80**

34 Discontinued Operations

The Board of Directors of Gateway Multichannel Retail (India) Limited (Gateway), a subsidiary of SSL had decided to discontinue operation in January 2009. SSL has committed to provide the necessary level of support, to enable Gateway to remain in existence and continue as a going concern.

During the year ended 31 March 2018, the Company disposed off 77,158,778 equity shares of ₹ 10/- each constituting 51.09% of the share capital of Hypercity Retail (India) Ltd; its material subsidiary to Future Retail Limited on November 30, 2017. Accordingly, Hypercity ceases to be subsidiary of the Company. Refer note 35(a)

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

Further, during the year ended 31 March 2018, the Company has disposed off its 40% and 48.42% shareholding in Nuance Group (India) Ltd. (NGIPL) and Timezone Entertainment Private Limited (TEPL). Accordingly, NGIPL and TEPL ceases to be joint ventures of the Company. Refer note 35(b)

Statement showing the revenue and expenses of discontinued operations:

Particulars	31 March 2019	31 March 2018
Revenue	-	73,096.64
Other Income	0.20	2,602.86
Total Revenue	**0.20**	**75,699.50**
Operating Expenses	1.45	81,781.84
Loss before tax from discontinued operations	(1.25)	(6,082.34)
Share of Profit/(Loss) in Joint Ventures	-	143.12
Loss before tax from discontinued operations	**(1.25)**	**(5,939.22)**
Income tax	-	-
(Loss) after tax from discontinued operations (attributable to owners of the Company)	**(1.25)**	**(5,939.22)**

The major classes of assets and liabilities of discontinued operations is as follows:

Particulars	31 March 2019	31 March 2018
Non-current assets	26.27	26.25
Current assets	3.46	3.91
Non-current liabilities	2,201.66	2,201.66
Current liabilities	41.20	40.38
Carrying value of Group's interest in Joint Ventures (Refer note 35 (b)(ii)	-	-
Equity attributable to owners of the Company	-	-
Non-controlling interests	-	-

Cash flows from discontinued operations	31 March 2019	31 March 2018*
Net cash inflow / (outflow) from operating activities	0.11	2,384.34
Net cash inflow / (outflow) from investing activities	0.20	(125.18)
Net cash inflow / (outflow) from financing activities	-	(699.88)
Net cash inflows	0.31	1,559.28

* Hypercity cashflow considered till 30 November'2017

35 SUBSIDIARIES AND JOINT VENTURE

a) The subsidiaries (which along with SSL Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31 March 2019	As at 31 March 2018
Crossword Book Stores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees	India	100%	100%
Upasna Trading Limited	Supervising distribution and logistics operations	India	100%	100%
Shopper's Stop Services (India) Limited	Services	India	100%	100%
Shopper's Stop.Com (India) Limited	Services	India	100%	100%
Gateway Multichannel Retail (India) Limited	Catalogue retailing	India	100%	100%

* During the financial year 2018, In terms of the Share Purchase Agreement executed with Future Retail Limited and approval accorded by the members through postal ballot, the Group disposed off 77,158,778 equity shares of ₹ 10/- each constituting 51.09% of the share capital of Hypercity Retail (India) Ltd.; its material subsidiary to Future Retail Limited on November 30, 2017. Accordingly, Hypercity ceases to be subsidiary of the Group. The Group was allotted 4,756,823 equity shares of ₹2/- each at an issue price of ₹ 537/- per equity share by Future Retail Limited and received cash consideration in terms of the aforesaid Share Purchase Agreement. Accordingly, the Group has recorded a net gain of ₹20,856.36 lacs in financial year ended 31 March 2018, which has been disclosed as an exceptional item.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

b) Investment in Joint Ventures

During the financial year ended 31 March 2018, the Group has disposed off its 40% shareholding in Nuance Group (India) Pvt. Ltd. (NGIPL) to The Nuance Group AG, Switzerland, at a consideration of ₹ 600 lacs on October 6, 2017. With the disposal of this shareholding, the Shareholders Agreement executed with them, stands terminated and accordingly, NGIPL ceases to be an associate company of the Group. Accordingly, the Group has recorded a net gain of ₹ 14 lacs in financial year ended 2018, which has been disclosed as an exceptional item.

During the financial year ended 31 March 2018, the Group has disposed off its 48.42% shareholding in Timezone Entertainment Private Ltd. (TEPL) to Timezone West Asia Pte. Ltd., at a consideration of ₹2270 lacs on 15 February 2018. With the disposal of this shareholding, the joint venture agreement executed in this regard, stands terminated and accordingly, TEPL ceases to be an associate company of the Group. Accordingly, the Group has recorded a net gain of ₹ 728.33 lacs in financial year ended 2018, which has been disclosed as an exceptional item.

Summarise financial information in respect of Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with the Ind-ASs adjusted by the group equity accounting purposes

Particulars	31 March 2019		31 March 2018	
	Nuance Group (India) Private Limited	**Timezone Entertainment Private Limited**	Nuance Group (India) Private Limited	Timezone Entertainment Private Limited
Non-Current Assets	-	-	-	-
Current Assets	-	-	-	-
Non-current Liabilities	-	-	-	-
Current Liabilities	-	-	-	-
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	-	-	-	-
Current financial liabilities (excluding trade payables and provisions)	-	-	-	-
Non-Current financial liabilities (excluding trade payables and provisions)	-	-	-	-
Reconcilisation of summarised financial information to the carrying amount of interest in joint ventures				
Net Assets of joint ventures	-	-	-	-
Proportion of Group's ownership interest in the joint ventures	-	-	-	-
Goodwill	-	-	-	-
Other adjustments (please specify)	-	-	-	-
Less: Impairment in value	-	-	-	-
Carrying amount of the Group's interest in the joint ventures	-	-	-	-

Particulars	31 March 2019		31 March 2018	
	Nuance Group (India) Private Limited	**Timezone Entertainment Private Limited**	Nuance Group (India) Private Limited	Timezone Entertainment Private Limited
Revenue	-	-	8,514.25	5,767.57
Profit (loss) from continuing operations	-	-	13.06	284.78
Profit (loss) for the year	-	-	13.06	284.78
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	13.06	284.78
Dividends received from the joint venture during the year	-	-	-	-
The above profit (loss) for the year include the following:				
Depreciation and amortisation	-	-	178.13	832.55
Interest income	-	-	7.71	7.09
Interest expense	-	-	136.33	97.76
Income tax expense (income)	-	-	-	-

Notes:

i. Nuance Group (India) Private Limited financials are consolidated by the Group till 6 October 2017.

ii. Timezone Entertainment Private Ltd. financials are consolidated by the Group till 15 February,2018.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

c) Disclosure on Non-controlling Interests

i Non-controlling Interests

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	-	521.06
Share of profit/(loss) for the year	-	(2,974.76)
Contribution during the year	-	1,451.07
Sale of Interest in subsidiary - Hypercity	-	1,002.63
Balance at the end of the year	-	-

ii Details of non-wholly owned subsidiaries that have material non-controlling interests

Particulars	Year ended 31 March 2019	Year ended 31 March 2018 *
Revenue	-	75,776.04
Expenses	-	81,857.94
Profit/(Loss) for the year	**-**	**(6,081.90)**
Profit/(Loss) attributable to owners of the Company	-	(3,107.14)
Profit/(Loss) attributable to non-controlling interests	-	(2,974.76)
Profit/(Loss) for the year	**-**	**(6,081.90)**
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to non-controlling interests	-	-
Other comprehensive income for the period	**-**	**-**
Total comprehensive income attributable to owners of the Company	-	(3,107.14)
Total comprehensive income attributable to non-controlling interests	-	(2,974.76)
Total comprehensive income for the year	**-**	**(6,081.90)**
Net cash inflow/(outflow) from operating activities	-	2,384.34
Net cash inflow/(outflow) from investing activities	-	(125.18)
Net cash inflow/(outflow) from financing activities	-	(699.88)
Net cash inflow/(outflow)	**-**	**1,559.28**

* Hypercity consolidated from 1 April 2017 till 30 November 2017.

36 Share-based payments

The expense recognised for employee services received during the year is shown in the following table:

	Year ended 31 March 2019	Year ended 31 March 2018
Expense arising on Employee Stock Option Scheme	20.59	10.63
Total expense arising from share-based payment transactions	**20.59**	**10.63**

36.1 Employee share option plan of the Group

The Group has a share option scheme for certain employees of the Company and its subsidiaries. In accordance with the terms of the share option scheme, as approved by shareholders at a previous general meeting, employees with a pre-defined grade and having more than five years of service may be granted options to purchase equity shares. Each share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised within four years from the date of grant, as per vesting schedule. The share options vests based on a pre-determined vesting schedule from the date of grant.

The fair value of the share options is estimated at the grant date using a lattice model for option pricing taking into account the terms and conditions upon which the share options are granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

The Contractual term of each option granted is three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

The following share-based payment arrangements were in existence during the current and prior years:

Options series	Number	Grant date	Vesting date	Exercise Price (₹)	Fair value at grant date (₹)
Granted on 31 July 2015	3,275	31.07.2015	31.07.2018	404.00	124.35
Granted on 29 April 2014	160,675	29.04.2014	29.04.2017	362.00	123.21
Granted on 8 June 2018	9,191	08.06.2018	07.06.2021	544.00	219.45
Granted on 8 June 2018	5,253	08.06.2018	08.06.2021	544.00	189.71
Granted on 27 July 2018	28,720	27.07.2018	27.07.2021	546.00	167.93
Granted on 28 January 2019	17,210	28.01.2019	28.01.2022	514.00	160.20

All options vested based on the predetermined vesting schedule (i.e. over a period of or at the end of three years) from the date of grant and expire after 12 months from the last date of vesting schedule, six months from the date of retirement or twelve months after the resignation of the employee, whichever is the earlier.

36.2 Fair value of share options granted in the year

There are no new grants during the F.Y. 2018-19.

Options series	Number	Grant date	Vesting date	Exercise Price (₹)	Fair value at grant date (₹)
Granted on 8 June 2018	9,191	08.06.2018	07.06.2021	544.00	219.45
Granted on 8 June 2018	5,253	08.06.2018	08.06.2021	544.00	189.71
Granted on 27 July 2018	28,720	27.07.2018	27.07.2021	546.00	167.93
Granted on 28 January 2019	17,210	28.01.2019	28.01.2022	514.00	160.20

36.3 Movements in share options during the year

Number of Employee Stock Option Outstanding:	**Number of Options**	**Weighted average exercise price**	Number of Options	Weighted average exercise price
	31 March 2019		31 March 2018	
Outstanding at the beginning of the year	49,919	363.07	211,124	353.61
Granted during the year	60,374	536.40	-	-
Lapsed/Cancelled during the year	25,590	-	101,185	-
Exercised during the year	29,239	362.00	60,020	345.99
Surrendered during the year	-	-	-	-
Outstanding at the end of the year	**55,464**	**536.40**	**49,919**	**363.07**

Of the above outstanding share options, 55,464 (2018: 49,919) shares are exercisable at the end of the respective reporting periods.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

Details of year-wise grant and exercise:

Year / (date of Grant)	Options granted (net of lapsed)	Exercised till 31.3.2017	Exercised in 2017-18	Exercised till 31.3.2018	Outstanding 31.3.2018	**Exercised in 2018-19**	**Outstanding 31.3.2019**
2009-10 (29.04.2009)	958,740	958,740	-	958,740	-	-	-
2009-10 (24.03.2010)	358,200	358,200	-	358,200	-	-	-
2011-12 (29.04.2011)	124,100	124,100	-	124,100	-	-	-
2012-13 (09.06.2012)	101,807	101,807	-	101,807	-	-	-
2013-14 (28.08.2013)	42,512	28,629	13,883	42,512	-	-	-
2014-15 (29.04.2014)	83,906	10,494	44,173	54,667	29,239	29,239	-
2014-15 (05.11.2014)	-	-	-	-	-	-	-
2015-16 (31.07.2015)	1,964	-	1,964	1,964	-	-	-
2018-19 (08.06.2018)	9,191	-	-	-	-	-	9,191
2018-19 (08.06.2018)	5,253	-	-	-	-	-	5,253
2018-19 (27.07.2018)	23,810	-	-	-	-	-	23,810
2018-19 (08.06.2018)	17,210	-	-	-	-	-	17,210
			60,020	**1,641,990**	**29,239**	**29,239**	**55,464**

36.4 Share options exercise during the year

Options series	Number Exercised	Exercise date	Weighted Average Share price at exercise date (₹)
Granted on 29 April 2014	29,239	27.04.2018	362

36.5 New scheme launched

The compensation cost of stock options granted to employees is calculated using the instrinsic value of the stock options.

	2018-19			
Date of grant	08.06.2018	08.06.2018	27.07.2018	28.01.2019
Number of option granted	9,191	5,253	28,720	17,210
Contractual life	3 years	3 years	3 years	3 years
Vesting Schedule (from the date of grant)				
First Year	-	30%	30%	30%
Second Year	-	30%	30%	30%
Third Year	100%	40%	40%	40%
Method of settlement	Equity	Equity	Equity	Equity
Estimated Fair Values(Arrived at by applying Latticre model for option Pricing)	219.45	189.71	167.93	160.20
Model inputs (share price at the grant date) ₹	544	544	546	514
Exercise Price ₹	544	544	546	514
Expected Volatility	32.83%	33.01%	33.12%	34.08%
Risk free rate of return	1.97%	1.93%	1.90%	1.84%

36.6 The weighted average contractual life of the options outstanding is 4.42 years.

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(All amounts in ₹ lacs)

37 Derivatives / Forward foreign exchange contracts

a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading and speculative purposes.

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out of 6 months within 40% to 50% of the exposure generated.

Adjustments are made to the initial carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following are the outstanding Forward Exchange Contracts entered into by the Group as at 31 March 2019.

Particulars	**31 March 2019**			31 March 2018		
Number of Contracts	-	-	-	1	1	1
Type	-	-	-	Buy	Buy	Buy
Foreign currency (in lacs)	-	-	-	0.27 EURO	0.06 GBP	1.86 USD
INR Equivalent (in lacs)	-	-	-	22.20	5.77	121.43

b) **Unhedged Foreign Currency exposure**

The following are the foreign currency exposures that have not been hedged by a derivative instrument or otherwise at the end of the year.

Particulars	**31 March 2019**		31 March 2018	
	₹ In Lacs	**In Foreign currency**	₹ In Lacs	In Foreign currency
Trade Payable	90.88	USD 1,31,429	-	-
Creditors for capital expenditure	0.69	EURO 889	-	-

38. Financial Instruments

A. Capital risk management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Group determines the amount of capital required for respective companies on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores, technology. The Group's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings. Majorly Group raise long-term loan for its CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. The following table summarise the capital of the Group:

Capital	**As at 31 March 2019 ₹ in Lacs**	As at 31 March 2018 ₹ in Lacs
Long term borrowings (including current maturities)	4,423.33	8,700.11
Short-term borrowings	3,022.26	3,834.77
Total debt	**7,445.59**	**12,534.88**
Equity share capital	4,399.50	4,398.03
Other equity (including Non-Controlling Interests, less goodwill on consolidation)	87,070.50	86,045.96
Total Equity	91,470.00	90,443.99
Debt to Total Equity Ratio	**0.08**	**0.14**

The Group's objective is to keep the debt to total equity ratio of the holding company on consolidated basis below 1 which it has achieved in current year.

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(All amounts in ₹ lacs)

B. Financial risk management

A wide range of risks may affect the Group's business and operational / financial performance. The risks that could have significant influence on the Group are market risk, credit risk and liquidity risk. The Board of Directors of respective Companies reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Group's operational and financial performance.

a) Market risk:

Market Risk is the risk that changes in market place could affect the future cash flows to the Group. The market risk for the Group arises primarily from product price risk, interest rate risk and, to some extent, foreign currency risk.

Product price risk: In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Interest risk: The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Group 's profit before tax by approximately ₹15 lacs (2018: ₹ 188 lacs).

Currency risk: The Group's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Group fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward foreign exchange contracts. Also Refer Note 37 for the forward foreign currency contracts outstanding at the end of the reporting period.

b) Credit risk:

Credit risk is a risk that the counter party will default on its contractual obligation resulting in financial loss to the Group. The credit risk for the Group primarily arises from credit exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

Trade and other receivables: The Group's retail business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, the Group is not exposed to concentration risks.

Property options receivable: The Group considers a variety of relevant factors like age, past due details and credit enhancements (guarantees) in assessing credit risk from property options receivable. The property option receivables are guaranteed under contract by a company of the promoter shareholder group with further assurance from a promoter director.

NOTES

to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

c) **Liquidity Risk:**

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Group's financial liabilities based on contractual undiscounted cash flows.

₹. in Lacs

	Less than 1 year	Between 1 and 5 years	Carrying amounts
At 31 March 2018			
Borrowings (long-term and short-term)	8,134.80	4,400.08	12,534.88
Interest payable	6.37	-	6.37
Trade payables and other accruals	51,906.81	-	51,906.81
At 31 March 2019			
Borrowings (long-term and short-term)	7,243.67	201.92	7,445.59
Interest payable	9.40	-	9.40
Trade payables and other accruals	1,27,709.82	-	1,27,709.82

In respect of financial guarantee contracts, no amounts are recognised based on the results of the liability adequacy test for likely deficiency / defaults by the entities on whose behalf the Group has given guarantees, grounded on the Group's actual experience.

The Group has access to following financing facilities which were undrawn as at the end of reporting periods mentioned.

₹. in Lacs

Undrawn financing facility	**As at 31-Mar-19**	As at 31-Mar-18
Secured Working Capital Facilities		
Amount Used	778.00	1,328.14
Amount Unused	32,622.00	32,071.86
Total	**33,400.00**	**33,400.00**
Unsecured Working Capital Facilities		
Amount Used	-	-
Amount Unused	2,500.00	2,500.00
Total	**2,500.00**	**2,500.00**

NOTES

to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

C. Fair Value Measurements

i) Financial assets and liabilities that are measured at amortised cost:

₹. in Lacs

	As at 31 March 2019	As at 31 March 2018
Financial Assets (amortised cost):		
Trade receivables	4,724.24	4,771.72
Cash & Cash equivalents	1,713.70	534.88
Other bank balances	30.52	68.80
Other financial assets		
- Premises and other deposits	13,334.43	11,997.24
- Others	232.02	548.52
Financial Liabilities (amortised cost):		
Borrowings - long-term	201.92	4,400.08
Borrowings - short-term	3,022.26	3,834.77
Trade payables	1,27,709.82	51,906.81
Other financial liabilities	8,098.27	8,320.31

The fair values of the above financial assets and liabilities approximate their carrying amounts

ii) Financial assets and liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Financial assets / Financial liabilities	Fair value as at 31 March 2019	Fair value as at 31 March 2018	Fair value hierarchy
Fair Value through Profit and Loss			
Forward foreign currency contracts	Assets Nil	Assets ₹ 0.39 lacs	Level 2
Investment in Mutual Funds	Assets ₹ 4,245.12 lacs	Assets ₹ 2,003.55 lacs	Level 2
Fair Value through OCI			
Investment in Furture Retail Limited	Assets ₹ 21,588.84 lacs	Assets ₹ 26,241.01 lacs	Level 1

Valuation technique and key input used: Fair value is determined using discounted future cash flows which are estimated based on forward exchange rates at the end of the reporting period, discounted at a rate that reflects the credit risk of the Group.

NOTES

to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

39 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ In lacs.)	As % of consolidated profit or loss	Amount (₹ In lacs.)	As % of consolidated profit or loss	Amount (₹ In lacs.)	As % of consolidated profit or loss	Amount (₹ In lacs.)
Holding Company								
Shoppers Stop Limited	101%	92,741.60	120%	7,799.81	100%	(4,778.02)	178%	3,021.79
Subsidiaries (Indian)								
Crossword Book Stores Limited	1%	976.54	-20%	(1,298.16)	0%	(23.90)	(78%)	(1,322.06)
Upasna Trading Limited	0%	(88.60)	0%	(1.20)	0%	-	0%	(1.20)
Shopper's Stop Services (India) Limited	0%	7.62	0%	(1.14)	0%	-	0%	(1.14)
Shopper's Stop.Com (India) Limited	0%	3.77	0%	(1.13)	0%	-	0%	(1.13)
Gateway Multichannel Retail (India) Limited	-2%	(2,170.93)	0%	(1.12)	0%	-	0%	(1.12)
Non controlling interest	0%	-	0%	-	0%	-	0%	-

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Particulars	Net assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ In lacs.)	As % of consolidated profit or loss	Amount (₹ In lacs.)	As % of consolidated profit or loss	Amount (₹ In lacs.)	As % of consolidated profit or loss	Amount (₹ In lacs.)
Holding Company								
Shoppers Stop Limited	101%	91,115.98	129%	27,715.62	100%	704.89	128%	28,420.51
Subsidiaries (Indian)								
HyperCity Retail (India) Limited	0%	-	-28%	(6,081.90)	0%	-	-27%	(6,081.90)
Crossword Book Stores Limited	2%	1,574.72	-2%	(328.26)	0%	-	-1%	(328.26)
Upasna Trading Limited	0%	(87.97)	0%	(0.50)	0%	-	0%	(0.50)
Shopper's Stop Services (India) Limited	0%	8.60	0%	(0.35)	0%	-	0%	(0.35)
Shopper's Stop.Com (India) Limited	0%	3.67	0%	(0.35)	0%	-	0%	(0.35)
Gateway Multichannel Retail (India) Limited	-2%	(2,171.03)	0%	(0.44)	0%	-	0%	(0.44)
Non-controlling interest	0%	-	0%	-	0%	-	0%	-
Joint Ventures (as per Equity method)								
Nuance Group (India) Private Limited	0%	-	0%	5.22	0%	-	0%	5.22
Timezone Entertainment Private Limited	0%	-	1%	137.90	0%	-	1%	137.90

NOTES

to the Consolidated financial statements for the year ended 31 March 2019 (All amounts in ₹ lacs)

40 Revenue from contracts with customers

The Group has applied IND AS 115 for the first time with effect from 1 April 2018. IND AS 115 supersedes IND AS 18 Revenues and it applies, with limited exceptions to all revenues arising from contracts with customers. IND AS 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IND AS 115 requries entitles to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IND AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018 and there are no adjustments required to the retained earnings as at 1 April 2018.

Due to the application of Ind-AS 115, revenue for the year ended 31 March 2019 is lower by ₹ 41,147.78 Lacs and other operating income is higher by ₹ 15,119.99 Lacs resulting into lower revenue from operations and cost of goods sold by ₹26,027.79 Lacs on account of impact of sales or return (SOR) basis arrangements as company is agent. However, this does not have any impact on profits/(loss) for year ended 31 March 2019.

41 Accounting pronouncements not yet adopted

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard.

Ind AS 116 Leases:

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group will implement Ind AS 116 from 1 April 2019 by applying the modified retrospective approach, meaning that the comparative figures in the financial statements for the year ending 31 March 2019 will not be restated to show the impact of Ind AS 116. The operating leases which will be recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of rented premises,and other identified assets representing right to use as per contracts excluding low value assets and short-term leases of 12 months or less.

The Group has established an implementation team to implement Ind AS 116 related to operating leases and it continues to evaluate the changes to accounting system and processes and additional disclosure requirements that may be necessary. A reliable estimates of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Since the Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation
Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the consolidated financial statements of the Group.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

Amendments to Ind AS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

Annual improvement to Ind AS (2018);

These improvements include:
Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

Amendments to Ind AS 111: Joint Arrangements
A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

Amendments to Ind AS 12: Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

Amendments to Ind AS 23: Borrowing Costs
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

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to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in ₹ lacs)

42 Events after the reporting period

The Board of Directors has recommended dividend of ₹0.75 per share for the financial year 2018-19. The payment is subject to the approval of shareholders at the annual general meeting.

The Group has evaluated subsequent events from the balance sheet date through 30 April 2019, the date at which the financial statement were available to be issued, and determine that there are no material items to disclose other than those disclosed above.

43 The previous year's figures have been regrouped / reclassified wherever necessary.

In terms of our attached report of even date

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 30 April 2019

For and on Behalf of the Board of Directors

B.S. Nagesh
Customer Care Associate & Chairman
(DIN: 00027595)

Ravi Raheja
Director
(DIN: 00028044)

Rajiv Suri
Customer Care Associate &
Managing Director & Chief Executive Officer
(DIN: 08124971)

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No. A13157

Mumbai: 30 April 2019

Chartered Accountants
12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai – 400 028, India
Tel: +91 22 6819 8000

Report on review of Unaudited Condensed Consolidated Interim Financial Statement

To the Board of Directors of Shoppers Stop Limited

We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of Shoppers Stop Limited ("the Company/Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at September 30, 2020, and the Unaudited Condensed Consolidated Interim Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Consolidated Interim Cash Flow Statement and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the six-month period then ended and a summary of select explanatory notes (together hereinafter referred to as the "Unaudited Condensed Consolidated Interim Financial Statement"). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company.

Responsibilities of Management for the Unaudited Condensed Consolidated Interim Financial Statement

The Holding Company's Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statement in accordance with the requirements of Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed Consolidated Interim Financial Statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Unaudited Condensed Consolidated Interim Financial Statement

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

Conclusion

Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited interim financial statements of the Company's subsidiary, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statement are not prepared, in all material respects, in accordance with requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of Matter

1. We draw attention to Note 17 of the Unaudited Condensed Consolidated Interim Financial Statement which describes management's assessment of the impact of the COVID 19 pandemic on the operations and financial results of the Company.

2. We draw attention to Note 11(ii) of the Unaudited Condensed Consolidated Interim Financial Statement regarding non-provision of retrospective levy of service tax for the period from June 01, 2007 to March 31, 2010 on renting of immovable properties given for commercial use, aggregating to Rs. 20.11 crores pending final disposal of the appeal filed before the Supreme Court.

   Our conclusion is not modified in respect of the above matters.

Other matters

The Unaudited Condensed Interim Financial Statement and other financial information, in respect of three subsidiaries, whose Ind AS Financial Statements include total assets of Rs.1.96 crore as at September 30, 2020, total revenues of Rs. Nil and net cash outflows amounting to Rs. * crore for the six months period then ended, whose unaudited condensed interim financial information have not been reviewed and are considered in the preparation of the Unaudited Consolidated Condensed Interim Financial Statements based on their unaudited condensed interim financial information which are certified by the management. Our conclusion, in so far as it relates to the affairs of these subsidiaries, is based solely on its management accounts. According to the information and explanations given to us by the management, the financial results of these subsidiaries are not material to the Group. Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statement is not modified in respect of the above matter.
[* amount below Rs 1 lakh]

Other matters - restriction of use

The accompanying Unaudited Condensed Consolidated Interim Financial Statement have been prepared in connection with the proposed rights issue of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

Vijay Maniar
Digitally signed by Vijay Maniar
DN: cn=Vijay Maniar,
email=Vijay.Maniar@srb.in
Date: 2020.10.30 18:54:59
+05'30'

per Vijay Maniar
Partner
Membership no.: 36738
UDIN.:20036738AAAAFM7932
Mumbai, October 30, 2020

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2020

(All amounts in Rs. Crores)

	Notes	As at 30 September 2020	As at 31 March 2020
Assets			
Non-current assets			
Property, Plant and Equipement	3	446.91	506.44
Capital work in progress	3A	29.00	10.19
Other Intangible Assets	3	85.35	52.06
Intangible assets under development	3A	1.43	34.23
Right of use Assets		1,280.22	1,342.22
Financial Assets			
i) Investments	4	0.01	36.47
ii) Other Financial Assets		79.35	79.66
Deferred tax assets (net)	5	336.58	264.08
Other non-current assets		67.76	81.10
Total non-current assets		**2,326.61**	**2,406.45**
Current assets			
Inventories		1,053.93	1,239.20
Financial assets			
i) Investments	4	70.60	154.04
ii) Trade Receivables		27.23	34.07
iii) Cash and cash equivalents		2.86	4.03
iv) Bank balances other than (iii) above		15.32	0.32
v) Other financial assets		75.68	73.98
Other current assets		192.11	168.76
Total current assets		**1,437.73**	**1,674.40**
Total assets		**3,764.34**	**4,080.85**
Equity and Liabilities			
Equity			
Equity share capital		44.00	44.00
Other equity		(172.11)	22.64
Equity attributable to owners of the Company		**(128.11)**	**66.64**
Non-current liabilities			
Financial liabilities			
i) Borrowings	6	133.48	0.22
ii) Lease liability		1,753.16	2,077.17
iii) Other non-current financial liabilities		0.66	0.64
Total non-current liabilities		**1,887.30**	**2,078.03**
Current liabilities			
Financial liabilities			
i) Borrowings	6.3	161.01	155.26
ii) Lease liability		227.36	12.21
iii) Trade payables due to :			
(a) Total outstanding dues of micro enterprises and small Enterprises		3.38	3.59
(b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		1,412.66	1,518.28
iv) Other financial liabilities		62.68	70.64
Provisions		7.18	11.08
Other current liabilities		130.88	165.12
Total current liabilities		**2,005.15**	**1,936.18**
Total liabilities		**3,892.45**	**4,014.21**
Total equity and liabilities		**3,764.34**	**4,080.85**

Summary of significant accounting policies 2

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli — Digitally signed by Nagesh Satyanarayan Basavanhalli Date: 2020.10.30 15:30:47 +05'30'

NEEL CHANDRU RAHEJA — Digitally signed by NEEL CHANDRU RAHEJA Date: 2020.10.30 16:30:07 +05'30'

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar — Digitally signed by Vijay Maniar DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in Date: 2020.10.30 17:58:42 +05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

B.S.Nagesh
Customer Care Associates & Chairman
(DIN:00027595)

Karunakaran Mohanasundaram — Digitally signed by Karunakaran Mohanasundaram Date: 2020.10.30 15:50:28 +05'30'

Karunakarn M
Customer Care Associate & Chief Financial Officer

Mumbai: 30 October 2020

Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi — Digitally signed by Bharat Kanaklal Sanghavi Date: 2020.10.30 16:04:05 +05'30'

Bharat Sanghavi
Customer Care Associate & Company Secretary
Membership No.A13157

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798

UNAUDIITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

(All amounts in Rs. Crores)

	Notes	For the Half Year ended 30 September 2020	For the Half Year ended 30 September 2019
A) Continuing operations			
Income			
Revenue from contracts with customers	7	352.53	1,720.50
Other income		169.52	20.32
Total Income		522.05	1,740.82
Expenses			
Purchase of stock-in-trade		52.00	1,073.69
Changes in Inventories of stock-in-trade		185.27	(80.97)
Employee benefits expense		133.82	172.02
Finance costs		117.53	97.10
Depreciation and amortisation expenses		198.47	180.84
Other expenses		125.26	279.61
Total expenses		812.35	1,722.29
Profit / (Loss) before tax		(290.30)	18.53
Current tax	8	-	10.83
Deferred tax	5	(72.35)	15.99
Income tax expenses		**(72.35)**	**26.82**
Profit / (Loss) for the period from continuing operations		**(217.95)**	**(8.29)**
B) Discontinued operations			
Profit / (Loss) from discontinued operations		(0.00)	0.01
Profit / (Loss) for the period from discontinued operations		(0.00)	0.01
C) Profit / (Loss) for the period (A) + (B)		**(217.95)**	**(8.28)**
D) Other comprehensive income			
Items that will not be reclassified to profit or loss :			
i) Remeasurement of employee defined benefit obligation		(0.62)	(1.14)
Income tax relating to (i) above	8	0.15	0.27
ii) Changes in fair value of equity instruments		23.19	(34.32)
Income tax relating to (ii) above	8.1	-	-
Other comprehensive income / (Loss) for the period [D]		22.72	(35.19)
Total comprehensive Income / (Loss) for the period [C] + [D]		**(195.23)**	**(43.47)**
Profit / (loss) for the period attributable to:			
- Owners of the Company		(217.95)	(8.28)
- Non-controlling interests		-	-
Other comprehensive income for the period attributable to :			
- Owners of the Company		22.72	(35.19)
- Non-controlling interests		-	-
Total comprehensive income for the period attributable to :			
- Owners of the Company		(195.23)	(43.47)
- Non-controlling interests		-	-
Earning per equity share (for continuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(24.77)	(0.94)
Diluted (Rs.)	9	(24.77)	(0.94)
Earning per equity share (for discontinued operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	-	(0.00)
Diluted (Rs.)	9	-	(0.00)
Earning per equity share (for continuing and discontinuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(24.77)	(0.94)
Diluted (Rs.)	9	(24.77)	(0.94)
Summary of significant accounting policies	2		

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar
Digitally signed by Vijay Maniar
DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in
Date: 2020.10.30 17:59:24 +05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli
Digitally signed by Nagesh Satyanarayan Basavanhalli
Date: 2020.10.30 15:31:10 +05'30'

B.S.Nagesh
Customer Care Associates & Chairman
(DIN:00027595)

Karunakaran Mohanasundaram
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Date: 2020.10.30 15:50:51 +05'30'

Karunakarn M
Customer Care Associate & Chief Financial Officer

Mumbai: 30 October 2020

NEEL CHANDRU RAHEJA
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Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi
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Date: 2020.10.30 16:04:35 +05'30'

Bharat Sanghavi
Customer Care Associate & Company Secretary
Membership No.A13157

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

(All amounts in Rs. Crores)

	For the Half Year ended 30 September 2020	For the Half Year ended 30 September 2019
Cash flows from operating activities		
'Net profit (loss) before tax	(290.30)	18.53
'Profit / ('Loss) before tax from discontinued operations	(0.00)	0.01
Net profit (loss) before tax	**(290.30)**	**18.54**
Adjustments to reconcile profit before tax to net cashflow :		
Depreciation, Amortisation	198.47	180.84
Allowance for doubtful debts/advances	0.61	0.52
Share based payment expenses	0.48	0.24
Interest and finance charges	117.53	97.10
Loss on disposal of property,plant and equipment	(0.05)	0.37
Loss on sale of investment in shares and mutual funds	0.43	-
Covid-19-Related Rent Concessions	(154.66)	-
Gain on account of remeasurement in lease term	(11.63)	(12.78)
Interest (time value) recognised on interest free lease deposit	(2.85)	(5.67)
Interest income	(0.30)	(0.02)
Operating Profit before working capital changes	**(142.27)**	**279.14**
Adjustments for :		
(Increase) / Decrease in inventories	185.27	(79.90)
(Increase) / Decrease in trade receivables	6.23	10.01
(Increase) / Decrease in other financial assets and other non current assets	(26.56)	(36.94)
(Increase) / Decrease in Lease deposits	4.70	(11.68)
Increase / (Decrease) in Short term provisions	(4.51)	(1.53)
Increase / (Decrease) in Trade payables,other financial liabilities and other current liabilities	(144.72)	172.28
Cash generated from operations	(121.86)	331.38
Income taxes paid (net of refunds)	(1.29)	(33.26)
Net cash from operating activities (A)	**(123.15)**	**298.12**
Cash flow from investing activities		
Purchase of property,plant and equipment	(50.19)	(83.92)
Proceeds from disposal of property,plant and equipment	0.05	0.62
Proceeds from sale of investment in Future Retail Ltd.	57.69	-
Investment in Fixed Deposit	(15.00)	
Purchases of investments in mutual funds	(70.01)	(457.39)
Proceeds from sale of investments in mutual funds	155.00	454.34
Interest received	0.30	0.02
Net cash used in investing activities (B)	**77.84**	**(86.33)**
Cash flows from financing activities		
Dividend and dividend distribution tax	-	(7.96)
Repayment of lease liability	-	(182.55)
Repayment of long-term borrowings	151.39	(21.32)
Finance costs paid	(103.36)	(4.59)
Net cash used in financing activities (C)	**48.03**	**(216.42)**
Net (Decrease) / Increase in cash and cash equivalents (A) + (B) + (C)	**2.72**	**(4.63)**
Cash and cash equivalents as at beginning of the year	(160.88)	10.60
Cash and cash equivalents as at the end of the period	(158.16)	5.97
	2.72	**(4.63)**
Note (i)		
Components of cash and cash equivalents		
Cash and Cash Equivalents as at 30 September	2.86	12.43
Add : Bank Overdraft / Cash Credit	(161.02)	(6.46)
Cash and Cash Equivalent as reported above	(158.16)	5.97

Summary of significant accounting policies Note 2

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli
Digitally signed by Nagesh Satyanarayan Basavanhalli Date: 2020.10.30 15:31:28 +05'30'

NEEL CHANDRU RAHEJA
Digitally signed by NEEL CHANDRU RAHEJA Date: 2020.10.30 16:32:05 +05'30'

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Vijay Maniar
Partner
Membership No.36738
Mumbai: 30 October 2020

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Karunakarn M
Customer Care Associate & Chief Financial Officer
Mumbai: 30 October 2020

Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi
Digitally signed by Bharat Kanaklal Sanghavi Date: 2020.10.30 16:05:19 +05'30'

Bharat Sanghavi
Customer Care Associate & Company Secretary &
Membership No.A13157

Shoppers Stop Limited
Notes to the Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

1. General Background

Shoppers Stop Limited ('SSL' or 'the Holding Company') is a Company limited by shares and is domiciled in India. The Company was incorporated on 16 June 1997. The Company is engaged in the business of retailing a variety of household and consumer products through departmental stores.

The Holding Company along with five subsidiaries constitute "the Group". They are primarily engaged in the following activities:

SN	*Entity*	*Business activity*
1	Shoppers Stop Limited	Retailing a variety of household and consumer products through departmental stores
2	Crossword Bookstores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees
3	Shoppers' Stop Services (India) Limited	The Company is non-operational
4	Upasna Trading Limited	Supervising distribution and logistics operations (the Company is non-operational)
5	Shoppers' Stop.com (India) Limited	Retailing a variety of consumer products through online channel
6	Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations) (the Company is non-operational)

These Unaudited Consolidated Condensed Interim Financial Statements prepared in connection with the proposed raising of funds by issue of equity shares, through a right issue which has been approved by the board of directors at its meeting held on 16 October 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with the requirements of Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34), prescribed under the Section 133 of the Companies Act 2013,other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable to the Unaudited Consolidated Condensed Interim Financial Statements.

2.2 Basis of preparation and presentation.

These Unaudited Consolidated Condensed Interim Financial Statements which comprise the Unaudited Consolidated Condensed Interim Balance Sheet as at 30 September 2020, Unaudited Consolidated Condensed Interim Statement of Profit and Loss, the Unaudited Consolidated Condensed Interim Statement of changes in equity and the Unaudited Consolidated Condensed Interim Statement of Cash flows for the half year ended 30 September 2020, and other explanatory information (together hereinafter referred to as "Unaudited Consolidated Condensed Interim Financial Statements" or "financial statements").

The aforesaid Unaudited Consolidated Condensed Interim financial statements include the financial statements of the Holding Company and its subsidiaries (together referred to as ‘the Group”) which have been prepared in connection with the proposed rights issue of equity shares of the Group.

These Unaudited Consolidated Interim Financial statements have been prepared on historical cost basis except for certain assets and liabilities that are measures at fair values at the end of each reporting period. The Unaudited Consolidated Condensed Interim Financial Statement are presented in Indian Rupees (Rs.) and all values are rounded to the nearest crores, except where otherwise indicated.

Accounting policies, Basis of consolidation and methods of computation followed in the Unaudited Consolidated Condensed Interim Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2020.

2.3 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements except for arrangement on sale or return basis where Company is acting as an agent and hence net margin is recorded.

Retail Sale of Products:

Revenue from retail sales is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts, rebates, Goods, and Service Tax (GST).

Retail sales are recognised on delivery of the merchandise to the customer, when the property in goods and significant risks and rewards are transferred for a price and no effective ownership control is retained.

Point award schemes: The fair value of the consideration received or receivable on sale of goods that result in award credits for customers, under the Company's point award schemes, is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value from the standpoint of the holder and is recognised as revenue when the award credits are redeemed.

Other retail operating revenue:

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors’ advertisements are promoted / displayed.

Facility management fees are recognised pro-rata over the period of the contract.

Income from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax.

Franchisee income: Such income is recognized in accordance with the rates specified in the franchisee agreements and is based on the sales recorded by the franchisees for the year.

Gift vouchers: The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (other operating income) on expiry.

Direct Marketing income: Such income is recognized on straight-line basis over the validity of the cards.

2.4 Impairment losses

At the end of each reporting period, the Group reviews the carrying amounts of its property plant and equipment, intangible assets and investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, (i.e. higher of fair value less costs of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Implementation of Ind AS 116

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

The Group assesses at contract inception whether a contract is or contains a lease. That is, of the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Group is the lessee:

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right of use assets:

The Group recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right of use assets are also subject to impairment.

Lease liabilities:

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases f office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Where the Group is the Lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified the asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms. Initial direct costs incurred in negotiating and arranging on operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.6.1 Current tax

The tax currently payable is based on the taxable profit for the period for each entity in the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.
The Group elected to exercise the option permitted u/s.115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance,2019. According the Group has recognised provision for Income tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised in the half year ended September 30, 2019.

2.6.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 ***Property, plant and equipment and Intangible Assets***

Property, plant and equipment and Intangible Assets are stated at cost less accumulated depreciation or amortisation and accumulated impairment losses. Cost comprises of all cost of purchase, construction and other related costs incurred in bringing the assets to their present location and condition.

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets. Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Effective 1 Jan 2020, the Group has reviewed the estimated economic useful lives of all components within the broad category of Leasehold improvements between 5 to 12 years or lease term whichever is lower (For the half year ended 30 September 2019: 5 to 17 years or lease term whichever is lower) and Electrical Equipment's between 5 – 17 years or lease term whichever is lower (For the half year ended 30 September 2019 : 5 to 17 years or lease term whichever is lower) of its property, plant and equipment, based on the combination of evaluation conducted by an independent consultants and management estimate

2A **Summary of key estimates, judgements and assumption**

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not ready apparent from other sources. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affect current and future period.

The area where estimates are significant to the Unaudited Consolidated Condensed Interim Financial Statements or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31 March 2020.

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

a. Equity share capital

Particulars	As at 30 September 2020 No.of shares	As at 30 September 2020 (Rs.in Crores)	As at 30 September 2019 No.of shares	As at 30 September 2019 (Rs.in Crores)
Authorised Share Capital				
Equity shares of Rs.5/- each	20,00,00,000	100.00	20,00,00,000	100.00
Issued, Subscribed and Fully paid up shares				
Balance as on 1 April	8,79,89,928	44.00	8,79,89,928	44.00
Issue of equity shares under employee share option plan	-	-	-	-
Balance as on 30 September	**8,79,89,928**	**44.00**	**8,79,89,928**	**44.00**

b.Other equity

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2020	**655.44**	**23.29**	**(656.85)**	**0.76**	**22.64**	**22.64**
Loss for the period	-	-	(217.95)	-	(217.95)	(217.95)
Other comprehensive loss for the period,net of income tax	-	-	22.72	-	22.72	22.72
Total comprehensive income for the period	**-**	**-**	**(195.23)**	**-**	**(195.23)**	**(195.23)**
Recognition of share-based payments *	-	-	-	0.48	0.48	0.48
Balance as on 30 September 2020	**655.44**	**23.29**	**(852.08)**	**1.24**	**(172.11)**	**(172.11)**

* after transfers to retained earnings for options lapsed/exercised.

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2019	**655.44**	**23.29**	**191.76**	**0.21**	**870.70**	**870.70**
Profit for the period	-	-	(8.28)	-	(8.28)	(8.28)
Other comprehensive loss for the period,net of income tax	-	-	(35.19)	-	(35.19)	(35.19)
Total comprehensive income for the period	**-**	**-**	**(43.47)**	**-**	**(43.47)**	**(43.47)**
Recognition of share-based payments *	-	-	-	0.04	0.04	0.04
IND-AS 116 adjustments #	-	-	(521.56)	-	(521.56)	(521.56)
Arising on employee stock option scheme	-	-	-	0.21	0.21	0.21
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Balance as on 30 September 2019	**655.44**	**23.29**	**(381.23)**	**0.46**	**297.96**	**297.96**

* after transfers to retained earnings for options lapsed/exercised.

\# IND-AS 116 transitional impact Rs.523.09 crs and reversal of straightling rental provision of earlier year Rs.1.53 crs (net of deferred tax) (Refer note 15)

@ Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

Summary of significant accounting policies Note 2

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

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NEEL CHANDRU RAHEJA — Digitally signed by NEEL CHANDRU RAHEJA Date: 2020.10.30 16:33:52 +05'30'

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar — Digitally signed by Vijay Maniar DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in Date: 2020.10.30 19:38:51 +05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

B.S.Nagesh
Customer Care Associate & Chairman
(DIN:00027595)

Karunakaran Mohanasundaram — Digitally signed by Karunakaran Mohanasundaram Date: 2020.10.30 15:51:45 +05'30'

Karunakarn M
Customer Care Associate & Chief Financial Officer

Mumbai: 30 October 2020

Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi — Digitally signed by Bharat Kanaklal Sanghavi Date: 2020.10.30 16:05:57 +05'30'

Bharat Sanghavi
Customer Care Associate & Company Secretary
Membership No.A13157

(All amounts in Rs.Crores)

3 Property, Plant and Equipment and Intangible Assets

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2019	249.99	238.49	238.86	17.26	63.89	0.79	809.28	1.39	120.73	9.65	131.77
Additions	54.76	44.54	65.64	6.95	10.00	0.15	182.04	0.81	10.15	-	10.96
Disposal	(12.79)	(11.97)	(8.48)	(0.22)	(3.13)	(0.66)	(37.25)	-	-	(9.65)	(9.65)
As at 31 March 2020	**291.96**	**271.06**	**296.02**	**23.99**	**70.76**	**0.28**	**954.07**	**2.20**	**130.88**	**-**	**133.08**
Additions (Refer note iii)	6.79	2.79	3.11	-	4.45	-	17.14	-	47.79	-	47.79
Disposal	(12.81)	(10.03)	(9.79)	(0.63)	(5.18)	-	(38.44)	-	(9.48)	-	(9.48)
As at 30 September 2020	**285.94**	**263.82**	**289.34**	**23.36**	**70.03**	**0.28**	**932.77**	**2.20**	**169.19**	**-**	**171.39**
Accumulated Depreciation											
As at 1 April 2019	(65.52)	(64.68)	(96.01)	(9.33)	(29.05)	(0.16)	(264.75)	(1.39)	(60.21)	-	(61.60)
Depreciation and amortisation expense for the year (Refer note ii)	(87.84)	(71.34)	(42.08)	(3.93)	(13.21)	(0.12)	(218.52)	(0.81)	(18.62)	-	(19.43)
Disposal	12.35	11.64	8.07	0.20	3.07	0.31	35.64	-	0.01	-	0.01
As at 31 March 2020	**(141.01)**	**(124.38)**	**(130.02)**	**(13.06)**	**(39.19)**	**0.03**	**(447.63)**	**(2.20)**	**(78.82)**	**-**	**(81.02)**
Depreciation and amortisation expense for the period (Refer note ii & iv)	(28.59)	(21.29)	(17.31)	(1.84)	(6.41)	(0.01)	(75.45)	-	(15.73)	-	(15.73)
Disposal	12.81	10.03	9.79	0.63	3.96	-	37.22	-	10.71	-	10.71
As at 30 September 2020	**(156.79)**	**(135.64)**	**(137.54)**	**(14.27)**	**(41.64)**	**0.02**	**(485.86)**	**(2.20)**	**(83.84)**	**-**	**(86.04)**
Net Book Value											
As at 30 September 2020	129.15	128.18	151.80	9.09	28.39	0.30	446.91	-	85.35	-	85.35
As at 31 March 2020	150.95	146.68	166.00	10.93	31.57	0.31	506.44	-	52.06	-	52.06

Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2019	**250.00**	**238.49**	**238.87**	**17.26**	**63.87**	**0.79**	**809.28**	**1.39**	**120.73**	**9.65**	**131.77**
Additions (Refer note iii)	20.15	16.11	23.40	3.77	6.08	-	69.51	-	9.70	-	9.70
Disposal	(8.09)	(6.94)	(4.60)	(0.19)	(1.13)	(0.66)	(21.61)	-	-	-	-
As at 30 September 2019	**262.06**	**247.66**	**257.67**	**20.84**	**68.82**	**0.13**	**857.18**	**1.39**	**130.43**	**9.65**	**141.47**
Accumulated Depreciation											
As at 31 March 2019	**(65.52)**	**(64.68)**	**(96.01)**	**(9.33)**	**(29.05)**	**(0.16)**	**(264.74)**	**(1.39)**	**(60.21)**	**-**	**(61.60)**
Depreciation and amortisation expense for the period (Refer note ii)	(24.44)	(21.09)	(18.15)	(1.82)	(6.42)	(0.04)	(71.96)	-	(11.82)	-	(11.82)
Disposal	7.91	6.73	4.42	0.17	1.61	0.30	21.12	-	(0.00)	-	(0.00)
As at 30 September 2019	**(82.05)**	**(79.04)**	**(109.74)**	**(10.98)**	**(33.87)**	**0.10**	**(315.58)**	**(1.39)**	**(72.04)**	**-**	**(73.43)**
Net Book Value											
As at 30 September 2019	180.01	168.62	147.93	9.86	34.95	0.23	541.60	-	58.39	9.65	68.04
As at 31 March 2019	184.48	173.81	142.86	7.94	34.82	0.64	544.53	-	60.52	9.65	70.17

Note :

i) Movable assets have been pledged to secure borrowings of the Company

ii) Depreciation for the half year includes accelerated amounts aggregating to Rs.6.44 Crores (For the year ended 31 March 2020 Rs.54.63 Crores and for the half year ended 30 September 2019 Rs.9.87 Crores) primarily in case of Leasehold improvements,electrical installation and software on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises.

iii) During the half year ended 30 September,2020, the Company has capitalised the following expenses to cost of Property, plant and equipement.

	For the half year ended 30 September'2020	For the year ended 31 March'2020	For the half year ended 30 September'2019
Employee Costs	8.55	10.57	3.30
Travelling	-	0.05	0.17
Consultancy	-	8.33	5.32
Miscellanous expenditure	-	0.99	0.63
Total	**8.55**	**19.95**	**9.42**

iv) Effective 1 Jan 2020, the Company has reviewed the estimated economic useful life of all components within the broad category of Leasehold improvements and Electrical Equipments of its property,plant and equipments, based on the combination of evaluation conducted by an independent consultants and management estimate

(All amounts in Rs.Crores)

3A Depreciation and amortisation expenses	**As at 30 September 2020**	**As at 30 September 2019**
Depreciation of tangible assets (Refer note 3)	75.45	71.96
Amortisation of intangible assets (Refer note 3)	15.73	11.82
Depreciation on right of use assets	107.29	97.06
	198.47	**180.84**

3A Capital work in progress and Intangible assets under development	**As at 30 September 2020**	**As at 31 March 2020**
Capital work in progress		
Opening	10.19	30.56
Additions	37.59	130.64
Capitalisation	(18.78)	(151.01)
	29.00	**10.19**
Intangible assets under development		
Opening	34.23	4.53
Additions	13.72	40.64
Capitalisation	(46.52)	(10.94)
	1.43	**34.23**

(All amounts in Rs. Crores)

		As at 30 Sept 2020	As at 31 March 2020
4	**Investments - Non current**		
A	**(Unquoted at cost unless otherwise stated)**		
i)	**Equity investments**		
	(At fair value through Profit and Loss)		
	Stargaze Properties Private Limited	0.00	0.00
	1,000 (2020: 1,000) equity shares of Rs. 10/- each Fully paid		
	Retailers Association of India	0.00	0.00
	10,000 (2020:10,000) equity shares of Rs. 10/- each Fully paid		
	Aesthetic Realtors Private Limited	-	-
	66 (2020 : 66) Equity Shares of Rs. 10/- each Fully Paid		
	Retailers Association's Skill Council of India	0.01	0.01
	500 (2020 : 500) equity shares of Rs. 100/- each Fully paid		
	Total (A)	0.01	0.01
B	**Quoted (fair value through Other Comprehensive Income)**		
	Investments in equity instruments		
	Future Retail Limited		
	Nil (2020 : 46,30,115) equity shares of Rs.2/- each Fully paid	-	248.64
	Less: Provision for diminution in the value of investment	-	(212.18)
	Total (B)	-	36.46
	Total (A) + (B)	**0.01**	**36.47**

4	**Investments - Current**		
	Investments in mutual funds		
	Unquoted (At fair value through Profit and Loss)		
	Axis Mutual Fund	12.06	-
	112,622.280 (2020 :Nil) units in Overnight fund - Regular Growth		
	Kotak Mutual Fund	12.05	-
	111,499.779 (2020 :Nil) units in Overnight fund - Regular Growth		
	SBI Mutual Fund	20.19	-
	61,727.422 (2020 :Nil) units in Overnight fund - Regular Growth		
	ICICI Prudential Mutual Fund	6.13	-
	561,572.316 (2020 :Nil) units in Overnight fund - Regular Growth		
	SBI Mutual Fund	-	43.02
	Nil (2020 : 1,33,427.655) units in Overnight fund - Regular Growth		
	Axis Mutual Fund	-	34.00
	Nil (2020 : 3,22,382.475) units in Overnight fund - Regular Growth		
	Kotak Mutual Fund	-	34.01
	Nil (2020 : 3,19,283.894) units in Overnight fund - Regular Plan Growth		
	Total (A)	**50.43**	**111.03**
	Quoted (At fair value through Profit and Loss)		
	HDFC Mutual Fund	20.17	43.01
	6,72,85.661 (2020 : 1,45,541.385) units in Overnight fund - Regular Growth		
	Total (B)	**20.17**	**43.01**
	Total (A) + (B)	**70.60**	**154.04**
	Aggregate value of quoted investment	**20.17**	**79.47**
	Aggregate value of unquoted investment	**50.44**	**111.04**
	Aggregate amount of impairment in value of investments	**0.00**	**0.00**
	Aggregate amount of Increase/(decrease) due to change in the fair value of investments	**-**	**(212.18)**

(All amounts in Rs. Crores)

	As at 30 Sept 2020	As at 31 March 2020
5 Deferred tax assets / Liabilities (net)		
Deferred tax assets	336.58	264.08
	336.58	**264.08**

5.1 Deferred tax (liabilities)/assets in relation to:

	Balance Sheet		Statement of Profit and Loss	
	As at 30 Sept 2020	As at 31 March 2020	Half Year ended 30 Sept 2020	Year ended 31 March 2020
Deferred tax Assets				
Property, Plant and Equipment and Intangible Assets	56.89	44.00	(12.90)	(29.83)
Right of use assets *	201.41	203.63	2.22	74.17
Impairment allowance (allowance for bad and doubtful debts	10.20	7.79	(2.41)	(4.32)
Provision for expenses	2.26	2.90	0.79	1.21
Employee benefit expenses	2.46	3.02	0.57	1.52
Deferred Revenue on point reward schemes	-	-	-	-
Lease Deposits	1.54	1.54	-	0.60
Unabsorbed Depreciation & Business Loss (C/F) for AY 2021-22	61.17	-	(61.17)	-
Short Term Capital Loss	0.65	1.20	0.55	1.79
Net deferred tax assets / (liabilities)	**336.58**	**264.08**	**(72.35)**	**45.14**

* Deferred tax assets (DTA) created on difference between ROU Assets & Lease liabilities as on 1 April 2019 (Refer note 15)	-	277.80	-	-
Deferred tax reversal on reserves created on IND-AS 116 Transition (Refer note 8.2)	-	(77.45)	-	77.45
DTA created on movement of ROU assets & ROU liabilities during the year	-	3.28	-	(3.28)
	-	**203.63**	**-**	**74.17**

Deferred tax (liabilities) / assets in relation to certain subsidiaries :

	Balance Sheet		Statement of Profit and Loss	
	As at 30 Sept 2020	As at 31 March 2020	Half Year ended 30 Sept 2020	Year ended 31 March 2020
Property, Plant and Equipment and Intangible Assets	3.84	3.45	(0.39)	(0.98)
Right of use assets (IND-AS 116) - Reserve movements	2.39	2.13	(0.25)	(0.06)
Unused tax losses	17.58	15.14	(2.43)	(2.90)
Employee benefit expenses & others	0.99	0.84	(0.17)	(0.06)
Deferred tax assets # #	**24.80**	**21.56**	**(3.24)**	**(4.00)**

In the absence of convincing evidence, the Company has not recognized deferred tax assets (DTA) on temporary differences arising on the above mentioned items.

(All amounts in Rs. Crores)

		As at 30 Sept 2020	As at 31 March 2020
6	**Borrowings**		
	Non-current		
	Term loans (Secured) from banks	153.41	2.02
	Less : Current maturities of long term debts	19.93	1.80
		133.48	**0.22**

6.1 Term loans are secured by a first pari passu charge on stocks, book debts, hypothecation charge on credit card/debit card receivables (Escrow account) and all the movable fixed assets of the Group, both present & future.

Term loans availed by Crossword Bookstores Ltd. amounting to Rs.3.41 Crores (2020: 2.02 Crores) have corporate guarantees, joint and serveral, given by the Group.

Borrowings are carried at amortised cost.

(All amounts in Rs. Crores)

6.2 Terms of the Facilities :-

Non Current Borrowings

Name of the Bank	Rate of Interest	Repayment Schedule	30 Sept 2020	31 March 2020
HDFC Bank	8.45% (2020: Nil)	Repayable in 8 equal quarterly installments from 08-Aug-2021 to 08-May-2023	75.00	-
IDFC First Bank	9.50% (2020: Nil)	Repayable in 8 equal quarterly installments from 30-Sep-2021 to 30-Jun-2023	75.00	-
Kotak Mahindra Bank	9.80% (2020: 10.33%)	Repayable in 12 Equated quarterly Installments from February 2018 to November 2020	0.25	0.75
Kotak Mahindra Bank	10.15% (2020: 10.50%)	Repayable in 36 Equated quarterly Installments from November 2018 to October 2021.	0.87	1.27
Kotak Mahindra Bank	9.25% (2020: Nil)	Repayable in 36 Equated quarterly Installments from August 2021 to July 2024.	2.29	-
Total Non-current borrowings			**153.41**	**2.02**

Current maturities of long-term borrowings

Name of the Bank	Rate of Interest	Repayment Schedule	30 Sept 2020	31 March 2020
HDFC Bank	8.45% (2020: Nil)	Repayable in 8 equal quarterly installments from 08-Aug-2021 to 08-May-2023	9.38	-
IDFC First Bank	9.50% (2020: Nil)	Repayable in 8 equal quarterly installments from 30-Sep-2021 to 30-Jun-2023	9.38	-
Kotak Mahindra Bank	9.80% (2020: 10.33%)	Repayable in 12 equal quarterly Installments from February, 2018 to November 2020	0.25	1.00
Kotak Mahindra Bank	10.15% (2020: 10.50%)	Repayable in 36 equal quarterly Installments from November 2018 to October 2021.	0.80	0.80
Kotak Mahindra Bank	9.25% (2020: Nil)	Repayable in 36 Equated quarterly Installments from August 2021 to July 2024.	0.12	-
Total Current borrowings			**19.93**	**1.80**

(All amounts in Rs. Crores)

		As at 30 Sept 2020	As at 31 March 2020
6.3	**Current**		
	From banks		
	- Secured	138.99	133.24
	From Others		
	- Unsecured	22.02	22.02
		161.01	**155.26**

6.4 Loan repayable on demand viz.Cash credit, Working capital loans and Other loans viz. short term loans, are secured by a first pari passu charge on credit card/debit card receivables (Escrow account), current assets and all movable fixed assets of the Group both present and future and an exclusive lien on lease deposits except ICICI Bank loan which is secured by first pari passu charge on the current assets and all the movable fixed assets of the Group both present and future excluding leasehold rights, lease deposits and shoppers stop brands. Loans amounting to Rs.138.99 Crores (2020 : 133.24 Crores) are further secured by corporate guarantees, joint and several, given by the Group.

6.5 Terms of the Facilities :-

Name of the Bank	Rate of Interest	Repayment Schedule	30 Sept 2020	31 March 2020
Secured :				
Axis Bank	8.65% (2020: 8.70%)	On demand	13.47	14.65
ICICI Bank (Cash Credit)	9.05% (2020: 8.70%)	On demand	1.50	13.79
Bank of India (Cash Credit)	8.85% (2020: 9.40%)	On demand	4.76	4.85
Kotak Mahindra Bank Ltd. (Cash Credit)	8.75% (2020: 8.75%)	On demand	45.10	32.00
Kotak Mahindra Bank Ltd. (Cash Credit)	9.80% (2020: 10.30%)	On demand	5.35	9.54
HDFC Bank Ltd. (Cash Credit)	9.00% (2020: 9.00%)	On demand	2.47	9.78
HDFC Bank Ltd. (Short term loan)	9.00% (2020: Nil)	On demand	5.58	-
IDFC Bank	9.75% (2020: 9.75%)	On demand	47.76	48.63
Yes Bank	9.15% (2020: 9.75%)	On demand	3.00	-
ICICI Bank	8.30% (2020: Nil)	Working Capital Demand Loan	10.00	-
			138.99	**133.24**
Unsecured :				
From other parties				
Hypercity Retail (India) Limited	10.75 %(2020 : 10.75%)	On demand	22.02	22.02
			22.02	**22.02**

(All amounts in Rs. Crores)

	For the Half Year ended 30 September 2020	For the Half Year ended 30 September 2019
7 Revenue from contracts with customers		
Retail sale of merchandise	330.32	1,581.70
Other Retail operating revenue		
Net proceeds from SOR	14.61	82.80
Net income from concessionaire & consignment model	4.09	30.38
Facility management fees	1.36	11.75
Income from store displays and sponsorship	0.20	1.72
Gift Vouchers lapsed	-	6.62
Direct marketing	1.89	4.59
Income from franchisees	0.06	0.94
	22.21	138.80
	352.53	**1,720.50**

7.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Type of goods or service		
Sale of goods(net of taxes)	330.32	1,581.69
Net proceeds from SOR	14.61	82.80
Net income from concessionaire & consignment model	4.09	30.38
Other operating income	3.51	25.63
Total Revenue from contracts with customers	**352.53**	**1,720.50**
India	352.53	1,720.50
Outside India	-	-
Timing of revenue recognition		
Goods transferred at a point in time	349.02	1,694.87
Services transferred over time (Other operating income)	3.51	25.63
Total Revenue from contracts with customers	**352.53**	**1,720.50**

7.2 Contract balances

Trade receivables*	27.23	37.23

*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	**30 September 2020**	**30 September 2019**
Revenue as per contracted price	**531.73**	**2,431.38**
Adjustments		
Loyalty points	(1.05)	(25.15)
Sales return	(0.23)	(111.47)
Discount	(177.92)	(574.26)
Revenue from contract with customers	**352.53**	**1,720.50**

(All amounts in Rs. Crores)

8	**Income tax expense recognised in profit or loss**	**For the half year ended 30 September 2020**	**For the half year ended 30 September 2019**
	Current income tax :		
	Current income tax charge	-	10.83
	Total	-	10.83
	Deferred tax		
	In respect of current period	(72.35)	13.86
	Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (30 September 2019 : 25.17%)	-	2.13
		(72.35)	**15.99**
	Income tax expense reported in the statement of profit and loss	**(72.35)**	**26.82**

OCI section - Deferred tax related to items recognised in OCI during the period:

	For the half year ended 30 September 2020	**For the half year ended 30 September 2019**
i) Remeasurement of employee defined benefit obligation	(0.15)	(0.27)
ii) Changes in fair value of equity instruments (Refer note 8.1)	-	-
Income tax charged to OCI	**(0.15)**	**(0.27)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2020 and 30 September 2019 :

	For the half year ended 30 September 2020	**For the half year ended 30 September 2019**
Accounting Profit before income tax (before exceptional item)	(290.30)	18.54
Income tax expense calculated at 25.17% (30 September 2019 : 25.17%)	(73.07)	6.48
Effect of expenses that are not deductible in determining taxable profit		
Corporate social responsibility expenses	0.19	0.10
Interest disallowances u/s.14A	0.24	0.17
Adjustments in respect of current income tax of previous year		
Deferred tax reversal on opening balance on account of change in income tax rate (Refer note 8.2)	-	2.13
Others		
Deferred tax reversal on reserves created on IND-AS 116 Transition	-	18.41
Others	0.29	(0.47)
Income tax expense recognised in profit or loss	**(72.35)**	**26.82**

8.1 In the absence of reasonable certainty, the Group has not recognized deferred tax assets (DTA) on mark to market loss on equity shares of Future Retail Ltd for the half year ended 30 September 2019.

8.2 The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance,2019. Accordingly, the Company has recognised Provision for Income Tax and re-measured its Deferred tax assets basis the rate prescribed in the said section. The impact of this change has been recognised during the half year ended 30 September 2019.

Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (2019 : 25.17%)	-	2.13
Deferred tax reversal on reserves created on IND-AS 116 Transition	-	18.41

(All amounts in Rs. Crores)

	As at 30 September 2020	As at 30 September 2019

9 EARNING PER EQUITY SHARE

Calculated as follows:

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations :

		As at 30 September 2020	As at 30 September 2019
(a)	Profit attributable to equity share holders from continuing operations (Rs.in Crores)	(217.95)	(8.29)
(b)	Loss attributable to equity share holders from discontinued operations (Rs.in Crores)	(0.00)	0.01
(c)	Profit / (Loss) attributable to equity share holders (Rs.in Crores)	(217.95)	(8.28)
(d)	Weighted Number of equity shares outstanding during the period	8,79,89,928	8,79,89,928
(e)	Weighted Number of equity shares outstanding during the period after adjustment for dilution	8,79,89,928	8,79,89,928
(f)	Nominal value per share (Rs.)	5.00	5.00
(g)	Earning per Share		
	Continuing operations		
	Basic (Rs.)	(24.77)	(0.94)
	Diluted (Rs.)	(24.77)	(0.94)
	Discontinued operations		
	Basic (Rs.)	-	(0.00)
	Diluted (Rs.)	-	(0.00)
	Continuing and Discontinued operations		
	Basic (Rs.)	(24.77)	(0.94)
	Diluted (Rs.)	(24.77)	(0.94)
	Weighted Average number of Equity shares for basic EPS	8,79,89,928	8,79,89,928
	Effect of dilution :		
	Share options		
	Weighted average number of Equity shares adjusted for the effect of dilution	8,79,89,928 *	8,79,89,928 *

*Note- Since average market price is less than exercise price and there is loss hence it becomes antidilutive.

10 Contingent Liabilities and Commitments:	**As at 30 September 2020**	**As at 31 March 2020**
i) Contingent liabilities		
a) Claims against the Company not acknowledged as debts comprise of :		
Income tax claims disputed by the Company relating to disallowances aggregating #	142.60	142.60

The IT department has passed order directing the company to pay tax w.r.t.TDS for A.Y.13-14 Rs.25.93 crores on account of non deduction on contract manufacturing goods. Further, the Company has also filed an appeals to higher authorities against disallowances of Section 14A and other matters notional interests amounting to Rs.21.11 Crores with respect to Block assessment years AY 2013-14 to AY 2017-18 and AY 2018-19. The Company is confident of getting relief at higher authorities as these issues are squarely covered in favour of assessee's own case for earlier years however the Company has already created a provision of Rs.14.06 Crs. Also, in case of AY 2013-14, AY 2014-15 and AY 2015-16, CIT(A) has already granted relief in relation to appeal filed for the same disallowances as per the original assessment order, of which the assessing officer has not taken cognizance of in the Block assessment orders.

Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating		
- Service Tax other than on Rent (Refer note 11 (i))	-	11.20
- Service Tax on Rent (Refer note 11 (ii))	20.11	20.11
- VAT	0.01	0.01
- Custom Duty $	0.47	0.47

$ Aggrieved with the decision of custom department for demanding the payment of SAD refund of Rs. 0.42 Crores the Company has filed an appeal before CESTAT. Further, the company has received demand order of Rs.0.05 Crores on account of misclassification of imported goods. Against the said order the Company has filed an appeal before CESTAT. Both these matters are pending with CESTAT.

b) Others	0.25	0.25
c) Bank Guarantees	2.17	9.16

Note: Future cash outflows in respect of (a) and (b) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii) Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	19.18	45.35
b) Corporate guarantee given to banks jointly and severally : - Shoppers Stop Limited has given the corporate guarantee for loans taken by Crossword Bookstores Ltd. Rs.18.40 Crores (2020:Crossword Bookstores Ltd. Rs.18.40 Crores)	18.40	18.40

11 Service Tax

i) The Service tax authority had raised demand through SCN amounting to Rs. 3.45 Crores (Basis Duty of ST) towards business support services (concessionaire business model) for the period from May'2006 to May'2007. The final liability after considering the penalty and interest amounting to Rs.11.20 Crores (deposit paid under protest Rs. 3.45 Crores). The Company had filed an appeal before Mumbai High Court. The Company subsequently filed for Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) and basis the final order, the matter is concluded without any further liability.

ii) Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007, the Company has based on a legal advice, challenged the said levy and, inter-alia, its retrospective application. Pending the final disposal of the matter, which is presently before the Supreme Court, the Company continues not to provide for the retrospective levy aggregating to Rs.20.11 Crores out of the total demand of Rs.36.35 Crores for the period 1st June, 2007 to 31st March, 2010 which has paid under protest.

(All amounts in Rs. Crores, unless otherwise stated)

12 Related party disclosures

Names of related parties and description of relationship:

(a)	Key Management Personnel	Executive Director & Chief Executive Officer	:	Rajiv Suri (upto August 25, 2020)
		Non Executive Directors	:	Ravi Raheja Neel Raheja B.S.Nagesh Nitin Sanghavi (upto July 31, 2020) Deepak Ghaisas Nirvik Singh Ameera Shah Manish Chokhani Amisha Prabhu Robert Bready William Kin (w.e.f. June 15, 2020)
		Chief Financial Officer		Karunakaran M
		Company Secretary Holding Company (Shoppers Stop Limited)		Bharat Sanghavi
		Subsidiary Company (Crossword Bookstores Limited)		Valde Varghese (upto May 5 2019) Mukti Pandya (w.e.f. July 30,2019)
		Business Head (Crossword Bookstores Limited)		Maulik Desai (upto April 18, 2019)
		Chief Executive Officer (Crossword Bookstores Limited)		Chiragh Oberoi (w.e.f. September 23,2019)
(b)	Directors	Ravi Raheja Neel Raheja		
(c)	Entities in which a director is a director	Ivory Properties and Hotels Private Limited * Avacado Properties and Trading India Private Limited * Trion Properties Private Limited * Retailers Association of India K.Raheja Corp. Private Limited* Inorbit Malls (India) Private Limited* K.Raheja Private Limited*, Chalet Hotels Pvt Limited* Magna Warehousing & Distribution Private Limited* Juhu Beach Resorts Ltd.*, Genext Hardware and Parks Private Limited *		
(d)	Entities in which other directors are directors / trustees	Sanghavi Associates Ltd., Trust for Retailers & Retailers Associates of India Trrain Circle Private Limited Trrain Foundation, JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt Ltd *		

Note 13 provides the information about the group's structure including the details of the subsidiaries. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period :

Nature	Entities in which a director is a director (refer (c) above)	Key Management Personnel	Total
Remuneration to managing director & chief executive officer	**-**	**1.79**	**1.79**
(Mr.Rajiv Suri,chief executive officer was appointed as managing director & chief executive officer upto 25 August 2020)			
Short term benefits	-	1.74	-
Post employment benefits **	-	0.05	-
Share based payments	-	-	-
		(2.40)	*(2.40)*
Remuneration to company secretary *	**-**	**0.24**	**0.24**
Short term benefits	-	0.23	-
Post employment benefits **	-	0.01	-
Share based payments	-	-	-
	-	*(0.29)*	*(0.29)*
Remuneration to chief financial officer *	**-**	**0.56**	**0.56**
Short term benefits	-	0.53	-
Post employment benefits **	-	0.03	-
Share based payments	-	-	-
	-	*(0.88)*	*(0.88)*

Nature	Entities in which a director is a director (refer (c) above	Key Management Personnel	Total
Remuneration to company secretary of Subsidiary Co *	-	**0.05**	**0.05**
Short term benefits	-	***0.05***	-
Post employment benefits **	-	0.00	-
Share based payments	-	-	-
		(0.04)	*(0.04)*
Maulik Desai	-	-	-
Short term benefits	-	-	-
Post employment benefits **	-	-	-
Share based payments	-	-	-
		(0.07)	*(0.07)*
Chiragh Oberoi	-	**0.27**	**0.27**
Short term benefits	-	0.26	-
Post employment benefits **	-	0.01	-
Share based payments	-	-	-
		-	-
Other related party transactions			
Payment of variable Lease rent	**0.77**	-	**0.77**
	(2.95)	-	*(2.95)*
Ivory Properties and Hotels Private Limited *	0.68	-	-
	(2.87)	-	-
Inorbit Malls (India) Private Limited *	0.08	-	-
	(0.03)	-	-
Trion Properties Private Limited *	0.00	-	-
	(0.05)	-	-
Repayment of lease liability (Principal) - IND-AS 116	-	-	-
	(9.86)	-	***(9.86)***
Ivory Properties and Hotels Private Limited *	-	-	-
	(4.53)	-	-
Inorbit Malls (India) Private Limited *	-	-	-
	(4.86)	-	-
Trion Properties Private Limited *	-	-	-
	(0.47)	-	-
Repayment of finance charges - IND-AS 116	**4.65**	-	**4.65**
	(14.33)	-	***(14.33)***
Ivory Properties and Hotels Private Limited *	1.05	-	-
	(1.79)	-	-
Inorbit Malls (India) Private Limited *	1.87	-	-
	(7.05)	-	-
Chalet Hotels Ltd *	0.46	-	-
	(1.96)	-	-
Trion Properties Private Limited *	1.26	-	-
	(3.53)	-	-

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020
(All amounts in Rs. Crores, unless otherwise stated)

Waiver of Lease Rentals due to COVID-19 - IND-AS 116	**21.47**	-	**21.47**
	-	-	-
Ivory Properties and Hotels Private Limited *	5.27	-	-
	-	-	-
Inorbit Malls (India) Private Limited *	10.50	-	-
	-	-	-
Chalet Hotels Ltd *	2.96	-	-
	-	-	-
Trion Properties Private Limited *	2.74	-	-
	-	-	-
Payment of common area maintenance (Repair & Maintenance- Building)	**5.92**	-	**5.92**
	(5.88)	-	***(5.88)***
Ivory Properties and Hotels Private Limited *	-		
	(0.16)	-	-
Inorbit Malls (India) Private Limited *	3.66	-	-
	(3.65)	-	-
Chalet Hotels Ltd *	0.35	-	-
	(0.64)	-	-
Trion Properties Private Limited *	1.91	-	-
	(1.43)	-	-

Reimbursement of Expenses	**0.93**	**-**	**0.93**
	(4.11)	***(0.03)***	***(4.14)***
Inorbit Malls (India) Private Limited *	0.33	-	-
	(2.80)	-	-
Trion Properties Private Limited *	0.38	-	-
	(0.76)	-	-
Chalet Hotels Ltd*	0.18	-	-
	(0.50)	-	-
Trrain Circle Pvt Ltd	0.04	-	-
	(0.04)	-	-
K.Raheja Corp.Pvt.Ltd.*	-	-	-
	(0.01)	-	-
B.S.Nagesh	-	-	-
		(0.03)	**-**
Deposits Paid	**-**	**-**	**-**
	(0.18)		***(0.18)***
Inorbit Malls (India) Private Limited *	-	-	-
	(0.18)	-	-
	-	-	-

Advance Rent	**-**	**-**	**-**
	(0.20)	**-**	***(0.20)***
Inorbit Malls (India) Private Limited *	-	-	**-**
	(0.20)	-	-
Expenses paid	**0.09**	**-**	**0.09**
	(0.61)	**-**	***(0.61)***
<u>Miscellaneous expenses</u>			
Juhu Beach Resorts Ltd.*	-	-	-
	(0.20)	-	-
Retailers Association of India	0.07	-	-
	(0.03)	-	-
Trrain Circle Pvt Ltd *	-	-	-
	(0.04)	-	-
<u>Salaries & Wages (Recruitment expenses)</u>			
Juhu Beach Resorts Ltd.*	-	-	-
	(0.04)	-	-
<u>Corporate Social Responsibility expenses</u>			
CSR- Trust for Retailers & Retail Association of India	0.02	-	-
	(0.30)	-	-
Commission and Sitting fees to non executive Directors	**-**	**0.30**	**0.30**
	-	***(0.27)***	***(0.27)***
Ravi Raheja	-	0.04	-
Neel Raheja	-	0.05	-
Nitin Sanghavi	-	0.04	-
Deepak Ghaisas	-	0.04	-
Nirvik Singh	-	0.05	-
Manish Chokhani	-	0.04	-
Ameera Shah	-	0.05	-
Robert Bready	-	0.01	-

The figure in bracket pertain to half year ended 30 September 2019

Balance outstanding at the period / year ended	**30 September 2020**	**31 March 2020**
Lease liability as per Ind-AS 116		
Ivory Properties and Hotels Private Limited *	25.47	30.45
Inorbit Malls (India) Private Limited *	134.84	140.68
Chalet Hotels Ltd*	41.88	43.17
Trion Properties Private Limited*	73.35	73.87
Receivables		
Ivory Properties and Hotels Private Limited *	8.43	10.16
Inorbit Malls (India) Private Limited *	7.38	8.70
Trion Properties Private Limited *	2.86	2.87
Chalet Hotels Ltd*	1.87	2.03

The Company has given corporate guarantee to banks for loans taken by subsidiaries - Refer note 10(ii)(b)

* These parties are not related to Shoppers Stop Ltd. per Ind AS 24 definition. These parties have been reported on the basis of their classification as related party under the Companies Act 2013.

** Post employment benefits have been provided at gross level on totality basis and not available at individual employee level.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the half year ended 30 September 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: RS. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts in Rs. Crores, unless otherwise stated)

13 SUBSIDIARIES

a) The subsidiaries (which alongwith SSL Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are :

Name of subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
			30 September 2020	31 March 2020
Crossword Book Stores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees	India	100%	100%
Upasna Trading Limited	Supervising distribution and logistics operations (The Company is non-operational)	India	100%	100%
Shopper's Stop Services (India) Limited	The Company is non-operational	India	100%	100%
Shopper's Stop.Com (India) Limited	Retailing a variety of consumer products through online channel	India	100%	100%
Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations) (The Company is non-operational)	India	100%	100%

14. Financial Instruments

A. Capital risk management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders, and maintain a cost efficient capital structure and to keep the debt equity ratio below 1. The Group determines the amount of capital required for respective companies on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores, technology. The Group's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings. Majorly Group raise long term loan for its CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. The following table summarise the capital of the Group:

Capital	As at 30 September 2020	As at 31 March 2020
	Rs. in Crores	Rs. in Crores
Long term borrowings (including current maturities)	153.41	2.02
Interest accrued and not due on borrowings	0.62	0.09
Short term borrowings	161.01	155.26
Total debt *	**315.04**	**157.37**
Equity share capital	44.00	44.00
Other equity	(172.11)	22.64
Total Equity	**(128.11)**	**66.64**
Debt to Total Equity Ratio	**(2.46:1)**	**2.36 :1**

* Excluding lease liability as per Ind-AS 116

B. Financial risk management

A wide range of risks may affect the Group's business and operational / financial performance. The risks that could have significant influence on the Group are market risk, credit risk and liquidity risk. The Board of Directors of respective Companies reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Group's operational and financial performance.

(a) Market risk:

Market Risk is the risk that changes in market place could affect the future cash flows to the Group. The market risk for the Group arises primarily from product price risk, interest rate risk and, to some extent, foreign currency risk.

Product price risk: In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases, which are not in line with the levels of customers' discretionary, spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Interest risk: The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Group 's profit before tax by approximately Rs.0.16 crores (2020 Rs.0.16 crores).

Currency risk: The Group's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Group fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward foreign exchange contracts.

Equity Price risk: The Group's listed and non listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Report on the equity portfolio are submitted to the Group's senior management on a regular basis.

(b) Credit risk:

Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Group. The credit risk for the Group primarily arises from credit exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

Trade and other receivables: The Group's retail business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, the Group is not exposed to concentration risks.

(c) Liquidity Risk:

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Group's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 5 years**	**Carrying amounts**
At 31 March 2020	Rs. in Crores	Rs. in Crores	Rs. in Crores
Borrowings (long term and short term)	157.06	0.22	157.28
Interest payable	0.09	-	0.09
Lease liability	12.21	-	12.21
Trade payables and other accruals	1,521.87	-	1,521.87
Other financial liabilities	68.75	-	68.75
At 30 September 2020			
Borrowings (long term and short term)	180.94	133.48	314.42
Interest payable	0.62	-	0.62
Lease liability	227.36	-	227.36
Trade payables and other accruals	1,416.04	-	1,416.04
Other financial liabilities	42.76	-	42.76

In respect of financial guarantee contracts, no amounts are recognised based on the results of the liability adequacy test for likely deficiency / defaults by the entities on whose behalf the Group has given guarantees, grounded on the Group's actual experience.

The Group has access to following financing facilities as at the end of reporting periods mentioned.

Particulars	As at 30 September 2020	As at 31 March 2020
	Rs. in Crores	Rs. in Crores
Secured Working Capital Facilities		
Amount Used	136.91	131.92
Amount Unused	24.09	29.08
Total	**161.00**	**161.00**
Unsecured Working Capital Facilities		
Amount Used	-	-
Amount Unused	-	-
Total	**-**	**-**

C. Fair Value Measurements

(i) Financial assets and liabilities that are measured at amortised cost:

	As at 30 September 2020	As at 31 March 2020
	Rs. in Crores	Rs. In Crores
Financial Assets (amortised cost):		
Trade receivables	27.23	34.07
Cash & Cash equivalents	2.86	4.03
Other bank balances	15.32	0.32
Other financial assets		
- Premises and other deposits	148.76	150.60
- Others	6.27	3.04
Total	**200.44**	**192.06**
Financial Liabilities (amortised cost):		
Borrowings - long term	133.48	0.22
Borrowings - short term	161.01	155.26
Trade payables	1,416.04	1,521.87
Other financial liabilities	62.68	70.64
Total	**1,773.21**	**1,747.99**

The fair values of the above financial assets and liabilities approximate their carrying amounts

(ii) Financial assets and liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Financial assets / Financial liabilities	Fair value as at		Fair value hierarchy
	30 September 2020	31 March 2020	
Fair Value through Profit and Loss			
Investment in Mutual Funds	Assets Rs.70.60 Crores	Assets Rs 154.04 Crores	Level 2
Fair Value through OCI			
Investment in Future Retail Limited	Assets Rs.Nil	Assets Rs.36.46 Crores	Level 1

Valuation technique and key input used: Fair value is determined using discounted future cash flows which are estimated at the end of the reporting period, discounted at a rate that reflects the credit risk of the Group.

The fair values of the quoted instruments (Investment in Mutual funds and Future Retail Limited) are based on the price quotations at the reporting date.

(All amounts in Rs. Crores, unless otherwise stated)

15 Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from 1 April 2019. This has resulted in recognizing a Right of Use assets of Rs.1,163.31 Crores and Lease Liability of Rs.1,964.20 Crores as on 1 April 2019 and difference between Right of Use Assets and Lease Liability amt.to Rs.523.09 Crores (net of deferred tax of Rs.277.80 Crores) has been adjusted in retained earnings.

The Group had total cash outflows attributed to finance cost of Rs. 81.82 Crores for the half year ended 30 September 2020 (total cash outflow for leases Rs.182.55 Crores for the half year ended 30 September 2019).

Covid-19-Related Rent Concessions :

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 -Leases, by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has applied the practical expedient by accounting the unconditional rent concessions in "Other income" in the Statement of Profit and Loss as under :

(Rs.in Crores)

For the Half Year Ended		For the Financial Year Ended
30 Sep 2020	**30 Sep 2019**	**31 Mar 2020**
154.66	-	-

The above unconditional rent concessions for the half year ended September 30 2020 includes Rs.28.11 Crores pertaining to periods after September 30, 2020.

16 Events after the reporting period

The Group has evaluated subsequent events from the balance sheet and determine that there are no material items to disclose other than those disclosed above.

17 The retail industry had been adversely impacted due to COVID-19. With easing of lockdown restrictions, the company's performance for the half year ended 30 September,2020 has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Company believes that this pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimize the impact of this unprecedented situation.As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statments.

18 Amount appearing as zero "0.00" in financials are below the rounding off norm adopted by the Company.

In terms of our report of even date

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar
Digitally signed by Vijay Maniar
DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in
Date: 2020.10.30 18:00:36 +05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli
Digitally signed by Nagesh Satyanarayan Basavanhalli
Date: 2020.10.30 15:34:16 +05'30'

B.S.Nagesh
Customer Care Associate &
Chairman
(DIN:00027595)

Karunakaran Mohanasundaram
Digitally signed by Karunakaran Mohanasundaram
Date: 2020.10.30 15:52:31 +05'30'

Karunakaran M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

NEEL CHANDRU RAHEJA
Digitally signed by NEEL CHANDRU RAHEJA
Date: 2020.10.30 16:35:02 +05'30'

Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi
Digitally signed by Bharat Kanaklal Sanghavi
Date: 2020.10.30 16:06:49 +05'30'

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No.A13157

Chartered Accountants
12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai – 400 028, India
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Report on review of Unaudited Condensed Consolidated Interim Financial Statement

To the Board of Directors of Shoppers Stop Limited

We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of Shoppers Stop Limited ("the Company/Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at September 30, 2019, and the Unaudited Condensed Consolidated Interim Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Consolidated Interim Cash Flow Statement and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the six-month period then ended and a summary of select explanatory notes (together hereinafter referred to as the "Unaudited Condensed Consolidated Interim Financial Statement"). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company.

Responsibilities of Management for the Unaudited Condensed Consolidated Interim Financial Statement

The Holding Company's Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statement in accordance with the requirements of Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed Consolidated Interim Financial Statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Unaudited Condensed Consolidated Interim Financial Statement

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

Conclusion

Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited interim financial statements of the Company's subsidiary, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statement are not prepared, in all material respects, in accordance with requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of Matter

We draw attention to Note 11 of the Unaudited Condensed Consolidated Interim Financial Statement regarding non-provision of retrospective levy of service tax for the period from June 01, 2007 to March 31, 2010 on renting of immovable properties given for commercial use, aggregating to Rs. 20.11 crores pending final disposal of the appeal filed before the Supreme Court.

Our conclusion is not modified in respect of the above matter.

Other matters

1. The Unaudited Condensed Interim Financial Statement and other financial information, in respect of four subsidiaries, whose Ind AS Financial Statements include total assets of Rs. 2.78 crore as at September 30, 2019, total revenues of Rs. 1.15 crore and net cash outflows amounting to Rs. 0.30 crore for the six months period then ended, whose unaudited condensed interim financial information have not been reviewed and are considered in the preparation of the Unaudited Consolidated Condensed Interim Financial Statements based on their unaudited condensed interim financial information which are certified by the management. Our conclusion, in so far as it relates to the affairs of these subsidiaries, is based solely on its management accounts. According to the information and explanations given to us by the management, the financial results of these subsidiaries are not material to the Group. Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statement is not modified in respect of the above matter.

2. The comparative figures for the corresponding six months ended September 30, 2018, as reported in these Unaudited Condensed Consolidated Interim Financial Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statement is not modified in respect of the above matters.

Other matters - restriction of use

The accompanying Unaudited Condensed Consolidated Interim Financial Statement have been prepared in connection with the proposed rights issue of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

Vijay Maniar

Digitally signed by Vijay Maniar
DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in
Date: 2020.10.30 18:53:54 +05'30'

per Vijay Maniar
Partner
Membership no.: 36738
UDIN.: 20036738AAAAFN3476
Mumbai, October 30, 2020

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2019

(All amounts in Rs. Crores)

	Notes	As at 30 September 2019	As at 31 March 2019
Assets			
Non-current assets			
Property, Plant and Equipement	3	541.60	544.53
Capital work in progress	3A	28.74	30.56
Goodwill on consolidation	3	9.65	9.65
Other Intangible Assets	3	58.39	60.52
Intangible assets under development	3A	11.18	4.53
Right of use Assets		1,146.09	-
Financial Assets			
i) Investments	4	181.58	215.90
ii) Other Financial Assets		102.96	71.42
Deferred tax assets (net)	5	292.92	32.00
Other non-current assets		81.10	97.80
Total non-current assets		**2,454.21**	**1,066.91**
Current assets			
Inventories		1,151.83	1,071.93
Financial assets			
i) Investments	4	45.50	42.45
ii) Trade Receivables		37.23	47.24
iii) Cash and cash equivalents		12.43	17.14
iv) Bank balances other than (iii) above		0.31	0.31
v) Other financial assets		42.92	64.24
Other current assets		194.01	165.37
Total current assets		**1,484.23**	**1,408.68**
Total assets		**3,938.43**	**2,475.59**
Equity and Liabilities			
Equity			
Equity share capital		44.00	44.00
Other equity		297.96	870.70
Equity attributable to owners of the Company		**341.96**	**914.70**
Total Equity		**341.96**	**914.70**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	6	1.12	2.02
ii) Lease liability		1,677.41	-
iii) Other non current liabilities		0.61	0.61
Provisions		-	0.10
Total non-current liabilities		**1,679.14**	**2.73**
Current liabilities			
Financial liabilities			
i) Borrowings	6.3	31.04	30.23
ii) Lease Liability		209.12	-
iii) Trade payables			
(a)Total outstanding dues of micro enterprises and small Enterprises		14.16	5.91
(b)Total outstanding dues of creditors other than micro enterprises and small Enterprises		1,398.97	1,271.19
iv) Other financial liabilities		81.94	80.37
Provisions		9.02	9.65
Other current liabilities		173.08	160.81
Total current liabilities		**1,917.33**	**1,558.16**
Total liabilities		**3,596.47**	**1,560.89**
Total equity and liabilities		**3,938.43**	**2,475.59**

Summary of significant accounting policies 2

The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli — Digitally signed by Nagesh Satyanarayan Basavanhalli Date: 2020.10.30 15:35:22 +05'30'

NEEL CHANDRU RAHEJA — Digitally signed by NEEL CHANDRU RAHEJA Date: 2020.10.30 16:22:00 +05'30'

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

B.S.Nagesh
Chairman
(DIN:00027595)

Neel Raheja
Director
(DIN : 00029010)

Vijay Maniar — Digitally signed by Vijay Maniar DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in Date: 2020.10.30 18:04:13 +05'30'

Karunakaran Mohanasundaram — Digitally signed by Karunakaran Mohanasundaram Date: 2020.10.30 15:53:57 +05'30'

Bharat Kanaklal Sanghavi — Digitally signed by Bharat Kanaklal Sanghavi Date: 2020.10.30 15:58:54 +05'30'

Vijay Maniar
Partner
Membership No.36738

Karunakarn M
Customer Care Associate &
Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No.A13157

Mumbai: 30 October 2020

Mumbai: 30 October 2020

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2019

(All amounts in Rs. Crores)

	Notes	For the Half Year ended 30 September 2019	For the Half Year ended 30 September 2018
A) Continuing operations			
Income			
Revenue from contracts with customers	7	1,720.50	1,740.41
Other income		20.32	9.83
Total Income		1,740.82	1,750.24
Expenses			
Purchase of stock-in-trade		1,073.69	1,727.66
Changes in Inventories of stock-in-trade - (increase)		(80.97)	(702.50)
Employee benefits expense		172.02	158.48
Finance costs		97.10	6.18
Depreciation and amortisation expenses		180.84	62.99
Other expenses		279.61	465.23
Total expenses		1,722.29	1,718.04
Profit before tax		18.53	32.20
Current tax	8	10.83	16.44
Deferred tax	5	15.99	(1.35)
Income tax expenses		**26.82**	**15.09**
Profit / (Loss) for the period from continuing operations		**(8.29)**	**17.11**
B) Discontinued operations			
Profit / (Loss) from discontinued operations		0.01	(0.00)
Profit / (Loss) for the period from discontinued operations		0.01	(0.00)
C) Profit / (Loss) for the period (A) + (B)		**(8.28)**	**17.11**
D) Other comprehensive income			
Items that will not be reclassified to profit or loss :			
i) Remeasurement of employee defined benefit obligation		(1.14)	(1.46)
Income tax relating to (i) above	8	0.27	0.42
ii) Changes in fair value of equity instruments		(34.32)	(40.67)
Income tax relating to (ii) above	8.1	-	-
Other comprehensive income / (Loss) for the period [D]		(35.19)	(41.71)
Total comprehensive Income / (Loss) for the period [C] + [D]		**(43.47)**	**(24.60)**
Profit / (loss) for the period attributable to:			
- Owners of the Company		(8.28)	17.11
- Non-controlling interests		-	
Other comprehensive income for the period attributable to :			
- Owners of the Company		(35.19)	(41.71)
- Non-controlling interests		-	-
Total comprehensive income for the period attributable to :			
- Owners of the Company		(43.47)	(24.60)
- Non-controlling interests		-	-
Earning per equity share (for continuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(0.94)	1.92
Diluted (Rs.)	9	(0.94)	1.92
Earning per equity share (for discontinued operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	0.00	(0.00)
Diluted (Rs.)	9	0.00	(0.00)
Earning per equity share (for continuing and discontinuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(0.94)	1.92
Diluted (Rs.)	9	(0.94)	1.92
Summary of significant accounting policies	2		

The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli Digitally signed by Nagesh Satyanarayan Basavanhalli Date: 2020.10.30 15:36:03 +05'30'

NEEL CHANDRU RAHEJA Digitally signed by NEEL CHANDRU RAHEJA Date: 2020.10.30 16:24:17 +05'30'

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar Digitally signed by Vijay Maniar DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in Date: 2020.10.30 18:04:56 +05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

B.S.Nagesh
Chairman
(DIN:00027595)

Karunakaran Mohanasundaram Digitally signed by Karunakaran Mohanasundaram Date: 2020.10.30 15:54:57 +05'30'

Karunakarn M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi Digitally signed by Bharat Kanaklal Sanghavi Date: 2020.10.30 15:59:28 +05'30'

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No.A13157

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2019

(All amounts in Rs. Crores)

	For the Half Year ended 30 September 2019	For the Half Year ended 30 September 2018
Cash flows from operating activities		
Net profit (loss) before tax	18.53	32.20
Loss before tax from discontinued operations	0.01	(0.00)
Net profit (loss) before tax	**18.54**	**32.20**
Adjustments to reconcile profit before tax to net cashflow :		
Depreciation, Amortisation	180.84	62.99
Allowance for doubtful debts/advances	0.52	0.29
Share based payment expenses	0.24	0.03
Interest and finance charges	97.10	6.18
Loss on disposal of property,plant and equipment	0.37	0.30
Refundable deposit considered in measurement of minimum lease payments	-	3.02
Gain on account of remeasurement in lease term	(12.78)	-
Interest (time value) recognised on interest free lease deposit	(5.67)	(2.39)
Interest income	(0.02)	(3.62)
Operating Profit before working capital changes	**279.14**	**99.00**
Adjustments for :		
(Increase) / Decrease in inventories	(79.90)	(702.50)
(Increase) / Decrease in trade receivables	10.01	(6.67)
(Increase) / Decrease in other financial assets and other non current assets	(36.94)	15.17
(Increase) / Decrease in Lease deposits	(11.68)	(2.68)
Increase / (Decrease) in Short term provisions	(1.53)	(2.45)
Increase / (Decrease) in Trade payables,other financial liabilities and other current liabilities	172.28	732.71
Cash generated from operations	331.38	132.58
Income taxes paid (net of refunds)	(33.26)	(18.49)
Net cash from operating activities (A)	**298.12**	**114.09**
Cash flow from investing activities		
Purchase of property,plant and equipment	(83.92)	(62.28)
Proceeds from disposal of property,plant and equipment	0.62	0.19
Purchases of investments in mutual funds	(457.39)	(298.17)
Proceeds from sale of investments in mutual funds	454.34	259.07
Interest received	0.02	3.63
Net cash used in investing activities (B)	**(86.33)**	**(97.56)**
Cash flows from financing activities		
Proceeds from Issue of share capital	-	0.01
Securities premium on issue of share capital	-	1.04
Dividend and dividend distribution tax	(7.96)	(7.96)
Repayment of actual lease rentals	(182.55)	-
Repayment of long-term borrowings	(21.32)	(21.10)
Finance costs paid	(4.59)	(6.18)
Net cash used in financing activities (C)	**(216.42)**	**(34.19)**
Net (Decrease) / Increase in cash and cash equivalents (A) + (B) + (C)	**(4.63)**	**(17.66)**
Cash and cash equivalents as at beginning of the year	10.60	(10.98)
Cash and cash equivalents as at the end of the period	5.97	(28.64)
	(4.63)	**(17.66)**
Note (i)		
Components of cash and cash equivalents		
Cash and Cash Equivalents as at 30 September	12.43	9.95
Add : Bank Overdraft / Cash Credit	(6.46)	(38.59)
Cash and Cash Equivalent as reported above	5.97	(28.64)

Summary of significant accounting policies Note 2
The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli Digitally signed by Nagesh Satyanarayan Basavanhalli Date: 2020.10.30 15:36:24 +05'30'

NEEL CHANDRU RAHEJA Digitally signed by NEEL CHANDRU RAHEJA Date: 2020.10.30 16:25:15 +05'30'

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

B.S.Nagesh
Chairman
(DIN:00027595)

Neel Raheja
Director
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Vijay Maniar Digitally signed by Vijay Maniar DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in Date: 2020.10.30 18:05:30 +05'30'

Karunakaran Mohanasundaram Digitally signed by Karunakaran Mohanasundaram Date: 2020.10.30 15:55:24 +05'30'

Bharat Kanaklal Sanghavi Digitally signed by Bharat Kanaklal Sanghavi Date: 2020.10.30 16:00:09 +05'30'

Vijay Maniar
Partner
Mumbai: 30 October 2020

Karunakarn M
Customer Care Associate &
Chief Financial Officer
Mumbai: 30 October 2020

Bharat Sanghavi
Customer Care Associate &
Company Secretary &
Membership No.A13157

Shoppers Stop Limited
Notes to the Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019

1. General Background

Shoppers Stop Limited ('SSL' or 'the Holding Company') is a Company limited by shares and is domiciled in India. The Company was incorporated on 16 June 1997. The Company is engaged in the business of retailing a variety of household and consumer products through departmental stores.

The Holding Company along with five subsidiaries, constitute "the Group". They are primarily engaged in the following activities:

SN	*Entity*	*Business activity*
1	Shoppers Stop Limited	Retailing a variety of household and consumer products through departmental stores
2	Crossword Bookstores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees
3	Shoppers' Stop Services (India) Limited	The Company is non-operational
4	Upasna Trading Limited	Supervising distribution and logistics operations (the Company is non-operational)
5	Shoppers' Stop.com (India) Limited	Retailing a variety of consumer products through online channel
6	Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations) (the Company is non-operational)

These Unaudited Consolidated Condensed Interim Financial Statements prepared in connection with the proposed raising of funds by issue of equity shares, through a right issue which has been approved by the board of directors at its meeting held on 16 October 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with the requirements of Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34), prescribed under the Section 133 of the Companies Act 2013,other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable to the Unaudited Consolidated Condensed Interim Financial Statements.

2.2 Basis of preparation and presentation.

These Unaudited Consolidated Condensed Interim Financial Statements which comprise the Unaudited Consolidated Condensed Interim Balance Sheet as at 30 September 2019, Unaudited Consolidated Condensed Interim Statement of Profit and Loss, the Unaudited Consolidated Condensed Interim Statement of changes in equity and the Unaudited Consolidated Condensed Interim Statement of Cash flows for the half year ended 30

September 2019 , and other explanatory information (together hereinafter referred to as “Unaudited Consolidated Condensed Interim Financial Statements” or “financial statements”).

The consolidated figures for the corresponding six months period ended 30 September 2018, as reported in these Unaudited Consolidated Condensed Interim Financial Statements have been approved by Group’s Board of Directors, but have not been subjected to review.

The aforesaid Unaudited Consolidated Condensed Interim financial statements include the financial statements of the Holding Company and its subsidiaries (together referred to as ‘the Group”) which have been prepared in connection with the proposed rights issue of equity shares of the Group.

These Unaudited Consolidated Interim Financial statements have been prepared on historical cost basis except for certain assets and liabilities that are measures at fair values at the end of each reporting period. The Unaudited Consolidated Condensed Interim Financial Statement are presented in Indian Rupees (Rs.) and all values are rounded to the nearest crores, except where otherwise indicated.

Accounting policies, Basis of consolidation and methods of computation followed in the Unaudited Consolidated Condensed Interim Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2019.

2.3 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements except for arrangement on sale or return basis where Company is acting as an agent and hence net margin is recorded.

Retail Sale of Products:

Revenue from retail sales is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts, rebates, Goods, and Service Tax (GST).

Retail sales are recognised on delivery of the merchandise to the customer, when the property in goods and significant risks and rewards are transferred for a price and no effective ownership control is retained.

Point award schemes: The fair value of the consideration received or receivable on sale of goods that result in award credits for customers, under the Company's point award schemes, is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value from the standpoint of the holder and is recognised as revenue when the award credits are redeemed.

Other retail operating revenue:

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors’ advertisements are promoted / displayed.

Facility management fees are recognised pro-rata over the period of the contract.

Income from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of service tax.

Franchisee income: Such income is recognized in accordance with the rates specified in the franchisee agreements and is based on the sales recorded by the franchisees for the year.

Gift vouchers: The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (other operating income) on expiry.

Direct Marketing income: Such income is recognized on straight-line basis over the validity of the cards.

2.4 Impairment losses

At the end of each reporting period, the Group reviews the carrying amounts of its property plant and equipment, intangible assets and investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, (i.e. higher of fair value less costs of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 **Implementation of Ind AS 116**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

The Group assesses at contract inception whether a contract is or contains a lease. That is, of the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>Where the Group is the lessee:</u>

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right of use assets:

The Group recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right of use assets are also subject to impairment.

Lease liabilities:

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases f office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Where the Group is the Lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified the asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms. Initial direct costs incurred in negotiating and arranging on operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.6.1 Current tax

The tax currently payable is based on the taxable profit for the period for each entity in the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.
The Group elected to exercise the option permitted u/s.115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance,2019. According the Group has recognised provision for Income tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised during the half year ended 30 September 2019.

2.6.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 Property, plant and equipment and Intangible Assets

Property, plant and equipment and Intangible Assets are stated at cost less accumulated depreciation or amortisation and accumulated impairment losses. Cost comprises of all cost of purchase, construction and other related costs incurred in bringing the assets to their present location and condition.

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets. Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

2A Summary of key estimates, judgements and assumption

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not ready apparent from other sources. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affect current and future period.

The area where estimates are significant to the Unaudited Consolidated Condensed Interim Financial Statements or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31 March 2019.

UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 SEPTEMBER 2019

a. Equity share capital

Particulars	As at 30 September 2019 No.of shares	As at 30 September 2019 (Rs.in Crores)	As at 30 Sept 2018 No.of shares	As at 30 Sept 2018 (Rs.in Crores)
Authorised Share Capital				
Equity shares of Rs.5/- each	20,00,00,000	100.00	20,00,00,000	100.00
Issued, Subscribed and Fully paid up shares				
Balance as on 1 April	8,79,89,928	44.00	8,79,60,689	43.99
Issue of equity shares under employee share option plan	-	-	29,239	0.01
Balance as on 30 September	**8,79,89,928**	**44.00**	**8,79,89,928**	**44.00**

b.Other equity

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2019	**655.44**	**23.29**	**191.76**	**0.21**	**870.70**	**870.70**
Profit / (Loss) for the period	-	-	(8.28)	-	(8.28)	(8.28)
Other comprehensive loss for the period,net of income tax	-	-	(35.19)	-	(35.19)	(35.19)
Total comprehensive income for the year	**-**	**-**	**(43.47)**	**-**	**(43.47)**	**(43.47)**
Recognition of share-based payments *	-	-	-	0.04	0.04	0.04
IND-AS 116 adjustments #	-	-	(521.56)	-	(521.56)	(521.56)
Arising on employee stock option scheme	-	-	-	0.21	0.21	0.21
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Balance as on 30 September 2019	**655.44**	**23.29**	**(381.23)**	**0.46**	**297.96**	**297.96**

* after transfers to retained earnings for options lapsed/exercised.
# IND-AS 116 transitional impact Rs.523.09 Crores and reversal of straightling rental provision of earlier year Rs.1.53 Crores (net of deferred tax) (Refer note 16)

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2018	**654.40**	**23.29**	**182.15**	**0.62**	**860.46**	**860.46**
Profit / (Loss) for the year	-	-	17.11	-	17.11	17.11
Other comprehensive loss for the period,net of income tax	-	-	(41.71)	-	(41.71)	(41.71)
Total comprehensive income for the year	**-**	**-**	**(24.60)**	**-**	**(24.60)**	**(24.60)**
Recognition of share-based payments *	-	-	0.62	(0.62)	-	-
Arising on employee stock option scheme	1.04	-	-	0.05	1.09	1.09
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Balance as on 30 September 2018	**655.44**	**23.29**	**150.22**	**0.05**	**828.99**	**828.99**

* after transfers to retained earnings for options lapsed/exercised.
@ Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

Summary of significant accounting policies (Note 2)

The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar
Digitally signed by Vijay Maniar
DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in
Date: 2020.10.30 19:37:29 +05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli
Digitally signed by Nagesh Satyanarayan Basavanhalli
Date: 2020.10.30 15:36:44 +05'30'

B.S.Nagesh
Chairman
(DIN:00027595)

NEEL CHANDRU RAHEJA
Digitally signed by NEEL CHANDRU RAHEJA
Date: 2020.10.30 16:26:27 +05'30'

Neel Raheja
Director
DIN : 00029010)

Karunakaran Mohanasundaram
Digitally signed by Karunakaran Mohanasundaram
Date: 2020.10.30 15:55:57 +05'30'

Karunakarn M
Customer Care Associate &
Chief Financial Officer

Bharat Kanaklal Sanghavi
Digitally signed by Bharat Kanaklal Sanghavi
Date: 2020.10.30 16:00:47 +05'30'

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No.A13157

Mumbai: 30 October 2020

(All amounts in Rs.Crores)

3 Property, Plant and Equipment and Intangible Assets

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2018	233.06	232.02	226.28	14.78	56.03	0.22	762.39	1.34	104.96	9.65	115.95
Additions	18.26	16.31	18.62	2.04	11.57	0.57	67.37	0.05	15.86	-	15.91
Reclassification	1.35	0.06	(1.25)	0.49	(0.56)	-	0.09	(0.00)	(0.09)	-	(0.09)
Disposal	(2.68)	(9.90)	(4.79)	(0.05)	(3.14)	-	(20.56)	-	-	-	-
As at 31 March 2019	**250.00**	**238.49**	**238.87**	**17.26**	**63.87**	**0.79**	**809.28**	**1.39**	**120.73**	**9.65**	**131.77**
Additions (Refer note iii)	20.15	16.11	23.40	3.77	6.08	-	69.51	-	9.70	-	9.70
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Disposal	(8.09)	(6.94)	(4.60)	(0.19)	(1.13)	(0.66)	(21.61)	-	-	-	-
As at 30 September 2019	**262.06**	**247.66**	**257.67**	**20.84**	**68.82**	**0.13**	**857.18**	**1.39**	**130.43**	**9.65**	**141.47**
Accumulated Depreciation											
As at 1 April 2018	(37.12)	(34.88)	(65.78)	(6.32)	(18.70)	0.21	(162.59)	(0.67)	(42.46)	-	(43.13)
Depreciation and amortisation expense for the year (Refer note ii)	(31.02)	(39.53)	(34.67)	(3.06)	(13.48)	(0.37)	(122.13)	(0.72)	(17.75)	-	(18.47)
Disposal	2.62	9.73	4.44	0.05	3.13	-	19.97	-	-	-	-
As at 31 March 2019	**(65.52)**	**(64.68)**	**(96.01)**	**(9.33)**	**(29.05)**	**(0.16)**	**(264.74)**	**(1.39)**	**(60.21)**	**-**	**(61.60)**
Depreciation and amortisation expense for the year (Refer note ii)	(24.44)	(21.09)	(18.15)	(1.82)	(6.42)	(0.04)	(71.96)	-	(11.82)	-	(11.82)
Disposal	7.91	6.73	4.42	0.17	1.61	0.30	21.12	-	(0.00)	-	(0.00)
As at 30 September 2019	**(82.05)**	**(79.04)**	**(109.74)**	**(10.98)**	**(33.86)**	**0.10**	**(315.58)**	**(1.39)**	**(72.04)**	**-**	**(73.43)**
Net Book Value											
As at 31 March 2019	184.49	173.81	142.86	7.94	34.82	0.64	544.53	-	60.52	9.65	70.17
As at 30 September 2019	180.01	168.62	147.93	9.86	34.95	0.23	541.60	-	58.39	9.65	68.04

Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2018

(All amounts in Rs.Crores)

Property, Plant and Equipment and Intangible Assets

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2018	233.06	232.02	226.28	14.78	56.03	0.22	762.39	1.34	104.96	9.65	115.95
Additions	13.89	10.57	11.24	(0.52)	8.39	0.57	44.13	-	2.55	-	2.55
Disposal	(2.32)	(4.94)	(1.35)	(0.03)	(1.42)	-	(10.07)	-	-	-	-
As at 30 September 2018	**244.62**	**237.65**	**236.16**	**14.23**	**63.00**	**0.79**	**796.45**	**1.34**	**107.51**	**9.65**	**118.50**
Accumulated Depreciation											
As at 1 April 2018	(37.12)	(34.88)	(65.78)	(6.32)	(18.70)	0.21	(162.58)	(0.67)	(42.46)	-	(43.13)
Depreciation and amortisation expense for the year (Refer note ii)	(10.38)	(17.52)	(16.28)	(1.47)	(6.56)	(0.08)	(52.29)	(0.67)	(10.03)	-	(10.69)
Disposal	2.04	4.54	0.75	(0.00)	1.17	-	8.50	-	-	-	-
As at 30 September 2018	**(45.46)**	**(47.86)**	**(81.32)**	**(7.79)**	**(24.08)**	**0.13**	**(206.38)**	**(1.34)**	**(52.49)**	**-**	**(53.83)**
Net Book Value											
As at 1 April 2018	195.94	197.15	160.50	8.46	37.34	0.43	599.82	0.67	62.50	9.65	72.82
As at 30 September 2018	199.16	189.80	154.85	6.44	38.92	0.92	590.08	0.00	55.02	9.65	64.68

Note :

i) Movable assets have been pledged to secure borrowings of the Company

ii) Depreciation for the half year includes accelerated amounts aggregating to Rs.9.87 Crores (For the year ended 31 March 2019: Rs.35.59 Crores and for the half year ended 30 September 2018 Rs.11.24 Crores) primarily in leasehold improvements and electrical installations on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises

iii) During the half year ended 30 September 2019, the Company has capitalised the following expenses to cost of Property, plant and equipement.

	For the half year ended 30 September'2019	For the year ended 31 March'2019	For the half year ended 30 September'2018
Employee Costs	3.30	10.57	2.71
Travelling	0.17	0.05	0.39
Consultancy	5.32	8.33	4.03
Miscellanous expenditure	0.63	0.99	0.24
Total	**9.42**	**19.94**	**7.37**

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019

(All amounts in Rs.Crores)

3A Depreciation and amortisation expenses	As at 30 September 2019	As at 30 September 2018
Depreciation of tangible assets (Note 3)	71.96	52.29
Amortisation of intangible assets (Note 3)	11.82	10.69
Depreciation on right of use assets	97.06	-
	180.84	**62.99**

3A Capital work in progress and Intangible assets under development	As at 30 September 2019	As at 31 March 2019
Capital work in progress		
Opening	30.56	15.34
Additions	66.43	94.73
Capitalisation	(68.25)	(79.51)
	28.74	**30.56**
Intangible assets under development		
Opening	4.53	2.81
Additions	14.45	20.45
Capitalisation	(7.80)	(18.73)
	11.18	**4.53**

(All amounts in Rs. Crores)

			As at 30 Sept 2019	As at 31 March 2019
4		**Investments - Non current**		
A		**(Unquoted at cost unless otherwise stated)**		
	i)	**Equity investments**		
		(At fair value through Profit and Loss)		
		Stargaze Properties Private Limited 1,000 (2019: 1,000) equity shares of Rs. 10/- each Fully paid	0.00	0.00
		Retailers Association of India 10,000 (2019:10,000) equity shares of Rs. 10/- each Fully paid	0.00	0.00
		Aesthetic Realtors Private Limited 66 (2019 : 66) Equity Shares of Rs. 10/- each Fully Paid	-	-
		Retailers Association's Skill Council of India 500 (2019 : 500) equity shares of Rs. 100/- each Fully paid	0.01	0.01
		Total (A)	**0.01**	**0.01**
		Aggregate amount of impairment value of unquoted investments	**0.00**	**0.00**
B		**Quoted (fair value through Other Comprehensive Income)**		
		Investments in equity instruments		
		Future Retail Limited		
		47,56,823 (2019 : 47,56,823) equity shares of Rs.2/- each Fully paid up	255.44	255.44
		Increase/(decrease) due to change in the fair value of investments	(73.87)	(39.55)
		Total (B)	181.57	215.89
		Total (A) + (B)	**181.58**	**215.90**
4		**Investments - Current**		
		Unquoted (At fair value through Profit and Loss)		
		Investments in mutual funds		
		UTI Mutual Fund 28,553.92 (2019 : Nil) units in Liquid cash fund - Regular Growth Plan	9.00	-
		Reliance Mutual Fund 13,046.300 (2019 : Nil) units in Liquid fund - Regular Growth Plan	6.12	-
		Frankline India Liquid Fund 42,468.918 (2019 : Nil) units in Super IP - Growth Plan	12.25	-
		Axis Mutual Fund 28,126.57 (2019 : Nil) units in Liquid fund - Direct Growth plan	6.00	-
		Aditya Birla Sun Life Mutual Fund 3,92,309.965 (2019 : 85,980.263) units in Overnight fund - Regular Growth	12.13	8.82
		Reliance Mutual Fund Nil (2019 :7,69,558.585) units in Overnight fund - Regular Growth	-	7.83
		UTI Mutual Fund Nil (2019 :30,236.516) units in Overnight fund - Regular Growth	-	7.80
		SBI Mutual Fund Nil (2019 : 2,85,33.169) units in Overnight fund - Regular Growth	-	8.75
		Total (A)	45.50	33.20
		Quoted (At fair value through Profit and Loss)		
		HDFC Mutual Fund Nil (2019 : 3,29,05.349) units in Overnight fund - Regular Growth	-	9.25
		Total (B)	-	9.25
		Total (A) + (B)	**45.50**	**42.45**
		Aggregate value of quoted investment	**181.58**	**225.15**
		Aggregate value of unquoted investment	**45.50**	**33.20**
		Aggregate amount of impairment in value of investments	**0.00**	**0.00**
		Aggregate amount of Increase/(decrease) due to change in the fair value of investments	**73.87**	**39.55**

(All amounts in Rs. Crores)

	As at 30 September 2019	As at 31 March 2019
5 Deferred tax assets / Liabilities (net)		
Deferred tax assets	292.92	32.00
	292.92	**32.00**

5.1 Deferred tax (liabilities)/assets in relation to:

	Balance Sheet		Statement of Profit and Loss	
	As at 30 September 2019	As at 31 March 2019	Half Year ended 30 September 2019	Year ended 31 March 2019
Deferred tax Liabilities				
Property, Plant and Equipment and Intangible Assets	-	-	-	(0.10)
Deferred tax Assets				
Property, Plant and Equipment and Intangible Assets	17.56	14.17	(3.40)	(14.17)
ROU Assets *	259.39	-	18.41	-
ROU Assets #	0.37	-	(0.37)	-
Impairment allowance (allowance for bad and doubtful debts)	3.27	4.42	1.15	(0.05)
Provision for expenses	4.26	4.24	(0.90)	(0.51)
Employee benefit expenses	3.65	4.04	0.39	(0.45)
Deferred Revenue on point reward schemes	-	-	-	0.64
Lease Deposits	2.10	2.14	0.04	(0.36)
Changes in fair value of equity instruments	-	-	-	0.72
Short Term Capital Loss	2.32	2.99	0.67	2.07
Net deferred tax assets / (liabilities)	**292.92**	**32.00**	**15.99**	**(12.21)**

* Deferred tax assets (DTA) created on difference between ROU Assets & lease liabilities as on 1 April 2019 (Refer note 16)	277.80	-	-	-
Deferred tax reversal on reserves created on IND-AS 116 Transition (Refer note 8.2)	(18.41)	-	18.41	-
	259.39	**-**	**18.41**	**-**
# DTA created on movement of ROU assets & lease liabilities during the half year 30 September 2019	0.37	-	(0.37)	-

Deferred tax (liabilities) / assets in relation to certain subsidiaries :

	Balance Sheet		Statement of Profit and Loss	
	As at 30 September 2019	As at 31 March 2019	Half Year ended 30 September 2019	Year ended 31 March 2019
Property, Plant and Equipment and Intangible Assets	2.99	2.47	(0.48)	(1.23)
Unused tax losses #	13.66	12.25	(1.41)	(8.66)
Employee benefit expenses & others	1.84	0.78	(1.06)	(0.24)
Deferred tax assets # #	**18.49**	**15.50**	**(2.95)**	**(10.13)**

To the extent of deferred tax liability on Property, plant and equipment & Intangible assets
In the absence of convincing evidence, the Company has not recognized deferred tax assets (DTA) on temporary differences arising on the above mentioned items.

(All amounts in Rs.Crores)

		As at 30 Sept 2019	As at 31 March 2019
6	**Borrowings**		
	Non-current		
	Term loans (Secured) from banks	22.92	44.23
	Less : Current maturities of long term debts	21.80	42.21
		1.12	**2.02**

6.1 Term loans are secured by a first pari passu charge on stocks, book debts, hypothecation charge on credit card/debit card receivables (Escrow account) and all the movable fixed assets of the Company, both present & future.

Term loans availed by Crossword Bookstores Ltd. amounting to Rs.1.12 Crores (2019: 2.02 Crores) have corporate guarantees, joint and serveral, given by the Company.

Borrowings are carried at amortised cost.

(All amounts in Rs. Crores)

6.2 Terms of the Facilities :-

Non Current Borrowings

Name of the Bank	Rate of Interest	Repayment Schedule	As at 30 Sept 2019	As at 31 March 2019
IDBI Bank	9.30% (2019 : 9.45%)	10 equal quarterly installments from 09 December 2017.	20.00	40.00
Kotak Mahindra Bank	Nil (2019 : 10.75%)	12 equally quarterly Installments from 01 August 2016 to 31 May 2019	-	0.41
Kotak Mahindra Bank	10.20% (2019: 10.33%)	Repayable in 12 Equated quarterly Installments from February 2018 to November 2020	1.25	1.75
Kotak Mahindra Bank	10.45% (2019: 10.50%)	Repayable in 36 Equated quarterly Installments from November 2018 to October 2021.	1.67	2.07
Total Non-current borrowings			**22.92**	**44.23**

Current maturities of long-term borrowings

Name of the Bank	Rate of Interest	Repayment Schedule	As at 30 Sept 2019	As at 31 March 2019
IDBI Bank	9.30% (2019 : 9.45%)	10 equal quarterly installments from 9 December 2017.	20.00	40.00
Kotak Mahindra Bank	Nil (2019 : 10.75%)	12 equal quarterly Installments from 1 August 2016 to 31 May 2019	-	0.41
Kotak Mahindra Bank	10.20% (2019: 10.33%)	Repayable in 12 equal quarterly Installments from February, 2018 to November 2020	1.00	1.00
Kotak Mahindra Bank	10.45% (2019: 10.50%)	Repayable in 36 equal quarterly Installments from November 2018 to October 2021.	0.80	0.80
Total Current borrowings			**21.80**	**42.21**

(All amounts in Rs. Crores)

		As at 30 Sept 2019	As at 31 March 2019
6.3	**Current**		
	From banks		
	- Secured	9.02	8.21
	From Others		
	- Unsecured	22.02	22.02
		31.04	**30.23**

6.4 Loan repayable on demand viz.Cash credit, Working capital loans and Other loans viz. short term loans, are secured by a first pari passu charge on credit card/debit card receivables (Escrow account), current assets and all movable fixed assets of the Company both present and future and an exclusive lien on lease deposits except ICICI Bank loan which is secured by first pari passu charge on the current assets and all the movable fixed assets of the Company both present and future excluding leasehold rights, lease deposits and shoppers stop brands. Loans amounting to Rs.9.02 Crores (2019 : 8.21 Crores) are further secured by corporate guarantees, joint and several, given by the Company.

6.5 **Terms of the Facilities :-**

Name of the Bank	Rate of Interest	Repayment Schedule	30 Sept 2019	31 March 2019
Secured :				
Kotak Mahindra Bank Ltd. (Cash Credit)	10.30% (2019: 10.20%,)	On demand	9.02	8.21
			9.02	**8.21**
Unsecured :				
From other parties				
Hypercity Retail (India) Limited	10.75%(2019 : 10.75%)	On demand	22.02	22.02
			22.02	**22.02**

(All amounts in Rs. Crores)

	For the Half Year ended 30 September 2019	For the Half Year ended 30 September 2018
7 Revenue from contracts with customers		
Retail sale of merchandise	1,581.73	1,635.40
Other Retail operating revenue		
Net proceeds from SOR	82.80	51.86
Net income from concessionaire & consignment model	30.38	23.57
Facility management fees	11.75	12.55
Income from store displays and sponsorship	1.72	2.86
Gift Vouchers lapsed	6.62	8.45
Direct marketing	4.59	4.64
Income from franchisees	0.91	1.08
	138.78	105.01
	1,720.50	**1,740.41**

7.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of goods or service		
Sale of goods (net of taxes)	1,581.73	1,635.40
Net proceeds from SOR	82.80	51.86
Net income from concessionaire & consignment model	30.38	23.57
Other operating income	25.60	29.58
Total Revenue from contracts with customers	**1,720.50**	**1,740.41**
India	1,720.50	1,740.41
Outside India	-	-
Timing of revenue recognition		
Goods transferred at a point in time	1,694.90	1,710.83
Services transferred over time (Other operating income)	25.60	29.58
Total Revenue from contracts with customers	**1,720.50**	**1,740.41**

7.2 Contract balances

Trade receivables*	37.23	54.34

*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	**30 Sept 2019**	**30 Sept 2018**
Revenue as per contracted price	**2,431.38**	**2,310.08**
Adjustments		
Loyalty points	(25.15)	(21.27)
Sales return	(111.47)	(104.59)
Discount	(574.26)	(443.81)
Revenue from contract with customers	**1,720.50**	**1,740.41**

(All amounts in Rs. Crores)

8	**Income tax expense recognised in profit or loss**	**For the half year ended 30 September 2019**	**For the half year ended 30 September 2018**
	Current income tax :		
	Current income tax charge	10.83	16.44
	Total	10.83	16.44
	Deferred tax		
	In respect of current year	13.86	(1.35)
	Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (For the half year ended 30 September 2018 : 34.944%)	2.13	-
		15.99	**(1.35)**
	Income tax expense reported in the statement of profit and loss	**26.82**	**15.09**

OCI section - Deferred tax related to items recognised in OCI during in the year:

	For the half year ended 30 September 2019	**For the half year ended 30 September 2018**
i) Remeasurement of employee defined benefit obligation	(0.27)	(0.42)
Income tax charged to OCI	**(0.27)**	**(0.42)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2019 and 30 September 2018 :

	For the half year ended 30 September 2019	**For the half year ended 30 September 2018**
Accounting Profit before income tax (before exceptional item)	18.54	32.20
Income tax expense calculated at 34.944% (2018 : 34.608%)	6.48	11.25
Effect of expenses that are not deductible in determining taxable profit		
Corporate social responsibility expenses	0.10	0.12
Interest disallowances u/s.14A	0.17	0.26
Adjustments in respect of current income tax of previous year		
Deferred tax written off on Service tax, FCC provisions and mark to market	-	1.51
Earlier year IT provision reversals	-	(0.76)
Tax Provision on S.T. Penalty AY0910	-	0.66
Deferred tax reversal on opening balance on account of change in income tax	2.13	-
Others		
Deferred tax reversal on reserves created on IND-AS 116 Transition	18.41	-
Others	(0.46)	2.05
Income tax expense recognised in profit or loss	**26.82**	**15.09**

8.1 In the absence of reasonable certainty, the Company has not recognized deferred tax assets (DTA) on mark to market loss on equity shares of Future Retail Ltd.

8.2 The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance,2019. Accordingly, the Company has recognised Provision for Income Tax and re-measured its Deferred tax assets basis the rate prescribed in the said section. The impact of this change has been recognised during the current financial year.

Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (30 September 2018 : 34.944%)	2.13	-
Deferred tax reversal on reserves created on IND-AS 116 Transition	18.41	-

(All amounts in Rs. Crores)

		As at 30 September 2019	As at 30 September 2018

9 EARNING PER EQUITY SHARE

Calculated as follows:

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by weighed average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into

The following reflects the income and share data used in the basic and diluted EPS computations :

		As at 30 September 2019	As at 30 September 2018
(a)	Profit / (Loss) attributable to equity share holders from continuing operations (Rs.in Lacs)	(8.29)	4.69
(b)	Profit / (Loss) attributable to equity share holders from discontinued operations (Rs.in Lacs)	0.01	(0.01)
(c)	Profit / (Loss) attributable to equity share holders (Rs.in Lacs)	(8.28)	4.68
(d)	Weighted Number of equity shares outstanding during the period	8,79,89,928	8,79,87,765
(e)	Weighted Number of equity shares outstanding during the period after adjustment for dilution	8,79,89,928	8,79,87,765
(f)	Nominal value per share (Rs.)	5.00	5.00
(g)	Earning per Share		
	Continuing operations		
	Basic (Rs.)	(0.94)	0.53
	Diluted (Rs.)	(0.94)	0.53
	Discontinued operations		
	Basic (Rs.)	0.00	(0.00)
	Diluted (Rs.)	0.00	(0.00)
	Continuing and Discontinued operations		
	Basic (Rs.)	(0.94)	0.53
	Diluted (Rs.)	(0.94)	0.53
	Weighted Average number of Equity shares for basic EPS	8,79,89,928	8,79,87,765
	Effect of dilution :		
	Share options	*	-
	Weighted average number of Equity shares adjusted for the effect of dilution	8,79,89,928	8,79,87,765

*Note- Since average market price is less than exercise price effect becomes antidilutive.

10 Contingent Liabilities and Commitments:

	As at 30 September 2019	As at 31 March 2019
i) Contingent liabilities		
a) Claims against the Company not acknowledged as debts comprise of :		
Income tax claims disputed by the Company relating to disallowances aggregating *	113.58	112.20

In F.Y.17-18, The survey action was carried out by income tax authorities w.r.t.TDS for AY 17-18,AY18-19 and AY 12-13 post which order was passed directing the company to pay tax of Rs.44.08 croes for AY17-18 Rs.42.13 crores for A.Y 18-19 and Rs.23.41 crores for A.Y.12-13 on account of non deduction on contract manufacturing goods. The company has filed an appeal to higher authorities and deposited Rs.10.00 Crores under protest till 31 March'2019 and further Rs.50 Lacs has been paid till 30th September 2019.The company is confident of getting the same quashed hence no provision on the same has been made and disclosed under contingent liabilities.

Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating		
- Service Tax other than on Rent #	11.20	11.20
- Service Tax on Rent (Refer note 11)	20.11	20.11
- VAT	0.01	0.01
- Custom Duty $	0.47	0.47

The Service tax authority has raised demand through SCN amounting to Rs. 3.45 Crores (Basis Duty of ST) towards business support services (concessionaire business model) for the period from May'2006 to May'2007. The final liability after considering the penalty and interest amounts to Rs.11.20 Crores (deposit paid under protest Rs. 3.45 Crores). The Company has filed an appeal and matter is still pending before Mumbai High Court.

$ Aggrieved with the decision of custom department for demanding the payment of SAD refund of Rs. 0.42 Crores the Company has filed an appeal before CESTAT. Further, the company has received demand order of Rs.0.05 Crores on account of misclassification of imported goods. Against the said order the Company has filed an appeal before CESTAT. Both these matters are pending with CESTAT.

b) Others	0.25	0.25
c) Provident Fund 2019 :There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February'2019. Pending clarity, the Company has made a provision on a prospective basis from 1st March 2019. Appropriate changes to provision would be made on receiving further clarity on the subject.	-	-
d) Bank Guarantees	2.07	6.00

Note: Future cash outflows in respect of (a) (b), and (c) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	41.91	37.70
b) Corporate guarantee given to banks jointly and severally :		
- Shoppers Stop Limited has given the corporate guarantee for loans taken by Crossword Bookstores Ltd. (2019 : Crossword Bookstores Ltd. Rs.2,340 Lacs)	23.40	23.40

11 Service Tax

Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007, the Company has based on a legal advice, challenged the said levy and, inter-alia, its retrospective application. Pending the final disposal of the matter, which is presently before the Supreme Court, the Company continues not to provide for the retrospective levy aggregating to Rs.20.11 Crores out of the total demand of Rs.36.35 Crores for the period 1st June, 2007 to 31st March, 2010 which has paid under protest.

(All amounts in Rs. Crores, unless otherwise stated)

12 Related party disclosures for the half year ended 30 September 2019

(a)	Key Management Personnel	Executive Director :	Govind Shrikhande (upto June 30,2018) Rajiv Suri
		Non Executive Directors :	Chandru L.Raheja (upto June 08,2018) Ravi Raheja Neel Raheja B.S.Nagesh Nitin Sanghavi Deepak Ghaisas Nirvik Singh Ameera Shah (w.e.f.June 08,2018) Abanti Sankaranarayanan (upto June 08,2018) Manish Chokhani Amisha Prabhu Robert Bready (w.e.f. July 27,2018)
		Chief Executive Officer	Rajiv Suri
		Chief Financial Officer	Karunakaran M (w.e.f. June 08,2018)
		Deputy Chief Financial Officer	Vijay Jain (From April 27, 2018 to June 08, 2018)
		Company Secretary	
		Holding Company (Shoppers Stop Limited)	Bharat Sanghavi
		Subsidiary Company (Crossword Bookstores Limited)	Valde Varghese (upto 5 May 2019) Mukti Pandya (w.e.f. July 30,2019)
		Business Head (Crossword Bookstores Limited)	Maulik Desai (upto 18 April 2019)
(b)	Directors	Ravi Raheja Neel Raheja	
(c)	Entities in which a director is a director	Ivory Properties and Hotels Private Limited * Avacado Properties and Trading India Private Limited * Trion Properties Private Limited * Retailers Association of India K.Raheja Corp. Private Limited* Inorbit Malls (India) Private Limited* K.Raheja Private Limited*, Chalet Hotels Pvt Limited* Magna Warehousing & Distribution Private Limited* Juhu Beach Resorts Ltd.*, Genext Hardware and Parks Private Limited *	
(d)	Entities in which other directors are directors / trustees	Sanghavi Associates Ltd., Trust for Retailers & Retailers Associates of India Trrain Circle Private Limited Trrain Foundation, JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt Ltd *	

Note 13 provides the information about the group's structure including the details of the subsidiaries. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period :

Nature	Entities in which a director is a director (refer (c) above)	Key Management Personnel	Total
Compensation to key management personnel			
Remuneration to managing director	-	-	-
(Mr.Govind Shrikhande was managing director upto 08 June 2018)	-	-	-
Short term benefits	-	-	-
Post employment benefits	-	-	-
Share based payments	-	-	-
		(5.06)	*(5.06)*
Remuneration to managing director & chief executive officer	-	**2.40**	**2.40**
(Mr.Rajiv Suri,chief executive officer was appointed as managing director & chief executive officer w.e.f. 08 June 2018)			
Short term benefits	-	2.28	-
Post employment benefits	-	0.06	-
Share based payments	-	0.06	-
	-	*(2.02)*	*(2.02)*
Remuneration to company secretary	-	**0.29**	**0.29**
Short term benefits	-	0.28	-
Post employment benefits	-	0.01	-
Share based payments	-	-	-
		(0.25)	*(0.25)*
Remuneration to chief financial officer	-	**0.88**	**0.88**
Short term benefits	-	0.83	-
Post employment benefits	-	0.03	-
Share based payments	-	0.02	-
		(0.40)	*(0.40)*
Remuneration to Deputy Chief Financial Officer	-	-	-
Short term benefits	-	-	-
Post employment benefits	-	-	-
Share based payments	-	-	-
		(0.17)	*(0.17)*

Remuneration to company secretary of Subsidiary Co	-	**0.04**	**0.04**
Short term benefits	-	0.04	-
Post employment benefits	-	-	-
Share based payments	-	-	-
	-	*(0.09)*	*(0.09)*
Remuneration to business head of Subsidiary Co	-	**0.07**	**0.07**
Short term benefits	-	0.07	-
Post employment benefits	-	-	-
Share based payments	-	-	-
		(0.22)	*(0.22)*
Other related party transactions			
Payment of Business conducting fees	**-**	-	**-**
Ivory Properties and Hotels Private Limited *	-	-	
	(9.54)	-	*(9.54)*
Payment of Variable Lease rent $	**2.95**	**-**	**2.95**
	(17.56)	**-**	***(17.56)***
Ivory Properties and Hotels Private Limited *	2.87	-	-
	(0.08)	-	-
Inorbit Malls (India) Private Limited *	0.03	-	-
	(11.88)	-	-
Chalet Hotels Ltd *	-	-	-
	(1.61)	-	-
Trion Properties Private Limited *	0.05	-	-
	(3.70)	-	-
Genext Hardware and Parks Private Limited *	-	-	-
	(0.29)	-	-
Repayment of lease liability (Principal) - IND-AS 116	**9.86**	-	**9.86**
	-	-	-
Ivory Properties and Hotels Private Limited *	4.53	-	-
	-	-	-
Inorbit Malls (India) Private Limited *	4.86	-	-
	-	-	-
Trion Properties Private Limited *	0.47	-	-
	-	-	-
Repayment of finance charges - IND-AS 116	**14.33**	-	**14.33**
	-	-	-
Ivory Properties and Hotels Private Limited *	1.79	-	-
	-	-	-
Inorbit Malls (India) Private Limited *	7.05	-	-
	-	-	-
Chalet Hotels Ltd *	1.96	-	-
	-	-	-
Trion Properties Private Limited *	3.53	-	-
	-	-	-
Payment of common area maintenance (Repair & Maintenance- Building)	**5.88**	**-**	**5.88**
	(5.20)	**-**	***(5.20)***
Ivory Properties and Hotels Private Limited *	0.16	**-**	
	-	**-**	**-**
Inorbit Malls (India) Private Limited *	3.65	**-**	**-**
	(3.78)	**-**	**-**
Chalet Hotels Ltd *	0.64	**-**	**-**
	(0.18)	**-**	**-**
Trion Properties Private Limited *	1.43	**-**	**-**
	(1.24)	**-**	**-**
Reimbursement of Expenses	**4.06**	**0.03**	**4.09**
	(0.13)	***(0.02)***	***(0.15)***
Inorbit Malls (India) Private Limited *	2.80	-	-
	(0.06)	-	-
Trion Properties Private Limited *	0.76	-	-
	-	-	-
Chalet Hotels Ltd*	0.50	-	-
	-	-	-
Juhu Beach Resorts Limited *	-	-	-
	(0.03)	-	-
Trrain Foundation	-	-	-
	(0.04)	-	-
B.S.Nagesh	-	0.03	-
	-	*(0.02)*	-
Deposits Paid	**0.18**	**-**	**0.18**
	(0.23)	**-**	***(0.23)***
Inorbit Malls (India) Private Limited *	0.18	-	**-**
	-	-	**-**
Chalet Hotels Ltd*	-	-	**-**
	(0.23)	-	**-**
Advance Rent	**0.20**	**-**	**0.20**
	(0.10)	**-**	***(0.10)***
Inorbit Malls (India) Private Limited *	0.20	-	-
	-	-	-
Trion Properties Private Limited *	-	-	-
	(0.10)	-	-
Expenses paid	**0.61**	**-**	**0.61**
	(0.76)	**-**	***(0.76)***
<u>Miscellaneous expenses</u>			
Inorbit Malls (India) Private Limited *	-	-	-
	(0.10)	-	-
Juhu Beach Resorts Ltd.*	0.20	-	-
	-	-	-

Retailers Association of India	0.03	-	-
	(0.11)	-	-
Trrain Circle Pvt Ltd *	0.04	-	-
	-	-	-
<u>Legal and professional fees</u>		-	-
Chalet Hotels Ltd*	-	-	-
	(0.00)	-	-
		-	-
<u>Salaries & Wages (Recruitment expenses)</u>	-	-	-
Juhu Beach Resorts Ltd.*	0.04	-	-
	-	-	-
<u>Corporate Social Responsibility expenses</u>		-	-
CSR- Trust for Retailers & Retail Association of India	0.30	-	-
	(0.55)	-	-
Commission and Sitting fees to non executive Directors	**-**	**0.27**	**0.27**
	-	***(0.29)***	***(0.29)***
Ravi Raheja	-	0.04	**-**
Neel Raheja	-	0.03	**-**
B.S.Nagesh	-	0.02	**-**
Nitin Sanghavi	-	0.04	**-**
Deepak Ghaisas	-	0.03	**-**
Nirvik Singh	-	0.03	**-**
Manish Chokhani	-	0.02	**-**
Ameera Shah (appointed w.e.f. June 08,2018)	-	0.03	**-**
Robert Bready (appointed w.e.f. July 27,2018)	-	0.03	**-**

The figure in bracket pertain to half year ended 30 September 2018
$ figures for half year ended 30 September 2018 includes variable plus Minimum Guarantee lease rent.

Balance outstanding at the end of the period / year	**30 September 2019**	**31 March 2019**
Lease liability as per Ind-AS 116		
Ivory Properties and Hotels Private Limited *	35.20	**-**
Inorbit Malls (India) Private Limited *	145.93	**-**
Chalet Hotels Ltd*	43.09	**-**
Trion Properties Private Limited*	74.36	**-**
Receivables		
Ivory Properties and Hotels Private Limited *	10.16	10.17
Inorbit Malls (India) Private Limited *	8.37	8.61
Trion Properties Private Limited *	2.86	2.87
Genext Hardware And Parks Pvt Ltd *	2.12	2.03

The Company has given corporate guarantee to banks for loans taken by subsidiaries - Refer Note 10 (ii)(b)

* These parties are not related to Shoppers Stop Ltd. per Ind AS 24 definition. These parties have been reported on the basis of their classification as related party under the Companies Act 2013.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the half year ended 30 September 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (30 September 2018: RS. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts in Rs. Crores, unless otherwise stated)

13 SUBSIDIARIES

a) The subsidiaries (which alongwith SSL Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are :

Name of subsidiary	Principal activity	Place of incorporate and operation	Proportion of ownership interest and voting power held by the Group	
			30 September 2019	31 March 2019
Crossword Book Stores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees	India	100%	100%
Upasna Trading Limited	Supervising distribution and logistics operations (the Company is non-operational)	India	100%	100%
Shopper’s Stop Services (India) Limited	The Company is non-operational	India	100%	100%
Shopper’s Stop.Com (India) Limited	Retailing a variety of consumer products through online channel	India	100%	100%
Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations) (the Company is non-operational)	India	100%	100%

14. Financial Instruments

A. Capital risk management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders, and maintain a cost efficient capital structure and to keep the debt equity ratio below 1. The Group determines the amount of capital required for respective companies on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores, technology. The Group's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings. Majorly Group raise long term loan for its CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. The following table summarise the capital of the Group:

Capital	**As at 30 September 2019**	**As at 31 March 2019**
	Rs. in Crores	Rs. in Crores
Long term borrowings (including current maturities)	21.80	42.21
Interest accrued and not due on borrowings	0.06	0.09
Short term borrowings	31.04	30.23
Total debt *	**52.90**	**72.53**
Equity share capital	44.00	44.00
Other equity	297.96	870.70
Total Equity	**341.96**	**914.70**
Debt to Total Equity Ratio	**0.15 :1**	**0.08:1**

* Excluding lease liability as per Ind-AS 116

B. Financial risk management

A wide range of risks may affect the Group's business and operational / financial performance. The risks that could have significant influence on the Group are market risk, credit risk and liquidity risk. The Board of Directors of respective Companies reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Group's operational and financial performance.

(a) Market risk:

Market Risk is the risk that changes in market place could affect the future cash flows to the Group. The market risk for the Group arises primarily from product price risk, interest rate risk and, to some extent, foreign currency risk.

Product price risk: In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases, which are not in line with the levels of customers' discretionary, spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Interest risk: The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Group 's profit before tax by approximately Rs.0.02 crores (2019 Rs.0.15 crores).

Currency risk: The Group's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Group fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward foreign exchange contracts.

Equity Price risk: The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Report on the equity portfolio are submitted to the Group's senior management on a regular basis.

(b) Credit risk:

Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Group. The credit risk for the Group primarily arises from credit exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

Trade and other receivables: The Group's retail business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, the Group is not exposed to concentration risks.

(c) Liquidity Risk:

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Group's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 5 years**	**Carrying amounts**
At 31 March 2019	Rs. in Crores	Rs. in Crores	Rs. in Crores
Borrowings (long term and short term)	72.44	2.02	74.47
Interest payable	0.09	-	0.09
Trade payables and other accruals	1,277.10	-	1,277.10
Other financial liabilities	38.06	-	38.06
At 30 September 2019			
Borrowings (long term and short term)	52.84	1.12	53.96
Interest payable	0.06	-	0.06
Lease liability	209.12	-	209.12
Trade payables and other accruals	1,413.13	-	1,413.13
Other financial liabilities	60.08	-	60.08

In respect of financial guarantee contracts, no amounts are recognised based on the results of the liability adequacy test for likely deficiency / defaults by the entities on whose behalf the Group has given guarantees, grounded on the Group's actual experience.

The Group has access to following financing facilities as at the end of reporting periods mentioned.

Particulars	As at 30 September 2019	As at 31 March 2019
	Rs. in Crores	Rs. in Crores
Secured Working Capital Facilities		
Amount Used	7.34	7.78
Amount Unused	153.66	326.22
Total	**161.00**	**334.00**
Unsecured Working Capital Facilities		
Amount Used	-	-
Amount Unused	-	25.00
Total	**-**	**25.00**

C. Fair Value Measurements

(i) Financial assets and liabilities that are measured at amortised cost:

	As at 30 September 2019	As at 31 March 2019
	Rs. in Crores	Rs. In Crores
Financial Assets (amortised cost):		
Trade receivables	37.23	47.24
Cash & Cash equivalents	12.43	17.14
Other bank balances	0.31	0.31
Other financial assets		
- Premises and other deposits	143.08	133.34
- Others	2.80	2.33
Total	**195.84**	**200.35**
Financial Liabilities (amortised cost):		
Borrowings - long term	1.12	2.02
Borrowings - short term	31.04	30.23
Trade payables	1,413.14	1,277.10
Other financial liabilities	81.94	80.37
Total	**1,527.24**	**1,389.72**

The fair values of the above financial assets and liabilities approximate their carrying amounts

(ii) Financial assets and liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Financial assets / Financial liabilities	**Fair value as at**		**Fair value hierarchy**
	30 September 2019	**31 March 2019**	
Fair Value through Profit and Loss			
Investment in Mutual Funds	Assets Rs 45.50 Crores	Assets Rs.42.45 Crores	Level 2
Fair Value through OCI Investment in Future Retail Limited	Assets Rs.181.57 Crores	Assets Rs 215.89 Crores	Level 1

Valuation technique and key input used: Fair value is determined using discounted future cash flows which are estimated at the end of the reporting period, discounted at a rate that reflects the credit risk of the Group.

The fair values of the quoted instruments (Investment in Mutual funds and Future Retail Limited) are based on the price quotations at the reporting date.

(All amounts in Rs. Crores, unless otherwise stated)

15 Revenue from contracts with customers

The Group has applied IND AS 115 for the first time with effect from 1st April,2018. IND AS 115 supersedes IND AS 18 Revenues and it applies, with limited exceptions to all revenues arising from contracts with customers. IND AS 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IND AS 115 requries entitles to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IND AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018 and there are no adjustments required to the retained earnings as at 1 April, 2018.

Due to the application of Ind-AS 115, consolidated revenue from contracts with customers for the half year ended September 30, 2019 is lower by Rs.227.16 Crores (2018 : Rs.150.92 Crores) and other retail operating revenue is higher by Rs.82.80 Crores (2018 : Rs.51.86 Crores) resulting into lower revenue from operations and cost of goods sold by Rs.144.36 Crores (2018 : Rs.99.06 Crores) on account of impact of sales or return (SOR) basis arrangements as company is agent. However, this does not have any impact on profits/(loss) for half year ended September 31 2019 and the year ended March 31, 2019.

16 Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance

The Group has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from 1 April 2019. This has resulted in recognizing a Right of Use assets of Rs.1,163.31 Crores and Lease Liability of Rs.1,964.20 Crores as on 1 April 2019 and difference between Right of Use Assets and Lease Liability amt.to Rs.523.09 Crores (net of deferred tax of Rs.277.80 Crores) has been adjusted in retained earnings.

The Group had total cash outflows for leases of Rs. 182.55 Crores for the half year ended 30 September 2019.

Reconciliation for the above effect on statement of profit and loss for the half year ended 30 September, 2019 as follows :

(Rs.in Crores)

Adjustment to increase / (decrease) in net profit	Half Year ended 30 September 2019 comparable basis	Change due to IND AS 116 increase / (decrease)	Half Year ended 30 September 2019 as reported
Purchase of stock-in-trade	1,077.45	(3.76)	1,073.69
Lease rent and hire charges	200.14	(172.47)	27.67
Other expenses	258.25	(6.32)	251.93
Finance costs	4.56	92.54	97.10
Depreciation and amortisation expenses	90.32	90.53	180.84
Profit before tax	19.05	(0.51)	18.53

17 Impact of Tax Ordinance

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance ,2019. Accordingly, the Company has recognised Provision for Income Tax for the half year ended 30 September 2019 and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised proportionately in the statement of Profit & Loss for the half year ended 30 September '2019.

18 Events after the reporting period

The Group has evaluated subsequent events from the balance sheet and determine that there are no material items to disclose other than those disclosed above.

19 The retail industry had been adversely impacted due to COVID-19. With easing of lockdown restrictions, the company's performance has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Company believes that there is no impact on the financial statements as of 30 September 2019 on account of this pandemic, however it has impacted from March 2020. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimize the impact of this unprecedented situation.

20 Amount appearing as zero "0.00" in financials are below the rounding off norm adopted by the Company.

In terms of our report of even date

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli — Digitally signed by Nagesh Satyanarayan Basavanhalli Date: 2020.10.30 15:37:37 +05'30'

NEEL CHANDRU RAHEJA — Digitally signed by NEEL CHANDRU RAHEJA Date: 2020.10.30 16:27:34 +05'30'

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar — Digitally signed by Vijay Maniar DN: cn=Vijay Maniar, email=Vijay.Maniar@srb.in Date: 2020.10.30 18:06:11 +05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

B.S.Nagesh
Chairman
(DIN:00027595)

Karunakaran Mohanasundaram — Digitally signed by Karunakaran Mohanasundaram Date: 2020.10.30 15:56:40 +05'30'

Karunakaran M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi — Digitally signed by Bharat Kanaklal Sanghavi Date: 2020.10.30 16:01:35 +05'30'

Bharat Sanghavi
Customer Care Associate &
Company Secretary
Membership No.A13157

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since September 30, 2020, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the relevant Consolidated Financial Statements. For details see "***Financial Statements***" on page 70.

Accounting Ratios

Ratio	Consolidated			
	As at September 30, 2020(1)	As at September 30, 2019(1)	For Fiscal 2020(2)	For Fiscal 2019(2)
Basic EPS (in ₹) (for continued operations)	(24.77)	(0.94)	(16.14)	7.38
Diluted EPS (in ₹) (for continued operations)	(24.77)	(0.94)	(16.14)	7.38
Basic EPS (in ₹) (for discontinued operations)	-	0.00	-	-
Diluted EPS (in ₹) (for discontinued operations)	-	0.00	-	-
Return on net worth (in %)	-(4)	(2.42) (3)	(213.12)	7.10
Net asset value per Equity Share (in ₹)	(14.56)	38.86	7.57	103.96
EBITDA (In ₹ crores)	25.70	296.47	585.71	264.31

(1) *Derived from the relevant unaudited consolidated condensed interim financial statements*
(2) *Derived from the relevant audited consolidated financial statements*
(3 *Not Annualised*
(4) *Not computable*

Reconciliation of Return on net worth (in %)

Particulars	As at September 30, 2020(1)	As at September 30, 2019(1)	For Fiscal 2020(2)	For Fiscal 2019(2)
Profit/(loss) for the period /year (in ₹ crores) (A)	(217.95)	(8.28)	(142.02)	64.97
Net Worth (in ₹ crores) (B)	(128.11)	341.96	66.64	914.70
Return on net worth (in %) (A/B)	-(4)	(2.42) (3)	(213.12)	7.10

(1) *Derived from the relevant unaudited consolidated condensed interim financial statements*
(2) *Derived from the relevant audited consolidated financial statements*
(3) *Not Annualised*
(4) *Not computable since both (A) & (B) are negative*

Reconciliation of Net asset value per Equity Share

Particulars	As at September 30, 2020(1)	As at September 30, 2019(1)	For Fiscal 2020(2)	For Fiscal 2019(2)
Net Worth (in ₹ crores) (A)	(128.11)	341.96	66.64	914.70
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at period/ year end (B)	8,79,89,928	8,79,89,928	8,79,89,928	8,79,89,928
Net asset value per Equity Share (in ₹) ((A*1,00,00,000)/B)	(14.56)	38.86	7.57	103.96

(1) *Derived from the relevant unaudited consolidated condensed interim financial statements*
(2) *Derived from the relevant audited consolidated financial statements*

Reconciliation of Net Worth

Particulars	As at September 30, 2020(1)	As at September 30, 2019(1)	For Fiscal 2020(2)	For Fiscal 2019(2)
Equity share capital (in ₹ crores) (A)	44.00	44.00	44.00	44.00
Other equity (in ₹ crores) (B)	(172.11)	297.96	22.64	870.70
Net Worth (in ₹ crores) (A + B)	(128.11)	341.96	66.64	914.70

(1) *Derived from the relevant unaudited consolidated condensed interim financial statements*
(2) *Derived from the relevant audited consolidated financial statements*

Reconciliation of EBITDA

(*in ₹ crores*)

Particulars	As at September 30, 2020[(1)]	As at September 30, 2019[(1)]	For Fiscal 2020[(2)]	For Fiscal 2019[(2)]
Profit / (Loss) for the period/year (A)	(217.95)	(8.28)	(142.02)	64.98
Less : Profit/(Loss) for the period/year from discontinued operations	(0.00)	0.01	0.01	(0.01)
Add: Exceptional Item	-	-	9.65	-
Add: Income tax expenses	(72.35)	26.82	70.39	44.93
Profit before exceptional item and tax (B)	(290.30)	18.53	(61.99)	109.92
Add: Finance costs	117.53	97.10	197.32	13.79
Add: Depreciation and amortisation expenses	198.47	180.84	450.38	140.60
Total Adjustments (C)	316.00	277.94	647.70	154.39
EBITDA (D=B+C)	25.70	296.47	585.71	264.31

(1) *Derived from the relevant unaudited consolidated condensed interim financial statements*

(2) *Derived from the relevant audited consolidated financial statements*

The ratios have been computed as below:

Ratios	Computation
Basic earnings per Equity Share	Profit/(loss) for the period/year as per consolidated statement of profit and loss attributable to owners of Company / Weighted average number of Equity shares outstanding during the period/ year as adjusted for effects of all dilutive potential equity shares
Diluted earnings per Equity Share	Profit/(loss) for the period/year as per consolidated statement of profit and loss attributable to owners of Company / Weighted average number of Equity shares outstanding during the period/year as adjusted for the effects of all dilutive potential equity shares
Return on net worth (%)	Profit/(loss)for the period/year as per the consolidated statement of profit and loss in the financial statements / Net Worth at the end of the year /period
Net asset value per Equity Share	Net Worth / Number of Equity shares subscribed and fully paid outstanding as at March 31 and September 30
EBITDA	Profit/(loss) for the period/year adjusted for profit/(loss) for the period/year from discontinued operations, exceptional items, income tax expenses, finance costs and depreciation and amortisation expenses, as derived from the consolidated statement of profit and loss in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our audited consolidated financial statements as of and for the financial year ended March 31, 2020 and 2019 and our unaudited consolidated condensed interim financial statements as of and for the six months period ended September 30, 2020 and 2019 included in this Letter of Offer. You should also read the sections titled "**Risk Factors**" and "**Forward Looking Statements**"on page 15 and 12 included in this Letter of Offer which discuss a number of factors and contingencies that could affect our financial conditions and results of operations. This discussion is based on amounts derived from our audited consolidated financial statements for Fiscal 2020 and Fiscal 2019 which have been prepared in accordance with Indian Accounting Standards ("**Ind AS**"), and our unaudited consolidated condensed interim financial statements as of and for the six months period ended September 30, 2020 and 2019. Our financial year ends on March 31 of each year, so all references to a particular 'Fiscal' are to the twelve months ending March 31 of that year.*

*Our Audited Financial Statements for Fiscal 2020 is not directly comparable to our historical financial statements, including for Fiscal 2019. Further, financial information for the six months period ended September 30, 2020 and September 30, 2019 are not comparable to the financial information for Fiscals 2020 and 2019. For further details see "**Risk Factors**" on page 15.*

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Shoppers Stop Limited and its Subsidiaries on a consolidated basis.

Overview

We are one of India's prominent organised retailers and are part of the K. Raheja Corp group, which is a leading business group in India, operating in the real estate development, mall operations and hospitality sector.

One of our Promoter Group entities, Ivory Properties and Hotels Private Limited ("**IPHL**"), commenced its retail operations by setting up a department store in the year 1991 under the brand name 'Shopper's Stop' with its first store in Andheri, Mumbai. It started off with ready to wear men's wear and thereafter added women's wear in 1992 and children's section, cosmetics, perfumes and accessories in 1993. Our Company was incorporated on June 16, 1997. Subsequently, IPHL executed a conducting agreement dated March 31, 2000, giving us a right to participate in running the department stores. The brands, trademarks and goodwill of Shopper's Stop division of IPHL were also assigned vide deed of assignment dated March 31, 2000.

Evolution of our Business

We started our business operations with a single store in Andheri, Mumbai, and as on September 30, 2020 we have 85 Shoppers Stop stores (including 74 mall stores and 11 standalone stores), 11 'Home Stop' stores, 131 beauty stores, 27 airport doors and 33 'Crossword' stores. We believe our focus on customers supported by systems and processes and a committed work force are the key factors that have contributed to our success and growth.

We retail a range of branded and Private Label apparel, footwear, perfumes, cosmetics, jewellery, leather products and accessories, and home products through our nation-wide chain of department stores in India under the brand name 'Shoppers Stop'. We also provide one stop solution for all home needs through our 'Home Stop' stores. Over the years, in addition to 'Shoppers Stop' and 'Home Stop', we have also begun operating a number of speciality stores, for selling books (through 'Crossword' stores) and beauty products (through exclusive beauty retail stores selling beauty products from marquee beauty brands).

We are a strong player in the offline retail channel for beauty products. We have tie-ups with several leading international beauty brands for our offline beauty stores. We believe that the rising awareness of beauty products and personal grooming options, changes in consumption patterns, lifestyles and improved purchasing power are expected to boost the beauty industry.

As of September 30, 2020, we have 85 Shoppers Stop stores, 11 'Home Stop' stores, 33 'Crossword' stores, 27 airport doors and 131 exclusive stores for beauty brands from a marquee international group, occupying 4.5 million square feet of area. We have also launched 2 multi-brand luxury beauty stores called 'Arcelia'.

We operate and manage all our stores (except Crossword stores, which are operated on a franchisee model). We operate on a leasing model rather than on an ownership model. As of September 30, 2020, our stores are located in over 44 cities across India, ranging from metropolitan cities to Tier III cities. This diversified presence allows us to not only tap high-consumption and stable markets in larger cities, but value consumption markets in Tier II and Tier III cities.

With the opening of stores in Tier II and Tier III cities/towns, where the consumption for branded apparel is expected to witness more accentuated growth, we believe that we are able to achieve such wide and deep distribution due to our range of brands across price segments and diversified product portfolio.

Our access to a diverse consumer base, mitigates the risk arising from concentration of customers in a particular geographic region. We believe that this is a key competitive strength because at any particular time the consumption patterns in various regions of India may be differently affected, due to regional factors, such as demographics, discretionary spends, standard of living, new employment generation initiatives, political situation, regional festivities and at times adverse factors such as natural calamities. This geographic diversity also offsets, to some degree, the effects of regional festivities on our business and any sudden regional risks. A diverse consumer base also enables us to understand customer trends better and utilise that experience in designing apparel and accessories and introduce such products in other regions. Our presence across over 44 cities in India also acts as a catalyst for enhancement of our brand recall and equity. We operate distribution centres which form the backbone of our supply chain to support our department store(s) and speciality stores across the country. As of September 30, 2020, we have 4 distribution centres.

We believe technology is a powerful tool in operating our business and have accordingly invested in creating a strong information technology system, network and processes. We have upgraded our enterprise resource planning with 'SAP S4 Hana', which works as a backbone application for our Company. For our omni channel we have 'Hybris', and we are in the process of integration of 'Hybris' and 'SAP S4 Hana' to provide omni channel automation to both the back-end operations as well as the front-end operations. We have 'Oracle Xstore' software for our front-end operations and SAP at the back-end, we also have a fully integrated real-time platform available for managing the complexities of our business. Our stores are supported by both 'SAP S4 Hana' and 'X Store' for operational management systems specific to our business needs. These systems streamline many of our functions including procurement, sales, supply chain and inventory control processes to support our business. We have implemented an ancillary digital tool, 'Gravty', to empower our teams to manage the loyalty program with advanced analytics and customer insights and draw on customer data to digitise campaign creation and augment shopping experience. Due to the integration of 'SAP S4 Hana' and 'Gravty', we have one view of the customer. We are in the process of institutionalizing data-driven exercises in financial planning, real estate management, business planning and forecasting through these investments in digital and technology platforms. We are optimizing store operations and our fulfilment capabilities, while empowering associates with on-the-go solutions to serve customers better besides complying with the standards of security and governance.

We also provide omni-channel retailing for our customers through our shopping website "shoppersstop.com", mobile application (both iOS and Android) and also as a strategic seller on Amazon marketplace through our subsidiary, Shoppers' Stop.com (India) Ltd. Most of our stores are omni ready and support omni customer journeys like 'Endless Aisle' and 'Ship from Store'. We have recently started 'White Gloves' service to our customers, which is selling through video-calling to our customers, which enables online assistance through their shopping journey. Our omni-channel retailing contributed to more than 1.7% of our sales in Fiscal 2020 and 9.3% of our sales for six months period ended September 30, 2020.

As part of our marketing, we use Big Data Analytics to understand the customer persona and for creating better experiences for our customers both online and offline. Further, we analyse past purchase behaviors of our customers at brand – category level and price point behavior to launch personalised campaigns to best serve our customers. We have implemented a new loyalty solution by Gravty which enables us to have a single view of the customer online and offline for better engagement. Our marketing efforts are primarily towards improving the frequency of customer visit and increasing the value of transaction. We also run marketing campaigns to enroll new customers into our 'First Citizen' loyalty program and marketing campaigns focused on women.

Our loyalty program, called 'First Citizen', was introduced in 1994 and has 7.4 million members as on September 30, 2020. The 'First Citizen' loyalty programme accounted for approximately 82% of our sales for the six months period ended September 30, 2020. We offer our 'First Citizen' customers reward points on their purchases, special offers and discounts, and invitations to exclusive events and promotions.

Our Financial Performance

For Fiscal 2020, our revenue from contracts with customers on a consolidated basis was ₹ 3,463.88 crores and our consolidated loss was ₹ 142.02 crores. While there was a growth momentum during the nine months period ended December 2019, backed by festive performance and network expansion, we started experiencing the impact of COVID-2019 by February 2020. In March, the COVID-2019 pandemic induced economic standstill had an adverse impact on our quarterly performance. For further details on risks in relation to the impact of COVID-2019 on our business, operations and financial condition, see "***Risk Factors - COVID-2019 has had, and is expected to continue to have, a significant impact on our financial condition, operations and value of our Equity Shares. The current, and uncertain future, impact of the COVID-2019 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows."*** on page 15 of the Letter of Offer.

Principal Factors Affecting our Results of Operations and Financial Condition

The following is a discussion of certain factors that have had, and continue to have, a significant effect on our financial results:

The COVID-2019 Pandemic

The COVID-2019 pandemic has affected and is expected to continue to affect our business and results of operations in the near future.

Since the end of 2019, COVID-2019 spread to a majority of countries across the world, including India. The World Health Organization declared the outbreak of COVID-2019 to be a public health emergency of international concern on January 30, 2020, and a global pandemic on March 11, 2020. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-2019, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The COVID-2019 pandemic and the preventive or protective actions that governments around the world have taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in several countries, including India. On March 14, 2020, India declared COVID-2019 as a "notified disaster" and imposed a nationwide lockdown from March 25, 2020 onwards. The lockdown continues to remain in force in certain cities, with limited relaxations being granted such as for opening of malls, offices, hotels and shops in other cities.

We are regularly monitoring the impact of COVID-2019 on all aspects of our business and operations, including its impact on our retail stores at airports and retail stores in malls on account of reduction in footfalls, and the preventive or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. On account of the lockdown, our operations were significantly disrupted, particularly at our retail stores in airport and malls. While operations at all of our stores were initially suspended during the lockdown period due to the Government orders, we have been able to resume operations at all our stores with certain restrictions.

Our total income was ₹ 522.05 crores (including revenue from contract with customers of ₹ 352.53 crores and other income of ₹169.52 crores) during the six months period ended September 30, 2020, which was 70.01% lower when compared with such total income for the six months ended September 30, 2019.

We are regularly monitoring the impact of the COVID-2019 pandemic on our property, investments, inventories, trade receivables and other current assets. In preparation of our Unaudited Consolidated Condensed Interim Financial Statements as of and for the six months period ended September 30, 2020 and our Audited Consolidated Financial Statements as of and for Fiscal 2020, we have assessed the impact and future uncertainties resulting from the COVID-2019. The ultimate impact of the COVID-2019 pandemic on the business and operations may, however, differ from that assessed by us due to the evolving nature of the pandemic and its response by various Government authorities. To the extent, the COVID-2019 pandemic adversely affects us, it may also significantly increase the effect of other factors affecting our results of operations. Please refer to "***COVID-2019 has had, and is expected to continue to have, a significant impact on our financial condition, operations and value of our Equity Shares. The current, and uncertain future, impact of the COVID-2019 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows."*** on page 15.

Competition

The Indian retail market has become increasingly competitive in recent years and this may increase in the future with new entrants coming into retail industry, who may have more flexibility in responding to changing business and economic conditions, and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources, including the ability to spend more on advertising and marketing and hence the ability to compete more effectively. Further, our competitors may set up stores in the vicinity of our existing stores and may offer their products at competitive prices, resulting in a decreasing of sales of our products. We face competition across our business activities from varied peers. Currently, our key direct competitors include other organised brick and mortar retailers and with the growing trend of e-commerce retail formats, we also face competition from competitors outside the traditional "brick and mortar" retail establishments. Increased competition may lead to a fall in prices and a consequent fall in our margins. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. Please refer to "***Risk Factors - We face significant competition in the retail industry and any increase in competition may adversely affect our business and financial condition***" on page 17**.**

Our Retail Merchandise Sales

Our retail merchandise sales is an important factor driving our results of operations, both on a per store and aggregate basis. Our total income was ₹ 522.05 crores and ₹ 1,740.82 crores in the six months period ended September 30, 2020 and 2019, respectively, and ₹ 3,498.11 crores and ₹ 3,596.58 crores for Fiscal 2020 and 2019, respectively. Increased retail merchandise sales favourably affects our results of operations as it enables us to benefit from economies of scale in procurement and improves our operating margin through our ability to leverage our fixed cost base. Further, increased sales volume per store also favourably affects our results of operations due to improved store margins resulting from increased sales leveraging a fixed cost base in a store. We plan to continue to increase our sales volume by (i) increasing the number of our retail stores; (i) offering a comprehensive range of Private Labels at value for money; and (iii) efficiently managing our supply chain.

Significant Accounting Policies for Fiscal 2020

Basis of Consolidation

The following table sets forth the Subsidiaries, which are considered in the consolidation:

S. No.	Entity	Business activity
1.	Crossword Bookstores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees
2.	Shoppers' Stop.com (India) Limited	Retailing a variety of consumer products through online channel
3.	Shoppers' Stop Services (India) Limited	Services (discontinued operations)
4.	Upasna Trading Limited	Supervising distribution and logistics operations (discontinued operations)
5.	Gateway Multichannel Retail (India) Limited	Catalogue retailing business (discontinued operations)

Shoppers' Stop Services (India) Limited, Upasna Trading Limited and Gateway Multichannel Retail (India) Limited are non-operating Subsidiaries.

Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration that we expect to be entitled to in exchange for those goods or services. We have generally concluded that we are the principal in our revenue arrangements, except for the agency services, as we typically controls the goods before transferring them to the customer.

Retail sale of Merchandise: Revenue from retail sales is measured at fair value of the consideration received. Revenue is reduced for discounts and rebates, and value added tax, sales tax and GST.

Retail sales are recognised on delivery of the merchandise to the customer, when the property in goods and control are transferred for a price and no effective ownership control is retained.

Where we are the principal in the transaction the sales are recorded at their gross values. Where we are effectively the agent in the transaction, the difference between the revenue and the cost of the merchandise is disclosed as other operating income.

Point award schemes: The fair value of the consideration on sale of goods that result in award credits for customers, under our point award schemes, is recognised as advertisement and publicity (marketing). The consideration allocated to the award credits is measured by reference to their fair value from the standpoint of the holder and is recognised as revenue on redemption and/or expected redemption after breakage.

Gift vouchers: The amount collected on sale of a gift voucher is recognised as a liability and transferred to revenue (sales) when redeemed and on expiry it is treated as Other Income.

Other retail operating revenue: Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted or displayed. Facility management fees are recognised pro-rata over the period of the contract.

Income from services are recognised as they are rendered based on agreements or arrangements with the concerned parties and recognised net of service tax.

Direct Marketing income: Such income is recognised on straight line basis over the validity of the cards.

Franchisee income: Such income is recognised in accordance with the rates specified in the franchisee agreements and is based on the sales recorded by the franchisees for the year.

Dividend and Interest income: Dividend income from Investments is recognised when the right to receive the payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of inventories comprises all cost of purchase and other related costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories. Provision is made for obsolete or slow moving inventories, based on the inventory policy for the goods purchased from outright vendors

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation or amortisation and accumulated impairment losses. Cost comprises all cost of purchase, construction and other related costs incurred in bringing the assets to their present location and condition.

Depreciation / amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Property, Plant and Equipment	Useful Life as Prescribed by Schedule II of the Companies Act, 2013 (In Years)	Estimated Useful Life (In Years)
Air conditioning and other equipment		
Plant and Machinery	15	5 to 17
Electrical Installations		Life as per below or lease term
Components		whichever is lower
Cabling		11
LED Bulbs & Non LED Fixtures		7
Electrical works		17
Firefighting systems/CCTV System		17
EAS Systems		17
Furniture, fixtures and other fittings	10	10
Computer Equipment (other than desktops and laptops)	6	5 - 6
Desktops and laptops	3	3
Leasehold Improvements		Life as per below or lease term
Components		whichever is lower
Partition Works		10

Property, Plant and Equipment	Useful Life as Prescribed by Schedule II of the Companies Act, 2013 (In Years)	Estimated Useful Life (In Years)
Flooring & Cladding		11
False Ceiling		11
Fit out works		12
Civil & Painting Works		10
Other Components		10
Office Equipment	5	6
Intangible assets:		
Computer Software		6

For stores at airports, we estimate the life of the assets to be 5 years.

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Effective January 1, 2020, we have reviewed the estimated economic useful lives of all components within the broad category of leasehold improvements as specified in the above table (2019: 5 to 17 years or lease term whichever is lower and electrical equipments in the above table (2019: 5 to 17 years or lease term whichever is lower) of its property, plant and equipment, based on the combination of evaluation conducted by an independent consultants and management estimate

Impairment losses

At the end of each reporting period, our Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, (i.e. higher of fair value less costs of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Deemed cost on transition to Ind AS

For transition to Ind AS, we have elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Leases

Ind AS 116 Leases was notified by Ministry of Corporate Affairs ("**MCA**") on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

We assess at contract inception whether a contract is or contains a lease. That is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where we are the lessee, we apply a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. We recognise lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right of use assets:

We recognise right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right of use assets is also subject to impairment (as the RTU Liabilities exceed the RTU Asset, we normally write back the value).

Lease liabilities:

At the commencement date of the lease, we recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us, if the lease term reflects us exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use our incremental borrowing rate at the beginning of the financial year of the lease commencement date, because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Where we are the Lessor:

Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms. Initial direct costs incurred in negotiating and arranging on operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Employee benefits

Defined Contribution Plan: Our Group makes defined contribution to 'Government Employee Provident Fund', 'Government Employee Pension Fund', 'Employee Deposit Linked Insurance' and 'Employee State Insurance', which are recognised in the statement of profit and loss on accrual basis. Our Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Our Group has no obligation, other than the contribution payable to the provident fund.

Retirement benefit costs and termination benefits: Payments to defined benefit plans are recognised as expense when employees have rendered service entitling them to the contributions.

Short-term benefits: A liability is recognised for benefits accruing to employees with respect to wages and salaries, annual leave and other short term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Other long-term benefits: Liabilities recognised with respect to other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by us with respect to services provided by employees up to the reporting date.

Share-based payment arrangements: Equity-settled share-based payments to employees of our Group are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments to employees of our Group is expensed on a straight-line basis over the vesting period, based on our estimate of equity instruments that will eventually vest, with a corresponding increase in equity at the end of each year. We revisit our estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Borrowing costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. All other borrowing costs are recognised in profit or loss in the period in which they are incurred

Provisions

Provisions are recognised when we have a present obligation (legal or constructive) as a result of a past or present event, it is probable that we will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is as defined in the contract and in the absence of an amount specified in the contract, the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Significant changes in accounting policies in the last two Fiscals

On March 31, 2019, MCA has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which has become applicable with effect from April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Ind AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. Thus, as per Ind AS 116, there is no distinction between finance lease and operating lease and operating lease rental expenses will be replaced by depreciation and finance costs in the profit and loss statement. For details of disclosure required as per IND AS 116, see "- ***Significant Accounting Policies***" on page 256.

Revenue and Expenditure

Our revenue and expenditure is reported in the following manner:

Revenue: Our revenue comprises (i) revenue from contracts with customers; and (ii) other income.

Revenue from contracts with customers: Our revenue from contracts with customers comprises (i) revenue from retail sale of merchandise; and (ii) other operating income. Our other operating income comprises net proceeds of sales or return basis arrangement, net income from concessionaire and consignment model, facility management fees, gift vouchers lapsed and direct marketing, income from store displays and sponsorship and income from franchisees.

Other income: Our other income comprises (i) interest earned on financial assets; (ii) remeasurement of lease life; (iii) COVID-19 related rent concessions; and (ii) miscellaneous income.

Expenses: Our expenses comprise of (i) purchase of stock-in-trade; (ii) changes in inventory of stock-in-trade; (iii) employee benefits expense; (iv)finance costs; (v) depreciation and amortisation expenses; and (vi) other expenses.

Purchase of stock-in-trade: Our purchase of stock-in-trade comprises of purchases of stock made in a financial year.

*Changes in inventory of stock-in-trade***:** The change in inventory of stock-in-trade is calculated by reducing the closing stock at the end of a financial year from the opening stock at the beginning of a financial year.

Employee Benefits Expense: Our employee benefits expense comprises primarily of salaries and wages, contribution to provident and other funds, share based payments cost and staff welfare expenses.

Finance Costs: Our finance costs comprise of (i) interest on borrowings; (ii) interest on ROU liabilities (notional interest on right of use of leased premises in accordance with IND AS 116); (iii) interest payable due to any statutory obligation such as interest on GST input tax credit reversal owing to delayed payment for creditors, etc. and (iv) bank charges.

*Depreciation and Amortisation***:** Depreciation / amortisation of property, plant and equipment and intangible assets are recognised on a straight-line basis over the estimated useful lives of respective assets.

Other expenses: Our other expenses primarily include lease rent and hire charges, repairs and maintenance, electricity charges, advertisement and publicity, computer expenses and other miscellaneous expenses.

Results of operations:

(₹ in crores)

	For the six months period ended September 30, 2020	% of total income	For the six months period ended September 30, 2019	% of total income	For Fiscal 2020	% of total income	For Fiscal 2019	% of total income
A) Continuing operations								
Income								
Revenue from contracts with customers	352.53	67.53	1,720.50	98.83	3,463.88	99.02	3,577.93	99.48
Other income	169.52	32.47	20.32	1.17	34.23	0.98	18.65	0.52
Total Income	**522.05**	**100.00**	**1,740.82**	**100.00**	**3,498.11**	**100.00**	**3,596.58**	**100.00**
Expenses								
Purchase of stock-in-trade	52.00	9.96	1,073.69	61.68	2,173.80	62.14	2,793.87	77.68
Changes in Inventories of stock-in-trade	185.27	35.49	(80.97)	(4.65)	(167.27)	(4.78)	(715.62)	(19.90)
Employee benefits expense	133.82	25.63	172.02	9.88	334.63	9.57	329.60	9.16
Finance costs	117.53	22.51	97.10	5.58	197.32	5.64	13.79	0.38
Depreciation and amortisation expenses	198.47	38.02	180.84	10.39	450.38	12.87	140.60	3.91
Other expenses	125.26	23.99	279.61	16.06	571.24	16.33	924.43	25.70
Total expenses	**812.35**	**(155.61)**	**1,722.29**	**98.94**	**3,560.10**	**101.77**	**3,486.67**	**96.94**
Profit before exceptional items and tax	**(290.30)**	**(55.61)**	**18.53**	**1.06**	**(61.99)**	**(1.77)**	**109.92**	**3.06**
Exceptional Item	-	-	-	-	9.65	0.28	-	-
Profit before tax	**(290.30)**	**(55.61)**	**18.53**	**1.06**	**(71.64)**	**(2.05)**	**109.92**	**3.06**
Current tax	-	-	10.83	0.62	25.25	0.72	57.15	1.59
Deferred tax	(72.35)	(13.86)	15.99	0.92	45.14	1.29	(12.22)	(0.34)
Income tax expenses	**(72.35)**	**(13.86)**	**26.82**	**1.54**	**70.39**	**2.01**	**44.93**	**1.25**
Profit / (Loss) for the period/ year from continuing operations	**(217.95)**	**(41.75)**	**(8.29)**	**(0.48)**	**(142.03)**	**(4.06)**	**64.99**	**1.81**
B) Discontinued operations								

	For the six months period ended September 30, 2020	% of total income	For the six months period ended September 30, 2019	% of total income	For Fiscal 2020	% of total income	For Fiscal 2019	% of total income
Profit / (Loss) from discontinued operations	(0.00)	(0.00)	0.01	0.00	0.01	0.00	(0.01)	(0.00)
Profit / (Loss) for the period/ year from discontinued operations	**(0.00)**	**(0.00)**	**0.01**	**0.00**	**0.01**	**0.00**	**(0.01)**	**(0.00)**
C) Profit / (Loss) for the period/year (A) + (B)	**(217.95)**	**(41.75)**	**(8.28)**	**(0.48)**	**(142.02)**	**(4.06)**	**64.98**	**1.81**

Discussion on results of operation

Six months period ended September 30, 2020 compared to six months period ended September 30, 2019

Total income

Our total income decreased by 70.01% to ₹522.05 crores in the six months period ended September 30, 2020 from ₹ 1,740.82 crores in the six months period ended September 30, 2019, due to the factors described below:

Revenue from contract with customers: Our revenue from contract with customers decreased by 79.51% to ₹352.53 crores in the six months period ended September 30, 2020 from ₹ 1,720.50 crores in the six months period ended September 30, 2019. This decrease was primarily due to intermittent lockdown of our stores, lock down in Mumbai and Maharashtra extending up to second week of August and significantly lower number of operating days on account of COVID-2019 pandemic.

Other income: Our other income increased by 734.25% to ₹ 169.52 crores in the six months period ended September 30, 2020 from ₹ 20.32 crores in the six months period ended September 30, 2019. This increase in other income was primarily due to (i) accounting the unconditional rent concessions in 'other income', consequent to the amendment of 'IndAS 116 Leases' providing for a practical expedient with respect to 'Covid-19-Related Rent Concessions', effective from the period beginning on or after April 01, 2020 amounting to ₹154.66 crores; and (ii) gain on account of remeasurement in lease term amounting to ₹ 11.63 crores. (₹ 12.78 crores for the six months period ended September 30 2019)

Our other income as a percentage of total income was 32.47% for the six months period ended September 30, 2020 as compared to 1.17% for the six months period ended September 30, 2019.

Total Expenses

Our total expenses decreased by 52.83% to ₹ 812.35 crores in the six months period ended September 30, 2020 from ₹ 1,722.29 crores in the six months period ended September 30, 2019, due to the factors described below:

Cost of goods sold: Our cost of goods sold decreased by 76.10% to ₹237.27 crores in the six months period ended September 30, 2020 from ₹ 992.72 crores in the six months period ended September 30, 2019. This decrease was due to COVID-2019 pandemic, and subsequent lock down and temporary closure of our stores.

(₹ in crores)

Particulars	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019
Purchase of stock in trade	52.00	1,073.69
Changes in inventories of stock in trade (Increase)	185.27	(80.97)
Cost of goods sold	237.27	992.72

Employee benefits expense: Our employee benefits expense decreased by 22.21% to ₹ 133.82 crores in the six months period ended September 30, 2020 from ₹ 172.02 crores in the six months period ended September 30, 2019. This decrease was primarily due to operational structure optimisation.

Finance costs: Our finance costs increased by 21.05% to ₹ 117.53 crores (including interest on lease/ROU liability of ₹ 95.46 crores) in the six months period ended September 30, 2020 from ₹ 97.10 crores (including interest on lease/ROU liability of ₹ 92.54 crores) in the six months period ended September 30, 2019. This increase was primarily due to increase in borrowing limit utilisation, availing of additional term loans and increase in interest on GST input tax reversals due to non-payment of purchase invoices within 180 days.

Depreciation and amortisation expenses: Our depreciation and amortisation expenses increased by 9.74% to ₹198.47 crores in the six months period ended September 30, 2020 from ₹180.84 crores in the six months period ended September 30, 2019. This was primarily due to increase in depreciation for right to use assets and change in life of assets. Our net book value of Property, plant and equipments decreased to ₹ 446.91 crores in the six months period ended September 30, 2020 from ₹ 541.60 crores in the six months period ended September 30, 2019. Our intangible assets increased to ₹ 85.35 crores in the six months period ended September 30, 2020 from ₹ 58.39 crores in the six months period ended September 30, 2019.

Detail break up of depreciation and amortisation expenses is as under:

(*₹ in crores*)

Particulars	**For the six months period ended September 30, 2020**	**For the six months period ended September 30, 2019**
Depreciation of tangible assets	75.45	71.96
Amortisation of intangible assets	15.73	11.82
Depreciation on Right of Use Assets	107.29	97.06
Total	**198.47**	**180.84**

Other expenses: Our other expenses decreased by 55.20 % to ₹ 125.26 crores in the six months period ended September 30, 2020 from ₹ 279.61 crores in the six months period ended September 30, 2019. This decrease was due to a decrease in certain key expenses including lease rent, common area maintenance, electricity, housekeeping and security

Income Tax expenses: Our Income Tax expenses decreased by 369.76% to ₹(72.35) crores for the six months period ended September 30, 2020 from ₹26.82 crores for the six months period ended September 30, 2019. This was primarily due to recognition of deferred tax assets on losses for the six months period ended September 30, 2020. Our current income tax was nil in the six months period ended September 30, 2020 from ₹10.83 crores in the six months period ended September 30, 2019

Loss for the period: Due to decline in revenue from contracts with customers on account of COVID 19 induced lock down and the other factors mentioned above, we incurred a loss of ₹ 217.95 crores in the six months period ended September 30, 2020 in comparison to the loss of ₹ 8.28 crores incurred in the six months period ended September 30, 2019.

INCLUDING AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE

Fiscal 2020 compared to Fiscal 2019

Total income

Our total income decreased by 2.74% to ₹3,498.11 crores in the Fiscal 2020 from ₹3,596.58 crores in the Fiscal 2019, due to the factors described below:

Revenue from contract with customers: Our revenue from contract with customers decreased by 3.19% to ₹ 3,463.88 crores in the Fiscal 2020 from ₹3,577.93 crores in the Fiscal 2019. This decrease was primarily due to (i) decrease in volume of sales in the month of March 2020 due to a drop in customer entry at our retail stores as a result of COVID-2019 pandemic.

Other income: Our other income increased by 83.54% to ₹ 34.23 crores in the Fiscal 2020 from ₹18.65 crores in the Fiscal 2019. This increase was primarily due to remeasurement of lease life under IND AS 116, consequent to change in accounting policy on leases effective, for annual periods beginning on or after April 1, 2019, due to closure of stores. Our other income as a percentage of total income was 0.98% for the Fiscal 2020 as compared to 0.52% for the Fiscal 2019.

Total Expenses

Our total expenses increased by 2.11% to ₹3,560.10 crores in Fiscal 2020 from ₹3,486.67 crores in Fiscal 2019, due to the factors described below:

Cost of goods sold: Our cost of goods sold has decreased by 3.45% to ₹2,006.53 crores in Fiscal 2020 from ₹2,078.25 crores in Fiscal 2019. This was primarily due to one-time accounting of outright inventory (Outright inventory accounting under IND AS 115 instead of sale or return accounting entry made in Fiscal 2019) inventory of ₹ 661 crores which was accounted under purchases and considered as inventory in Fiscal 2019.

Details of cost of goods sold is as under:

(*₹ in crores*)

Particulars	Fiscal 2020	Fiscal 2019
Purchase of stock in trade	2,173.80	2,793.87
Changes in inventories of stock in trade (Increase)	(167.27)	(715.62)
Cost of goods sold	2,006.53	2,078.25

Employee benefits expense: Our employee benefits expense increased by 1.53% to ₹334.63 crores in Fiscal 2020 from ₹329.60 crores in Fiscal 2019. This increase was primarily due to opening of 11 new stores and 27 speciality stores during the year, which has led to increase in overall expenses including employee benefits expense.

Finance costs: Our finance costs increased by 1,330.89% to ₹ 197.32 crores in Fiscal 2020 from ₹ 13.79 crores in Fiscal 2019. This increase was primarily on account of interest on lease/ROU liability of ₹ 189.70 crores, as a result of change in accounting policy, and introduction of IND AS 116 in Fiscal 2020.

Depreciation and amortisation expenses: Our depreciation and amortisation expenses increased to ₹450.38 crores in Fiscal 2020 from ₹140.60 crores in Fiscal 2019. This was primarily due to IND AS 116 impact of ₹ 212.43 crores ROU assets, accelerated depreciation of ₹ 54.63 crores in line with primary lease period even though the life of assets was higher, change in life of assets impacting increase in depreciation by ₹30.60 crores and balance depreciation and amortisation expense is on account of opening of new stores during the year.

Detailed break up of depreciation and amortisation expenses is as under:

(*₹ in crores*)

Particulars	Fiscal 2020	Fiscal 2019
Depreciation of tangible assets	218.52	122.13
Amortisation of intangible assets	19.43	18.47
Depreciation on Right of Use Assets	212.43	-
Total	450.38	140.60

Other expenses: Our other expenses decreased by 38.21% to ₹571.24 crores in Fiscal 2020 from ₹924.43 crores in Fiscal 2019. This decrease was primarily due to a decrease in lease rent and hire charges to ₹65.99 crores in Fiscal 2020 from ₹404.51 crores in Fiscal 2019.

Exceptional items: Impairment of ₹9.65 crores in Fiscal 2020 on account of impairment of goodwill on crossword investment.

Income Tax expenses: Our income tax expenses increased by 56.66% to ₹70.39 crores in Fiscal 2020 from ₹44.93 crores in Fiscal 2019. This was mainly due to remeasurement of deferred tax assets on account of election of lower corporate tax rate as permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (amendment) Ordinance,2019. Our current income tax decreased to ₹25.25 crores in Fiscal 2020 from ₹57.15 crores in Fiscal 2019 and our deferred tax increased to ₹45.14 in Fiscal 2020 from ₹(12.22) crores in Fiscal 2019.

Profit/(Loss) for the year: Due to higher depreciation on account of life of assets in line with primary lease period (even though the life of assets was higher), changes in life of assets with effect from January 01, 2020, accelerated depreciation on account of closures of stores and re-measurement of deferred tax assets on account of election of lower corporate tax rate as permitted under section 115BAA of the Income Tax Act,1961, we incurred a loss for the year of ₹ 142.02 crores in Fiscal 2020 in comparison to the profit for the year of ₹ 64.98 crores earned in Fiscal 2019.

Liquidity and Capital Resources

The table below summarises our cash flows derived from our Unaudited Consolidated Condensed Interim Financial Statements for the six months ended September 30, 2020 and September 30, 2019, and derived from our Audited Consolidated Financial Information of cash flows for the Fiscals 2020 and 2019:

(in ₹ crores)

	For the six months ended September 30, 2020	For the six months period ended September 30, 2019	For the Financial Year ended March 31, 2020	For the Financial Year ended March 31, 2019
Net cash from operating activities (A)	(123.15)	298.12	576.12	208.84
Net cash used in investing activities (B)	77.84	(86.33)	(284.17)	(132.04)
Net cash used in financing activities (C)	48.03	(216.42)	(433.21)	(63.42)
Net (Decrease) / Increase in cash and cash equivalents (A) + (B) + (C)	2.72	(4.63)	(141.26)	13.37
Cash and cash equivalents as at beginning of the year	(160.88)	10.60	(19.62)	(33.00)
Cash and cash equivalents as at the end of the period/year	(158.16)	5.97	(160.88)	(19.62)

Operating activities

Six months period ended September 30, 2020

Our net cash from operating activities was ₹ (123.15) crores in the six months period ended September 30, 2020. Our operating profit before working capital changes was ₹ (142.27) crores in the six months period ended September 30, 2020, which was primarily adjusted for decrease in trade payables, other financial liabilities and other current liabilities of ₹ 144.72 crores, decrease in inventories of ₹ 185.27 crores and decrease in lease deposit-net of ₹ 4.70 crores.

Six months period ended September 30, 2019

Our net cash from operating activities was ₹ 298.12 crores in the six months period ended September 30, 2019. Our operating profit before working capital changes was ₹ 279.14 crores in the six months period ended September 30, 2019, which was primarily adjusted for increase in trade payables, other financial liabilities and other current liabilities of ₹ 172.28 crores, increase in inventories of ₹ 79.90 crores, increase in other financial assets and other non-current assets of ₹ 36.94 crores and decrease in trade receivables of ₹ 10.01 crores.

Fiscal 2020

Our net cash from operating activities was ₹576.12 crores in Fiscal 2020. Our operating profit before working capital changes was ₹ 556.94 crores in Fiscal 2020, which was primarily adjusted for increase in trade payables, other financial liabilities and other current liabilities of ₹ 263.50 crores, increase in inventories of ₹ 167.27 crores and increase in lease deposit-net of ₹ 33.77 crores.

Fiscal 2019

Our net cash from operating activities was ₹208.84 crores in Fiscal 2019. Our operating profit before working capital changes was ₹ 263.64 crores in Fiscal 2020, which was primarily adjusted for increase in trade payables, other financial liabilities and other current liabilities of ₹ 734.10 crores, increase in inventories of ₹ 715.62 crores and increase in lease deposit-net of ₹ 14.83 crores.

Investing activities

Six months period ended September 30, 2020

Our net cash used in investing activities was ₹77.84 crores in the six months period ended September 30, 2020. This was primarily on account of purchase of investments in mutual funds of ₹70.01 crores and purchase of property, plant and equipment of ₹50.19 crores. This amount was partly offset by proceeds from sale of investments in mutual funds of ₹155.00 crores.

Six months period ended September 30, 2019

Our net cash used in investing activities was ₹ (86.33) crores in the six months period ended September 30, 2019. This was primarily on account of purchase of investments in mutual funds of ₹ 457.39 crores and purchase of property, plant and equipment of ₹83.92 crores. This amount was partly offset by proceeds from sale of investments in mutual funds of ₹ 454.34 crores.

Fiscal 2020

Our net cash used in investing activities was ₹ (284.17) crores in Fiscal 2020. This was primarily on account of purchase of investments in mutual funds of ₹1,366.57 crores and purchase of property, plant and equipment of ₹181.90 crores. This amount was partly offset by proceeds from sale of investments in mutual funds of ₹1,258.76 crores.

Fiscal 2019

Our net cash used in investing activities was ₹ (132.04) crores in Fiscal 2019. This was primarily on account of purchase of investments in mutual funds of ₹1,119.91 crores and purchase of property, plant and equipment of ₹113.68 crores. This amount was partly offset by proceeds from sale of investments in mutual funds of ₹1,097.49 crores.

Financing activities

Six months period ended September 30, 2020

Our net cash used in financing activities was ₹48.03 crores in the six months ended September 30, 2020. This was primarily on account of finance costs paid of ₹103.36 crores and proceeds from long term borrowings of ₹ 151.39 crores.

Six months period ended September 30, 2019

Our net cash used in financing activities was ₹ (216.42) crores in the six months ended September 30, 2019. This was primarily on account of repayment of lease liability of ₹ 182.55 crores and repayment of long term borrowings of ₹ 21.32 crores

Fiscal 2020

Our net cash used in financing activities was ₹(433.21) crores in Fiscal 2020. This was primarily on account of finance costs paid of ₹197.32 crores, repayment of actual lease rentals of ₹185.72 crores and repayment of long term borrowings of ₹ 42.21 crores.

Fiscal 2019

Our net cash used in financing activities was ₹(63.42) crores in Fiscal 2019. This was primarily on account of repayment of long term borrowings of ₹42.77 crores and finance costs paid of ₹ 13.76 crores.

Key Accounting Ratios

(*₹ in crores*)

Particulars	For the six months period ended September 30, 2020	For the six months period ended September 30, 2019	Fiscal 2020	Fiscal 2019
Basic EPS (in ₹) (for continued operations)	(24.77)	(0.94)	(16.14)	7.38
Diluted EPS (in ₹) (for continued operations)	(24.77)	(0.94)	(16.14)	7.38
Basic EPS (in ₹) (for discontinued operations)	-	0.00	-	-
Diluted EPS (in ₹) (for discontinued operations)	-	0.00	-	-
Return on net worth (in %)	- [(4)]	(2.42) [(3)]	(213.12)	7.10
Net asset value per Equity Share (in ₹)	(14.56)	38.86	7.57	103.96
EBITDA (In ₹ crores)	25.70	296.47	585.71	264.31

[(1)] *Derived from the relevant unaudited consolidated condensed interim financial statements*

(2)*Derived from the relevant audited consolidated financial statements*
(3 *Not Annualised*
(4) *Not Computable*

Total Borrowings

As on September 30, 2020, our total borrowings (excluding lease liability under Ind AS 116) aggregated to ₹ 315.04 crores, which comprises of non-current borrowings of ₹153.41 crores (including current maturities of long term debt of ₹.19.93 crores), current borrowings of ₹ 161.01 crores (including secured loan of ₹138.99 crores and unsecured loan of ₹ 22.02 crores) and interest accrued but not due on borrowings of ₹ 0.62 crores (included in other current liabilities).

Material Frauds

There are no material frauds committed against our Company, in the last two financial years.

Reservations, Qualifications and Adverse Remarks

Our Statutory Auditors have included matters of emphasis in the Consolidated Financial Statements in relation to the management's assessment of the impact of the COVID-2019 pandemic on the operations and financial results of the Company and the uncertainty related to the outcome of the appeal filed before the Supreme Court regarding non provision of retrospective levy of service tax for the period from June 1, 2007 to March 31, 2010 on renting of immovable properties given for commercial use, aggregating to ₹ 20.11 crores. For details, see "***Financial Statements***" on page 70.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

We have not defaulted in repayment of loans or borrowing to a financial institution, bank or government, repayment of statutory dues or dues to debenture holders.

Contingent Liabilities

A summary of our contingent liabilities not provided for, as at September 30, 2020 in accordance with Ind AS 37 and as disclosed in Unaudited Consolidated Condensed Interim Financial Statements, is as follows:

Contingent Liabilities and Commitments:	As at 30 September 2020	As at 31 March 2020
i) Contingent liabilities		
a) Claims against the Company not acknowledged as debts comprise of :		
Income tax claims disputed by the Company relating to disallowances aggregating #	142.60	142.60
# The IT department has passed order directing the company to pay tax w.r.t.TDS for A.Y.13-14 Rs.25.93 crores on account of non deduction on contract manufacturing goods. Further, the Company has also filed an appeals to higher authorities against disallowances of Section 14A and other matters notional interests amounting to Rs.21.11 Crores with respect to Block assessment years AY 2013-14 to AY 2017-18 and AY 2018-19. The Company is confident of getting relief at higher authorities as these issues are squarely covered in favour of assessee's own case for earlier years however the Company has already created a provision of Rs.14.06 Crs. Also, in case of AY 2013-14, AY 2014-15 and AY 2015-16, CIT(A) has already granted relief in relation to appeal filed for the same disallowances as per the original assessment order, of which the assessing officer has not taken cognisance of in the Block assessment orders.		
Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating		
- Service Tax other than on Rent	-	11.20
- Service Tax on Rent	20.11	20.11
- VAT	0.01	0.01
- Custom Duty $	0.47	0.47
$ Aggrieved with the decision of custom department for demanding the payment of SAD refund of Rs. 0.42 Crores the Company has filed an appeal before		

Contingent Liabilities and Commitments:	As at 30 September 2020	As at 31 March 2020
CESTAT. Further, the company has received demand order of Rs.0.05 Crores on account of misclassification of imported goods. Against the said order the Company has filed an appeal before CESTAT. Both these matters are pending with CESTAT.		
b) Others	0.25	0.25
c) Bank Guarantees	2.17	9.16
Note: Future cash outflows in respect of (a) and (b) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.		
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	19.18	45.35
b) Corporate guarantee given to banks jointly and severally :		
- Shoppers Stop Limited has given the corporate guarantee for loans taken by Crossword Bookstores Ltd. Rs.18.40 Crores (Crossword Bookstores Ltd. Rs.18.40 Crores)	18.40	18.40

Related party transactions

For details regarding our related party transactions for Fiscal 2020 and for the six months period ended September 30, 2020, in accordance with Ind AS 24, see "***Audited Consolidated Financial Statements***" and "***Unaudited Consolidated Condensed Interim Financial Statements***" on page 71 and 189.

Off-Balance Sheet Items

As of September 30, 2020, other than the bank guarantee of ₹ 2.17 crores and corporate guarantee of ₹ 18.40 crores given in favour of banks for loans availed by our Subsidiary, Crossword Bookstores Limited, we do not have any other off-balance sheet arrangements**.**

Contractual Obligations and Other Commitments

For the periods indicated below, we had contractual obligations in the following amounts:

(in ₹ crores)

Particulars	Six months period ended September 30, 2020	Six months period ended September 30, 2019	Fiscal 2020	Fiscal 2019
Estimated amounts of contracts remaining to be executed on capital account and not provided for	19.18	41.91	45.35	37.70

Capital Expenditure

The following table sets out the additions in Property, Plant and Equipment (PPE) and intangible assets for the periods indicated:

(in ₹ crores)

Particulars	Six months period ended September 30, 2020	Six months period ended September 30, 2019	Fiscal 2020	Fiscal 2019
Additions to PPE	17.14	69.51	182.04	67.34
Additions to intangible assets	47.79	9.70	10.96	15.91

Qualitative Disclosure about Market Risk

Market Risk

Market Risk is the risk that changes in market place could affect our future cash flows. The market risk for us arises primarily from product price risk, interest rate risk and, to some extent, foreign currency risk.

Product price risk

In a potentially inflationary economy, we expect periodical price increases across our retail product lines. Product price increases, which are not in line with the levels of customers' discretionary, spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. We negotiate with our vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps us to protect our self from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Equity Price risk

Our listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. We manage the equity price risk through diversification and by placing limits on individual and total equity instruments. Report on the equity portfolio are submitted to our senior management on a regular basis.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "***Principal Factors Affecting our Results of Operations and Financial Condiitons***" and the uncertainties described in "***Risk Factors***" on page 255 and 15. To our knowledge, except as disclosed in this Letter of Offer, there are no known factors, which we expect to have a material adverse effect on our income.

Significant Dependence on a Single or Few Suppliers or Customers

We are not dependent on any particular supplier or customer.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, see discussions of our competition in "***Risk Factors***" beginning on page 15.

Seasonality of Business

Our business is not seasonal in nature.

Significant Development after September 30, 2020

Except as set out in this Letter of Offer, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Letter of Offer which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and its Subsidiaries are involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, writ petitions, criminal complaints, civil suits, and petitions pending before various authorities.

*Our Company has an existing "Policy for determination of materiality of events/information to be disclosed to the Stock Exchanges" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board pursuant to its resolution dated October 30, 2015 ("**Policy of Materiality**"). Notwithstanding the criteria, including the quantitative criteria provided in the Policy of Materiality adopted by our Company, solely for the purposes of this Issue and for good governance, our Company has disclosed in this section all outstanding civil and tax proceedings involving our Company and Subsidiaries where the amount involved in such proceedings exceeds ₹ 1 crore ("**Materiality Threshold**"), and other outstanding litigation that our Company considers to be material.*

Further, other than as disclosed in this section, there is no other (i) proceeding involving issues of moral turpitude or criminal proceedings initiated against our Company or its Subsidiaries; (ii) proceeding involving material violations of statutory regulations by our Company or its Subsidiaries (iii) proceeding involving economic offences against our Company or its Subsidiaries; (iv) pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company on a consolidated basis and (v) other material litigation.

I. Litigation involving our Company

A. Proceedings involving issues of moral turpitude or criminal liability on part of our Company

1. An FIR was lodged and registered on July 10, 2019 by Vishnu Priya Pandya, a customer, before the Vasant Kunj Police Station, New Delhi against Mr. Deepak Tiwari, Mr. Iqbal Ahmed and Mr. Gurjeet Aulakh ("**Accused**"), customer assistance associates of Shoppers Stop, Ambience Mall, New Delhi under Sections 34 and 420 of the IPC alleging cheating, in relation to a fraudulent deduction of an amount of ₹ 0.01 crore from the complainant's bank account by the Accused. The matter was resolved by way of a settlement deed dated September 18, 2019, and the complainant requested the station house officer of Vasant Kunj Police Station, New Delhi to close the proceedings. The matter is currently pending.

2. An FIR was lodged and registered on September 23, 2020 by Dupati Sandhya, a previous employee of Shoppers Stop, RTC Colony, Benz Circle, Vijaywada City before the Patamata Vijaywada Police Station against Vasudeva Rao Gudena, Sudharshan, Satish Reddy and Janaddana Sai Rekha, employees of Shoppers Stop, Patamata, Vijaywada City ("**Accused**") under Sections 342, 354(a), 385 and 34 of the IPC, alleging, amongst others, wrongful confinement and use of criminal force to outrage modesty. A counter FIR was lodged and registered on September 30, 2020 by Janaddana Sai Rekha, one of the Accused, against Dupati Sandhya, her husband Siva Vasu, Tirupathi Rao and Hari Krishna before the Patamata Vijaywada Police Station under Sections 341, 354D and 509 of the IPC alleging, amongst others, wrongful restraint, stalking ("**Counter FIR**"). Both the FIR and the Counter FIR are currently pending.

3. An FIR was lodged and registered on October 9, 2020 by Ponugu Mati Sumathi, a security guard against Gadena Vasu Deva Rao, an employee of our Company's store in Vijaywada before the Patamata Vijaywada Police Station under Sections 506, 509 of the IPC read with Sections 3(1)(r), 3(1)(s), 3(1)(w)(ii) of the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989, alleging, amongst others, criminal intimidation, intention to insult the modesty of a woman, intention to insult or humiliate a member of the Scheduled Caste or a Scheduled Tribe in public view. The matter is currently pending.

B. Proceedings involving material violations of statutory regulations by our Company

1. Two notices were issued by the concerned departments of Legal Metrology of Maharashtra in the year 2019 to the establishments of our Company located in Panvel and Nashik for alleged contravention of various provisions of the Legal Metrology Act, 2009, the Legal Metrology (Packaged Commodities) Rules, 2011 ("**Act and Rules**"), the Maharashtra Legal Metrology (Enforcement) Rules, 2011, in

relation to, amongst others, failure to (i) mark the retail price on certain products, (ii) mark the common generic names of commodities along with other details of the commodities, (iii) mention the name of country of origin or manufacturer on imported packages. These matters are currently pending.

2. Inspector, Legal Metrology, issued a notice bearing number 285 dated March 2, 2020, to our Company and others, alleging contravention of sections 18(1), 36(1) and 49 of the Legal Metrology Act, 2009 ("**Act**") and rules 6(i) (e), 8 and 13 (5) (ii) of the Legal Metrology (Packaged Commodities) Rules, 2011 ("**Rules**"), on the grounds that certain packed commodities at our store in Meerut did not have declaration / display in accordance with the Act and Rules. The matter is currently pending.

3. Inspector, Legal Metrology, issued a notice bearing number 289 dated March 2, 2020, to our Company and others, alleging the contravention of sections 18(1)/36(1) and 49 of the Legal Metrology Act, 2009 and rules 6(i) (e), and 13 (5) (ii) of the Legal Metrology (Packaged Commodities) Rules, 2011, on the alleged grounds of using wrong symbols and usage of MRP on the package in a manner which is not as per rules. Notice was issued to compound the matter.

C. Proceedings involving an amount exceeding the Materiality Threshold

Civil proceedings

1. Our Company filed an arbitration petition on December 4, 2013, under Section 11 of the Arbitration and Conciliation Act, 1996, before the High Court of Punjab and Haryana ("**Punjab High Court**") against Silicon Construction Private Limited ("**Silicon**") and others, alleging breach of the agreement for lease dated August 27, 2007 ("**Lease Agreement**"), entered into between our Company and Silicon, by way of which Silicon had expressed its intention to grant lease of certain premises mentioned in Lease Agreement, in favour of our Company pursuant to which a deposit of ₹ 0.96 crore was paid by our Company to Silicon. Our Company, by way of the petition, sought a refund of the deposit of ₹ 0.96 crore along with damages aggregating to ₹ 5 crores. The Punjab High Court, by way of an order dated April 25, 2014, appointed an arbitrator ("**Sole Arbitrator**") to arbitrate and adjudicate the dispute. An award was passed on July 3, 2016 by the Sole Arbitrator, dismissing the claim filed by our Company ("**Award**"). Our Company filed an application under Section 34 of the Arbitration and Conciliation Act, 1996, before the District Judge Mohali for setting aside of the Award. The matter is currently pending.

2. Our Company filed a suit on September 29, 2020 before the Delhi High Court ("**Court**") against Shopperstop, Shopperstop Designs Private Limited and others ("**Defendants**") alleging infringement of the trademark "SHOPPERS STOP" ("**Registered Mark**") by the defendants, by usage of marks which are nearly identical to the Registered Mark for similar goods and services. Our Company has sought, amongst others, (i) a permanent injunction, restraining the infringement of the trademark by the defendants, (ii) damages aggregating to ₹ 2 crores. The Court through order dated October 8, 2020 granted temporary injunction in favour of our Company restraining the Defendants from using the impugned mark or any other mark which is deceptively similar to our mark. The matter is currently pending.

3. Our Company filed a company petition on May 29, 2013 before the Delhi High Court against Aerens Entertainment Zone Limited ("**Aerens**") alleging breach of the letter of intent dated November 19, 2005, the amendment agreement dated March 27, 2006 and the memorandum of agreed terms dated September 27, 2007 ("**Agreements**") entered into between our Company and Aerens, by way of which a certain portion of the area in the commercial complex 'Aeren R Mallz' was given to our Company on lease by Aerens. Our Company sought, amongst others, refund of an amount aggregating to ₹ 1.49 crores which has been paid by our Company pursuant to the Agreements, to Aerens. By way of an order dated July 12, 2013, the Delhi High Court restrained the respondent from selling, transferring, mortgaging or parting with the property till the final disposal of the matter. Further, our Company filed a petition on October 5, 2015 under Section 11 of the Arbitration and Conciliation Act, 1996 before the Delhi High Court seeking appointment of any independent and neutral arbitrator to adjudicate upon the disputes and differences which have arises between the parties. The matters are currently pending.

Direct tax proceedings

4. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the

Income Tax Act, 1961 against the Company and certain others ("**Parties**"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act, 1961, directing them to prepare and furnish true and correct returns of total income for assessment years from 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department issued notices under Section 143(2) of the Income Tax Act, 1961 for assessment years 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Company, from time to time. Pursuant to the block assessment proceedings, the Company received orders under Section 143(3) read with Section 153A of the Income Tax Act, 1961 for assessment years 2012-2013 to 2017-2018 and under Section 143(3) of the Income Tax Act, 1961, for assessment year 2018-2019, for an aggregate demand of ₹ 10.21 crores ("**Assessment Orders**"). The Company has filed rectification applications and appeals against these Assessment Orders from time to time, which are pending before the relevant authorities. The Commissioner of Income-tax (Appeals), has granted relief for the assessment years 2013-2014, 2014-2015 and 2015-2016 in relation to appeal filed for the same disallowances as per the original assessment order.

5. Four orders were issued under Section 201 of the Income Tax Act, 1961 by the Assistant Commissioner of Income Tax (TDS), Mumbai ("**ACIT**") on account of non-deduction of TDS on purchases made by the Company for assessment years 2012 -2013 to 2013-2014 and 2017-2018 to 2018-2019 due to alleged failure of the Company to deduct TDS at the appropriate rates ("**TDS Notices**"). By way of the TDS Notices, the ACIT directed the Company to pay an aggregate amount of ₹ 135.57 crores. The Company has filed rectification applications and appeals against these TDS Notices from time to time, which are pending before the relevant authorities. Further, an order was issued under section 201 of the Income Tax Act,1961 for assessment year 2011-2012 on account of short deduction of taxes under section 194C as against section 194J of the Income Tax Act, raising a demand of ₹ 0.16 crores.

6. Our Company claimed an amount of ₹ 5.56 crores towards service tax provision on common area maintenance/amenities of retail stores payable to the landlord. The Assessing Officer disallowed the expenditure and initiated penalty proceedings under section 271(1) (c) of the Income Tax Act, 1961. Our Company responded to the notice under section 274 read with section 271 (1) (c) stating that the claim of ₹ 5.56 crores towards service tax provision was ascertained liability. The Assessing Officer, however, levied a penalty of ₹ 1.89 crores on the ground that our Company has evaded tax by furnishing inaccurate particulars leading to concealment of income. Our Company filed an appeal before the Income Tax Appellate Tribunal, Mumbai ("**ITAT**") against the levy of penalty of ₹ 1.89 crores, and ITAT decided the matter in our favour. Aggrieved, the Income tax department filed an appeal dated September 2020, before the High Court of Bombay, against the order of ITAT deleting the penalty of ₹1.89 crores levied on our Company under section 271 (1) (c) of the Income Tax Act, 1961. The matter is currently pending.

Indirect tax proceedings

7. Our Company filed a special leave petition on September 23, 2011 before the Supreme Court of India, along with Retailers Association of India as a member representing Crossword Bookstores Limited and certain others, against the Union of India and others ("**Respondent**") against the common final judgment and order dated August 4, 2011 passed by the Bombay High Court ("**BOMHC Order**") by way of which the original writ petition filed by the Company was dismissed. The special leave petition was filed challenging the constitutional validity of Section 65(90a) of the Finance Act, 1994, which lays down the scope of 'renting of immoveable property' ("**Impugned Provision**"). The Government of India had (i) notified the activity of 'leasing' as a service, consequently making it amenable to levy of service tax; and (ii) amended the Finance Act, 2010 and implemented the Impugned Provision with retrospective effect from 2007, resulting in arrears of service tax of approximately ₹ 36 crores, payable by our Company. The Supreme Court of India, by way of its interim order dated October 14, 2011 ("**Order**"), has directed the Company to deposit 50 % of the arrears towards service tax and furnish the balance 50% as surety. The Company has deposited 50% of the amount pursuant to the Order and the remaining 50% of the arrears under protest. Further, pursuant to the Order, a liability of ₹ 1.08 crores was imposed on Crossword Bookstores Limited. The matter is currently pending.

D. *Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company*

1. South Delhi Municipal Corporation ("**SDMC**") conducted inspections and issued two demand notices dated April 30, 2010 and July 12, 2010 under Section 154(1) of the Delhi Municipal Corporation Act, 1957 and pursuant to a circular dated March 9, 2010 issued by the Municipal Corporation of Delhi, Advertisement Department, ("**Impugned Circular**") to our Company demanding ₹ 0.03 crores, towards damages for putting on advertisement without any permission from the competent authority ("**Demand Notices**"). Our Company filed a writ petition on October 29, 2010 before the Delhi High Court ("**Delhi Court**") challenging the Demand Notices and seeking, issuance of writ or direction, quashing of the Demand Notices and all other subsequent notices issued by SDMC. By way of its order dated November 19, 2014 ("**November Order**") and placing reliance on a similar matter ("**Precedent**"), the Delhi Court allowed our Company's writ petition and set aside any charges that were imposed on our Company pursuant to the Impugned Circular. SDMC filed a letters patent appeal on December 18, 2014, against the November Order before the Delhi Court, which was disposed of by way of the final judgment and order of the Delhi Court dated February 20, 2015 in favour of our Company ("**February Order**"). Aggrieved by the February Order, SDMC filed a special leave petition on October 1, 2015 before the Supreme Court of India challenging the February Order seeking, amongst others, special leave to appeal against the February Order. The matter is currently pending.

Other Material Litigation

2. Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja ("**Plaintiffs/CLR**") filed a civil suit before the Bombay High Court ("**High Court**") against Gopal L. Raheja, Sandeep G. Raheja, Durga S. Raheja, Sabita R. Narang and Sonali N. Arora ("**Defendants/GLR**").

The Plaintiffs and the Defendants were the persons primarily involved in the operation and management of the activities and businesses of the group known as K. Raheja Group in certain cities of Western and Southern India. However, certain disputes and differences arose between the CLR group and the GLR group that threatened the running of the business of the K. Raheja Group.

After attempts to amicably resolve and finally settle the disputes and differences between the two groups in order to avoid protracting the matter any further, GLR and CLR decided to split/partition entities and assets of the K. Raheja Group between them and accordingly a list indicating division of certain individual assets was executed in May 1995. On April 5, 1996 and November 16, 1996, further written agreements were executed wherein the manner, method and procedure of the division was agreed upon by the parties. Thereafter, on December 9, 1996, GLR and CLR groups made further confirmations to enable the division of certain assets in the agreed manner which was duly completed in respect of a portion of the assets, businesses and entities of the K. Raheja Group. The agreements and writings referred to above i.e. dated May 1995, April 5, 1996, November 16, 1996 and December 9, 1996 are collectively referred to as the "**Family Arrangement Documents**".

Further, apart from the entities, assets and businesses of the two groups which were divided as above, there are additional properties and entities, the separation and distribution of which remained unresolved due to the differences between the groups. The two groups had agreed to take steps to divide these undivided properties comprising various companies, partnership firms, trusts and also certain properties situated at Mumbai i.e. the "**Mumbai Undivided Entities**" and situated in South India i.e. the "**Southern Undivided Entities**" along with certain other residual properties (collectively referred to as the "**Balance Properties**"). Further, the distribution and ascertainment of the monies payable/receivable did not transpire and certain disputes again arose between GLR and CLR in respect of the division of the Balance Properties, the management of certain entities and other such disputes.

After various correspondences between the two groups over the course of more than two decades to amicably resolve the disputes, the present suit was filed by the Plaintiffs *inter alia* seeking enforcement/implementation of the family arrangement documents. The Plaintiffs have alleged that the arrangement was only partially implemented and *inter alia* alleged that certain arrangements were wrongly implemented. The Plaintiffs have further alleged that due to the inactivity in management of the undivided companies, the registrar of companies has struck-off and dissolved certain of these companies. The Plaintiffs have *inter alia* prayed for implementation of the Family Arrangement Documents, restoration of the companies that have been struck-off/dissolved, division of the companies situated in South India in the manner agreed by the parties and also for injunction restraining the Defendants from creating third party interests and/or encumbrances upon the properties that are the subject matter of the family arrangement. The Defendant nos.2 and 3 have filed their written statement on record along with a counter-claim *inter alia* praying for dismissal of the suit filed by the Plaintiffs and to fully implement the Family Arrangement Documents. The matter is currently pending before the High Court.

The GLR group also filed suits before the High Court pursuant to the family arrangement against the Plaintiffs alleging liability/obligation of the Plaintiffs to hand over certain title deeds, documents and papers and other assets belonging to the GLR group which are allegedly in the custody of the Plaintiffs and also seeking injunction for handover of the same to the GLR group. The matters are currently pending before the High Court.

The Mumbai Undivided Entities are as follows:

Partnership Firms	Limited Companies
1. Alankar Enterprises 2. Crystal Corporation & Everest Enterprises 3. Crown Enterprises 4. Evergreen Construction 5. Honey Dew Corporation 6. Kenwood Enterprises 7. K. Raheja Financiers & Investors 8. K. R. Finance 9. K. R. Properties & Investments 10. K. R. Sales Corporation 11. Marina Corporation 12. Oriental Corporation 13. Powai Properties 14. R. M. Development Corporation 15. Ruby Enterprises 16. Satguru Enterprises	1. Canvera Properties Private Limited 2. Carlton Trading Private Limited 3. Debonair Estate Development Private Limited 4. Dindoshila Estate Developers Private Limited 5. East Lawn Resorts Limited 6. Fems Estate (India) Private Limited 7. Hill Queen Estate Development Private Limited 8. Juhuchandra Agro & Development Private Limited 9. K. R. Consultants Private Limited 10. K. R. Developers Private Limited 11. K. Raheja Trusteeship Private Limited 12. Lakeside Hotels Limited 13. Nectar Properties Private Limited 14. Neel Estates Private Limited 15. Oyster Shell Estate Development Private Limited 16. Peninsular Housing Finance Private Limited 17. Rendezvous Estate Private Limited 18. Raheja Hotels Limited 19. Sea Breeze Estate Development Private Limited 20. Sevaram Estate Private Limited 21. S. K. Estates Private Limited 22. Springleaf Properties Private Limited 23. Suruchi Trading Private Limited 24. Wiseman Finance Private Limited
Association of Persons	**Trusts / Charitable Trusts**
K. Raheja Investments & Finance	1. K. R. Foundation 2. Raheja Charitable Trust
Private Trusts	
1. Lachmandas Raheja Family Trust 2. L. R. Combine 3. S. R. Combine 4. Reshma Associates 5. R. N. Associates 6. R. K. Associates 7. Various discretionary trusts (about 288 Nos.)	

Southern Undivided Entities

Partnership Firms	Limited Companies
K Raheja Development Corporation	1. Mass Traders Private Limited 2. K. Raheja Hotels & Estates Private Limited 3. K. Raheja Development & Constructions Private Limited 4. Ashoka Apartments Private Limited 5. Asiatic Properties Limited
Trusts / Charitable Trusts	
1. R&M Trust 2. Raj Trust	

In relation to the above mentioned undivided entities, the Plaintiffs have been served with various notices issued by regulatory authorities in respect of certain non-compliance. These notices have been replied to in the capacity of shareholders as the family settlement has not been fully implemented. No further correspondence has been received. The Plaintiffs have resigned from their directorship in the undivided companies in which they were directors.

3. Gopal L. Raheja and eight others ("**Petitioners**") have filed company petition before the CLB / NCLT, Mumbai ("**CLB/NCLT**"), against Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L. Raheja and five others ("**Respondents**"), under Sections 397 and 398 of the Companies Act, 1956 *inter alia* alleging oppression and mismanagement by the Respondents in respect of the business and management of Asiatic Properties Limited. The matter is currently pending before the NCLT. Seacrust Properties Private Limited and Sandeep G. Raheja, the Petitioners, filed company applications against Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L. Raheja and others for alleged violation of certain orders of the CLB/NLT and alleged acts of perjury by making false statements. The company applications were dismissed by the CLB/NCLT vide its orders dated January 8, 2013 and February 7, 2013 ("**Orders**"). Aggrieved by the Orders, Seacrust Properties Private Limited and Sandeep G. Raheja have filed separate appeals before the Bombay High Court. The matters are currently pending before the Bombay High Court.

4. Sandeep G. Raheja has filed a suit against Mr. Neel C. Raheja, Mr. Chandru L. Raheja and others before the Bombay High Court ("**Court**") in respect of a private family trust and removal of certain trustees therefrom and also for the dissolution, distribution and settlement of the accounts of the private family trust. The Court *vide* order dated November 16, 2006 had appointed an administrator, who subsequently resigned from his position and a new administrator has been appointed. The matter is currently pending before the Court.

5. Gopal L. Raheja and three others ("**Claimants**") have filed an arbitration petition ("**Petition**") under section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") before the Bombay High Court ("**Court**") against Mr. Chandru L. Raheja, Ivory Properties, Casa Maria and others to set aside the award dated January 25, 2014 ("**Award**") passed by the single arbitrator, Justice Mr. Srikrishna (retd.). The Award did not grant any relief to the Claimant in respect of dissolution of the partnership firm K Raheja Development Corporation being one of the southern entities forming part of K Raheja southern division consisting of three groups being Gopal Raheja Group, Chandru Raheja Group & the Menda Group having 37.5%, 37.5% & 25. % respectively. The matter is currently pending before the Court.

6. Tresorie Traders Private Limited has filed a company petition before the NCLT, Mumbai under sections 247(1A) and 250 of the Companies Act, 1956 against Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L. Raheja and others *inter alia* for investigation in respect of the membership, financial interest and control over two companies i.e. Club Cabana Recreation Private Limited and Sai Park Estate Developers (India) Private Limited and for restricting the transfer, fresh issue, exercise of voting rights and payment of dividend of the said companies. The matter is currently pending before the NCLT, Mumbai.

7. Sealtite Gaskets Private Limited and six others ("**Petitioners**") have filed company petition before the CLB / NCLT, Chennai under Sections 397, 398, 399, 402, 403 and 406 of the Companies Act, 1956 against Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Chandru C. Raheja and four others ("**Respondents**") *inter alia* in respect of alleged oppression and mismanagement by the Respondents in respect of the business and management of K. Raheja Hotels and Estates Private Limited. By order dated February 2, 2017, the matter was transferred to NCLT, Bengaluru. The matter is currently pending before the NCLT, Bengaluru.

8. Mr. Ravi C. Raheja and Mr. Neel C. Raheja ("**Petitioners**") have filed a writ petition before the Karnataka High Court at Bengaluru ("**Court**") against the Union of India and Registrar of Companies, Bengaluru ("**RoC**") ("**Respondents**") challenging the wrongful inclusion of their names in the list released by the RoC on its website in relation to the directors disqualified under the provisions of Section 164(2) the Companies Act, 2013, for the periods ending October 31, 2019 and October 31, 2020 in relation to non-filing of financial statements or annual returns for a continuous period of three financial years by K Raheja Hotels and Estates Private Limited (since the Petitioners were not directors of K Raheja Hotels and Estates Private Limited at the relevant time, having already resigned therefrom). By its order dated June 12, 2019 ("**Order**"), the Court has disposed of the writ petition filed by the Petitioners, along with a batch of several other writ petitions on the same matter and quashed the impugned list to the extent *inter alia* the disqualification of the Petitioners as directors was

concerned. Pursuant to the Order, the Petitioners have filed a review application before the Court for issuing directions to the Respondents for deletion of the names of the Petitioners as directors of K Raheja Hotels and Estates Private Limited in the records of the Respondents, as was sought earlier in the writ petition. The Petitioners have filed a caveat on October 14, 2019 in anticipation of any appeal which the Respondents may file against the Order and subsequent adverse interim orders. The matter is currently pending before the Court. Further, the Petitioners through their reminder letter dated December 2, 2019 requested the administrator of K Raheja Hotels & Estate Private Limited to file requisite forms and ensure updates to the records of the RoC, in relation to resignation letters submitted by the Petitioners as directors of K Raheja Hotels & Estate Private Limited. The administrator, by letter dated December 26, 2019, stated that he was not in a position to accede to the aforementioned request unless relevant orders were granted in proceedings pending before the High Court, Karnataka and the CLB/NCLT to which the Petitioners have been impleaded as parties.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals issued by relevant central and state authorities under various rules and regulations. We have set out below an indicative list of all material approvals obtained by our Company, as applicable, for the purposes of undertaking our business activities and operations ("**Material Approvals**").*

The requirement for the approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the service is being provided. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material Approvals

The Material Approvals under which we operate for conducting our business are:

License obtained under the respective state Shops and Establishments Act and/or Trade licenses

In states where our stores are located, registration under the respective shops and establishment acts of those states and trade license under the local municipality laws, wherever enacted or in force, is required. The terms of registration, renewal procedure and requirement for such registrations may differ under the respective state legislations and local municipality laws. Further, such registrations may be subject to renewals under the respective state legislations and local municipality laws.

Pending Material Approvals

All our Material Approvals are subject to compliance with certain conditions and are required to be renewed on a regular basis. We generally apply for renewal of applicable licenses and no-objection certificates before the expiry of the existing license and no-objection certificate. After the review of the application, inspection of the premises and receipt of the renewal fees, the relevant authorities renew the license and issue the no-objection certificate for the premises typically before the expiry, however, in certain cases, after the expiry, in which case we operate our stores based on the renewal application. Currently, some of our Material Approvals, including the shops and establishments license under the respective shops and establishment acts of those states for some stores have expired, and we have made or are in the process of making necessary applications for renewal of such approvals. Further, due to COVID-2019 situation, lockdowns and related control measures, there is a delay in renewal and we cannot assure you all renewals will be granted in a timely manner. Accordingly, as on the date of this Letter of Offer, there is one license under the relevant shops and establishment act and 20 trade licenses under the local municipality laws which are pending at different stages. Our Company in respect of such pending licenses has already made applications or is in process of making applications, before the relevant authorities to obtain the registrations/ renewals. For further details, see "***Risk Factors – We are required to obtain and maintain certain regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, consents, permits and approvals may adversely affect our business, cash flows and results of operations***" on page 22.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on October 16, 2020 pursuant to Section 62 of the Companies Act.

Our Board in its meeting held on October 16, 2020 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders aggregating up to ₹ 299.17 crores and in its meeting held on November 13, 2020 decided to issue the Rights Equity Shares at an Issue Price of ₹ 140 per Rights Equity Share (including a premium of ₹ 135 per Rights Equity Share), in the ratio of 17 Rights Equity Share for every 70 Equity Shares, as held on the Record Date. The Issue Price of ₹ 140 per Rights Equity Share has been arrived at, in consultation with the Lead Managers, prior to determination of the Record Date.

This Letter of Offer has been approved by our Board pursuant to its resolution dated November 13, 2020.

Our Company has received in-principle approvals from the BSE and the NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters, each dated November 10, 2020. Our Company will also make applications to the BSE and the NSE to obtain their trading approvals for the Rights Entitlements as required under the January 22 – Rights Issue Circular.

Our Company has been allotted the ISIN 'INE498B20016' for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "***Terms of the Issue***" on page 288.

Prohibition by SEBI or other governmental authorities

Our Company, our Promoters, members of our Promoter Group and our Directors are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters or our Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

Except for one of our Directors, Mr. Manish Chokhani who is associated with Quadrillion Capital Private Limited, none of our Directors are associated with the securities market in any manner.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Regulations 99 of the SEBI ICDR Regulations

Our Company satisfies the following conditions specified in Regulation 99 of SEBI ICDR Regulations which have been relaxed pursuant to the COVID-2019 pandemic by way of SEBI circular (SEBI/HO/CFD/CIR/CFD/DIL/67/2020) dated April 21, 2020 and accordingly, our Company is eligible to make the Issue by way of a fast track issue:

1. The Equity Shares of our Company have been listed on BSE and NSE, each being a recognised stock exchange having nationwide trading terminals, for a period of at least eighteen months immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. The entire shareholding of the Promoter Group is held in dematerialised form as on the date of filing this Letter of Offer with the Designated Stock Exchange;

3. The average market capitalisation of the public shareholding of our Company is at least ₹ 100 crores;

4. The annualised trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six months' period;

5. The annualised delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualised trading turnover of Equity Shares during such six months' period;

6. Our Company has been in compliance with the Listing Agreement and the provisions of SEBI Listing Regulations, as applicable, including with respect to the composition of the Board, for a period of at least eighteen months immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

7. Our Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of filing of this Letter of Offer with the Designated Stock Exchange;

8. No show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company or its Promoters or whole-time directors, as on the date of filing of this Letter of Offer with the Designated Stock Exchange;

   Further, there are no prosecution proceedings initiated, or show cause notices in proceedings for imposition of penalty which have been issued, by SEBI, and which are pending against our Company, Promoters or whole-time directors as at the date of filing this Letter of Offer with SEBI, the Designated Stock Exchange and the other Stock Exchange, which have not been disclosed in this Letter of Offer, along with potential adverse impact on our Company;

9. Neither our Company nor our Promoters nor members of the Promoter Group nor any of our Directors have settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI requiring us to fulfil the settlement terms or adhere to directions of the settlement order(s);

10. The Equity Shares have not been suspended from trading as a disciplinary measure during the last eighteen months immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

11. There is no conflict of interest between the Lead Managers and our Company or its Group Companies in accordance with applicable regulations;

12. Our Promoters and Promoter Group shall mandatorily subscribe to their Rights Entitlements and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended; and

13. There are no audit qualifications on the audited accounts of our Company in respect of those financial years for which such accounts are disclosed in this Letter of Offer.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the

Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the SEBI.

2. The reports, statements and information referred to above are available on the websites of the Stock Exchanges.

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGERS, BEING JM FINANCIAL LIMITED AND AXIS CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, BEING JM FINANCIAL LIMITED AND AXIS CAPITAL LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 13, 2020 WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THIS LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THIS LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED

DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID - <u>COMPLIED WITH.</u>

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE

(5) WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS LETTER OF OFFER. – <u>NOT APPLICABLE.</u>

(6) ALL APPLICABLE PROVISONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THIS LETTER OF OFFER. – <u>NOT APPLICABLE.</u>

(7) ALL APPLICABLE PROVISONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – <u>NOT APPLICABLE.</u>

(8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE COMPANY SEPCIFICALLY CONTAINS THIS CONDITION – <u>NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE.</u>

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. <u>COMPLIED WITH TO THE EXTENT APPLICABLE.</u>

(10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF

THE COMPANY, EXCLUDING EQUITY SHARES WITH SUPERIOR VOTING RIGHTS, WHERE THE COMPANY HAS OUTSTANDING EQUITY SHARES WITH SUPERIOR VOTING RIGHTS – COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY EQUITY SHARES WITH SUPERIOR RIGHTS); AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH.

(11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS READ WITH MAY 6 – RIGHTS ISSUE CIRCULAR AND JULY 24 – RIGHTS ISSUE CURCULAR – NOTED FOR COMPLIANCE.

(12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. NOT APPLICABLE.

(13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY- COMPLIED WITH.

(14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS READ WITH MAY 6 – RIGHTS ISSUE CIRCULAR AND JULY 24 – RIGHTS ISSUE CURCULAR. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. - COMPLIED WITH.

(15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. - COMPLIED WITH.

(16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUEADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN - COMPLIED WITH AND NOTED FOR COMPLIANCE.

(17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. – COMPLIED WITH.

The filing of this Letter of Offer does not, however, absolve our Company from any liabilities under the Companies Act or from the requirement of obtaining such statutory or other clearance as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Managers any irregularities or lapses in this Letter of Offer.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

"*BSE Limited ("the Exchange") has given, vide its letter dated November 10, 2020 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of the NSE

As required, a copy of this Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to us, post scrutiny of this Letter of Offer is set out below:

"*As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/25222 dated November 10, 2020 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.*

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, *certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter and Application Form and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer, the Application Form or the Rights Entitlements Letter may come, are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders (i) in offshore transactions outside the United States in compliance with Regulation S to existing foreign corporate or institutional Equity Shareholders; and (ii) in the United States to U.S. QIBs pursuant to Section 4(a)(2) of the US Securities Act. Our Company will dispatch the Abridged Letter of Offer, Application Form and Rights Entitlements Letter (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. Further, this Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Managers: (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Managers, and the Stock Exchanges, and on R-WAP. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, the Abridged Letter of Offer and Application Form or any other material relating to our Company, the Rights Equity Shares or Rights Entitlements in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer will be filed with the Stock Exchanges and SEBI.

Accordingly, the Rights Equity Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published, in whole or in part, in or into any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose

Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of

Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlements and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlements.

Neither the delivery/receipt of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD (I) IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S TO EXISTING FOREIGN CORPORATE OR INSTITUTIONAL EQUITY SHAREHOLDERS AND (II) IN THE UNITED STATES TO U.S. QIBs PURSUANT TO SECTION 4(a)(2) OF THE US SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME (OTHER THAN TO U.S. QIBs).

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made (other than persons in the United States who are U.S. QIBs). No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States (in each case, other than from persons in the United States who are U.S. QIBs) or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States; or (ii) it is a U.S. QIB in the United States, and in each case is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER "*RESTRICTIONS ON PURCHASES AND RESALES*" ON PAGE 325.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange, SEBI and the other Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, our Company will simultaneously submit this Letter of Offer to SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in accordance with the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee which currently comprises Mr. Ravi C Raheja (Chairman), Mr. Neel C Raheja (Member), Mr. B S Nagesh (Member) and Mr. Deepak Ghaisas (Member). The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are generally disposed of within seven days from the date of receipt of the complaint.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see "*Terms of the Issue*" on page 288.

The contact details of the Compliance Officer and Registrar to the Issue are as follows:

Registrar to the Issue

KFin Technologies Private Limited
Selenium, Tower B
Plot No- 31and 32, Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi, 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: shoppersstop.rights@kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

Compliance Officer

Mr. Bharat Sanghavi
Company Secretary and Compliance Officer
Umang Tower, 5th Floor
Mindspace, Off, Link Road
Malad (West)
Mumbai 400 064
Maharashtra, India
Tel: +91 22 4249 7000
E-mail: investor@shoppersstop.com

Further, in accordance with May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 18003454001 and +91 40 6717 2222.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form, before applying in this Issue. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up.

*Please note that pursuant to Regulation 76 of the SEBI ICDR Regulations and the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**January 22 – Rights Issue Circular**"), all the Investors including Renouncees must mandatorily invest through the ASBA process only. However, due to the impact of the COVID-2019 pandemic and lockdown measures undertaken by the Government of India, SEBI by its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 ("**May 6 – Rights Issue Circular**")* and its Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 ("**July 24 – Rights Issue Circular**") *has permitted the introduction of an optional mechanism (non-cash method only), as an additional option over and above the existing mandatory ASBA process to accept Applications from the Investors. Accordingly, our Company has instituted a separate web based application platform, i.e., the Registrar's Web-based Application Platform ("**R-WAP**") facility (accessible at https://rights.kfintech.com), for making an Application in this Issue by resident Investors.*

*Further, in accordance with Regulation 77A of the SEBI ICDR Regulations read with the January 22 – Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Eligible Equity Shareholders who are holding Equity Shares in physical form and are desirous of subscribing to the Issue, are advised to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date. However, SEBI, pursuant to the May 6 – Rights Issue Circular and July 24 – Rights Issue Circular has stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the January 22 – Rights Issue Circular or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, see "**- Application by Eligible Equity Shareholders holding Equity Shares in physical form**" on page 291.*

***INVESTORS ARE REQUESTED TO NOTE THAT APPLICATION IN THIS ISSUE CAN ONLY BE MADE THROUGH ASBA OR BY R-WAP FACILITY. FURTHER, THIS R-WAP FACILITY IN ADDITION TO ASBA AND THE RELAXATION ON APPLICATIONS TO BE MADE BY PHYSICAL SHAREHOLDERS, ARE ONETIME RELAXATIONS MADE AVAILABLE BY SEBI IN VIEW OF THE COVID-2019 PANDEMIC AND SHALL NOT BE A REPLACEMENT OF THE EXISTING PROCESS UNDER THE SEBI ICDR REGULATIONS. FOR GUIDENCE ON THE APPLICATION PROCESS THROUGH R-WAP AND RESOLUTION OF DIFFICULTIES FACED BY INVESTORS, YOU ARE ADVISED TO READ THE FREQUENTLY ASKED QUESTION (FAQ) ON THE WEBSITE OF THE REGISTRAR AT HTTPS://RIGHTS.KFINTECH.COM*.**

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter, the Application Form, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities and the terms and conditions as stipulated in the Allotment advice.

Important:

1. **Dispatch and availability of Issue materials:**

   In accordance with the SEBI ICDR Regulations, May 6 – Rights Issue Circular, July 24 – Rights Issue Circular and the MCA Circulars, our Company will send the Abridged Letter of Offer, the Rights

Entitlements Letter, Application Form and other issue materials (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders. This Letter of Offer will be provided by the Registrar on behalf of our Company or Lead Managers (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable securities laws) on the websites of:

(i) our Company at https://corporate.shoppersstop.com/investors/;

(ii) the Registrar at www.kfintech.com;

(iii) the Lead Managers at www.jmfl.com and www.axiscapital.co.in;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and

(v) the R-WAP at https://rights.kfintech.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., https://corporate.shoppersstop.com/investors/).

In light of the current COVID-2019 situation and pursuant to the May 6 – Rights Issue Circular, July 24 – Rights Issue Circular and the MCA Circulars, our Company, the Lead Managers and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form, through registered post or speed post or courier services.

2. **Facilities for Application in this Issue:**

In accordance with Regulation 76 of the SEBI ICDR Regulations, January 22 - Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. However, due to the impact of COVID-2019 pandemic and lockdown measures undertaken by the Government of India and pursuant to May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, an optional non-cash method has also been instituted only for the resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "- *Procedure for Application through the ASBA Process*" and "- *Procedure for Application through the R-WAP*" below.

(a) **ASBA facility**: Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorising the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable before making their Application through the ASBA process. For details, see "- ***Procedure for Application through the ASBA Process***" below.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

(b) **Registrar's Web-based Application Platform (R-WAP):**

In accordance with May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the existing ASBA process. Resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTORS - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*" ON PAGE 27.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (https://rights.kfintech.com) or call helpline number 18003454001 and +91 40 6717 2222. For details, see **"- *Procedure for Application through the R-WAP***" below.

In accordance with May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, our Company will make use of advertisements in television channels, radio, internet *etc*., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

3. **Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the January 22 - Rights Issue Circular, the credit of Rights Entitlements shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account (namely, "**SHOPPERS STOP LTD - RIGHTS ENTITLEMENT SUSPENSE DEMAT A/C**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; (b) Equity Shares held in the account of IEPF authority; (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this connection, our Company has made necessary arrangements with NSDL and CDSL for credit of the Rights Entitlements in dematerialised form in the demat accounts of the Eligible Equity Shareholders. A separate ISIN for the Rights Entitlements has also been generated which is INE498B20016. This ISIN of the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date and shall become active on the Issue Opening day and remain active for renunciation or transfer during the Renunciation Period and shall be suspended by Depositories for transfer from the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by Wednesday, December 09, 2020 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4. **Application by Eligible Equity Shareholders holding Equity Shares in physical form:**

In accordance with the January 22 – Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat accounts to the Registrar or our Company within such time prior to the Issue Closing Date so that their Rights Entitlements are credited to their respective demat accounts by the Registrar, may apply in the Issue either through the ASBA process or the R-WAP facility. Further, in accordance with the May 6 – Rights issue Circular and July 24 – Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

(i) such Eligible Equity Shareholders apply only through R-WAP;

(ii) such Eligible Equity Shareholders are residents;

(iii) such Eligible Equity Shareholders are not making payment from non-resident account;

(iv) such Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and

(v) such Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Subsequently, such resident Eligible Equity Shareholders are required to send a communication to our Company or the Registrar containing the name(s), Indian address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account, as and when opened. Until such period the Rights Equity Shares Allotted to such Eligible Equity Shareholders who hold Equity Shares in physical form, will be credited into the demat suspense account to be opened by the Company.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in **“*- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*”** and “***- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***” below.

5. **Other important links and helpline:**

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com

- Updation of Indian address/ e-mail address/ mobile number in the records maintained by the

Registrar or our Company: https://rights.kfintech.com

- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: shoppersstop.rights@kfintech.com.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear (i) as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form; and (ii) on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued, subscribed and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you are entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlements Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, https://corporate.shoppersstop.com/investors/).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.*, https://rights.kfintech.com*)*. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

For details of Application through R-WAP by the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, see "***- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" and "***- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***" below.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. This Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Managers (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not

provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard. This Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, R-WAP, our Company and the Lead Managers through a link contained in the aforementioned e-mail sent to e-mail addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter, the Application Form and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 5.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 140 per Rights Equity Share (including a premium of ₹ 135 per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Managers and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 17 Rights Equity Share for every 70 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of the FEMA Rules and other circular, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholder being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market Renunciation or Off Market Renunciation. For details, see "***- Procedure for Renunciation of Rights Entitlements***" below.

In accordance with May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not been able to open a demat account and furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the January 22 - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account (namely, "**SHOPPERS STOP LTD - RIGHTS ENTITLEMENT SUSPENSE DEMAT A/C**") opened or to be opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; (b) Equity Shares held in the account of IEPF authority; (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is INE498B20016. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period and shall be suspended by Depositories for transfer from the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by Wednesday, December 09, 2020 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an Application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Trading of the Rights Entitlements

In accordance with the January 22 - Rights Issue Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE498B20016. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialised form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Friday, November 27, 2020 to Monday, December 07, 2020 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see **"- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation***" and "- ***Procedure for Renunciation of Rights Entitlements – Off Market Renunciation***" below.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

Full amount of ₹ 140 per Rights Equity Share is payable on Application.

The payment towards each Equity Share offered will be applied as under:

(a) ₹ 5 per Rights Equity Share towards Equity Share capital; and

(b) ₹ 135 per Rights Equity Share towards securities premium account of our Company.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 17 Rights Equity Shares for every 70 Equity Shares held as on the Record Date. As per January 22 - Rights Issue Circular, the fractional entitlements are to be ignored by rounding down the Rights Entitlements. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 70 Equity Shares or is not in the multiple of 70 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 73 Equity Shares, such Equity Shareholder will be entitled to 17 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above the Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 5 Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As the Issue is of Equity Shares, there is no requirement of credit rating for the Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association of our Company. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHTS/SD/IP-RT/854/2020-21 dated November 10, 2020 and from the NSE through letter bearing reference number NSE/LIST/25222 dated November 10, 2020. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 532638) and NSE (Scrip Code: **SHOPERSTOP**) under the ISIN: INE498B01024. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see "***Capital Structure – Subscription to this Issue by our Promoters and Promoter Group***" on page 40.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;

(c) The right to receive surplus on liquidation;

(d) The right to free transferability of Rights Equity Shares;

(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed under **"- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*"** below; and

(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, May 6 - Rights Issue Circular, July 24 - Rights Issue Circular and MCA Circulars, our Company will send the Abridged Letter of Offer, the Rights Entitlements Letter, Application Form and other issue materials (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. This Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Managers (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a Marathi regional newspaper, Marathi being the regional language in the place where our registered office is located.

In accordance with May 6 – Rights Issue Circular and July 24 Rights Issue Circular, SEBI has granted flexibility to publish the notices in additional newspapers, over and above those mentioned earlier. SEBI also permitted to make available all such notices on the websites of our Company, Registrar, Lead Managers, and Stock Exchanges. Our Company will make use of advertisements in television channels, radio, internet *etc*., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or in part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from the RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at shoppersstop.rights@kfintech.com.

The Abridged Letter of Offer, the Rights Entitlements Letter and Application Form shall be sent only to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders. This Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Managers to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at shoppersstop.rights@kfintech.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, January 22 - Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. However, due to the impact of COVID-2019 pandemic and lockdown measures undertaken by the Government of India and pursuant to May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, an optional non-cash method has been instituted only for the resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "***- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" below.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc*. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlements Letter shall be sent through e-mail or physical delivery, as applicable, at least three days before the Issue Opening Date.

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlements Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

(i) our Company at https://corporate.shoppersstop.com/investors/;

(ii) the Registrar at www.kfintech.com;

(iii) the Lead Managers at www.jmfl.com and www.axiscapital.co.in;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and

(v) the R-WAP at https://rights.kfintech.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, https://corporate.shoppersstop.com/investors/).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make

Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "- ***Grounds for Technical Rejection*" below. Our Company, the Lead Managers, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "***- Application on Plain Paper under ASBA process***" below.

Options available to the Eligible Equity Shareholders

The Rights Entitlements Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Rights Entitlements Letter and the Application Form is sent to the Eligible Equity Shareholder, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlement and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat accounts to the

Registrar or our Company within two working days prior to the Issue Closing Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in **"*- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*"** and "***- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***" below.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through the R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Managers shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see "*Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways*" on page 27.

Set out below is the procedure followed using the R-WAP:

(a) Resident Investors should visit R-WAP (accessible at https://rights.kfintech.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.

(b) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

(c) The Investors should ensure that Application process is verified through the e-mail / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, amongst others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.

(d) The Investors who are Renouncees should select the category of 'Renouncee' at the application page of

R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.

(e) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the May 6 – Rights Issue Circular and July 24 – Rights Issue Circular.

(f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

(g) Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

(h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***- Application on Plain Paper under ASBA process***" below.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "***- Basis of Allotment***" below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Pursuant to the May 6 – Rights Issue Circular and July 24 – Rights Issue Circular, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until they have opened a demat account and the details of their demat account are provided to our Company or the Registrar and the dematerialised Rights Entitlements are transferred from demat suspense account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the demat suspense account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE498B20016 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Friday, November 27, 2020 to Monday, December 07, 2020 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE498B20016 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the BSE and the NSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE498B20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights

Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form through e-mail or physical delivery (where applicable) nor is in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Shoppers Stop Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ 140 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application

Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation S**") to existing foreign corporate or institutional shareholders; and (ii) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act) ("**U.S. QIBs**") pursuant to Section 4(a)(2) of the US Securities Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States who are U.S.QIBs. I/ we confirm that I am/ we are (a)(i) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws; or (ii) a U.S. QIB in the United States, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company have reason to believe is in the United States (other than U.S. QIBs) or if such person is outside of India and United States, such person is not a foreign corporate or institutional shareholder, or is ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

*For Resident Applicants: I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "**Restrictions on Purchases and Resales**" under the sub-heading "**– United States – For Investors Outside of the United States**" on page 329 (if I am/we are outside the United States).*

*For Non-Resident Applicants: I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales" under the sub-heading "– **United States – For Investors in the United States**" on page 325 (if I am/we are in the United States) or under the sub-heading "– **United States – For Investors Outside of the United States**" on page 329 (if I am/we are outside the United States).*

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com.

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalisation of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see "***- Procedure for Application through the R-WAP***" above.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the January 22 - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, amongst others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "***- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" above and "***- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***" below.

To update respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our

Company, Eligible Equity Shareholders should visit https://rights.kfintech.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by e-mail due to lockdown and restrictions imposed due to current pandemic COVID-2019;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders can access the Application Form from:

- R-WAP, the website of the Registrar (https://rights.kfintech.com);
- our Company (https://corporate.shoppersstop.com/investors/);
- the Lead Managers at www.jmfl.com and www.axiscapital.co.in;
- the Stock Exchanges (at www.bseindia.com and www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, https://corporate.shoppersstop.com/investors/);

(d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Further, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat accounts to the Registrar or our Company within two working days prior to the Issue Closing Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, may also apply in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, e-mail address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

(a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;

(b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and

(c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR

OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see "***- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***" on page 317.

Allotment of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 316.

General instructions for Investors

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat accounts to the Registrar or our Company within two working days prior to the Issue Closing Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in **"- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" above and "***- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***" below.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility or using R-WAP.

(f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***- Application on Plain Paper under ASBA process***" on page 304.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, January 22 - Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

(k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(l) Applications should not be submitted to the Banker to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Managers.

(m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorisation to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors**. **Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.**

(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(s) In case of non-resident Eligible Equity Shareholders, only non-resident persons (i) who are U.S. QIBs; or (ii) outside India and the United States who are foreign corporate or institutional shareholders, may apply in this Issue.

(t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(v) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(w) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

(x) Applicants, whose shares have been transferred by our Company to Investor Education and Protection Fund Authority as per the provisions of the Companies Act or transferred to Company's unclaimed suspense account under the SEBI Listing Regulations, will be eligible for participation in the issue.

Do's:

(a) Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively SCSBs may mention their internal reference number in place of application number.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialised form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares and Rights Entitlements acquired through renunciation) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlements Letter.

Do's for Investors applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

(b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares and Rights Entitlements acquired through renunciation) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment

(d) Ensure that you receive a confirmation e-mail on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(c) Do not send your physical Application to the Lead Managers, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investors applying through R-WAP*:*

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending an Application to the Lead Managers, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(r) Application from Investors that are residing in USA address as per the depository records (other than persons who are U.S. QIBs).

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

(a) Applications by non-resident Investors.

(b) Payment from third party bank accounts.

Our Company may, in consultation with the Lead Managers and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through (i) ASBA facility or (ii) internet banking or UPI facility (if applying through R-WAP). The Registrar will not accept any payments against the Application Forms, if such payments are not made through (i) ASBA facility or internet banking or (ii) UPI facility (if applying through R-WAP).

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Managers.

   Note: Applications from non-resident Investors in any jurisdiction outside India will not be accepted unless such person is a corporate or institutional shareholder. In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form shall be sent only to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders. This Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Managers to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, the FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- ***Procedure for Applications by Mutual Funds***" below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is December 11, 2020, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "- ***Basis of Allotment***" below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to shoppersstop.rights@kfintech.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Thursday, November 26, 2020
ISSUE OPENING DATE	Friday, November 27, 2020
LAST DATE FOR ON MARKET RENUNCIATION*	Monday, December 07, 2020
ISSUE CLOSING DATE	Friday, December 11, 2020
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Friday, December 18, 2020
DATE OF ALLOTMENT (ON OR ABOUT)	Monday, December 21, 2020
DATE OF CREDIT (ON OR ABOUT)	Tuesday, December 22, 2020
DATE OF LISTING (ON OR ABOUT)	Thursday, December 24, 2020

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, December 09, 2020 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see "***General Information - Issue Schedule***" on page 35.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will e-mail Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted

Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issuing instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

(a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;

(b) such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;

(c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

(d) Our Company shall send reminder notices seeking the requisite details of demat account, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details; and

(e) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall remain in the demat suspense account.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.

4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

5. **The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, *etc.*, in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.**

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

(a) Unblocking amounts blocked using ASBA facility.

(b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) Direct Credit – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed an agreement dated June 12, 2000 with NSDL and an agreement dated December 17, 2004 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor

will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialised form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "*- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" above and "*- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form*" below.

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity share capital of a company on a fully diluted basis and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in our Company, shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of a company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by the company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

1. such offshore derivative instruments are issued only by persons registered as category I FPIs;

2. such offshore derivative instruments are issued only to persons eligible for registration as category I FPIs;

3. such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

4. such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)) and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, re pre-approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia,* that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period. For details, see "***Risk Factors - Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares***" on page 29.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;

2. Details of all monies utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

3. Details of all unutilised monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalisation of Basis of Allotment.

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable. Our Promoters and the eligible members of our Promoter Group, undertake to subscribe to the unsubscribed portion of the Issue, in compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlements Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlements Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Shoppers Stop Limited – Rights Issue**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

   KFin Technologies Private Limited
   Selenium Tower B
   Plot No - 31 and 32, Financial District
   Nanakramguda, Serilingampally
   Hyderabad, Rangareddi 500 032
   Telangana, India
   Tel: +91 40 6717 2222
   Toll free number: 18003454001
   E-mail: shoppersstop.rights@kfintech.com
   Investor grievance E-mail: einward.ris@kfintech.com
   Website: www.kfintech.com

Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

3. In accordance with May 6 - Rights Issue Circular and July 24 – Rights Issue Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 18003454001 and +91 40 6717 2222.

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Rights Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States (other than to persons in the United States who are U.S. QIBs).

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out below:

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act to existing foreign corporate or institutional shareholders and in the United States to U.S. QIBs pursuant to Section 4(a)(2) under the US Securities Act. Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company or the Registrar.

For Investors in the United States

The Rights Entitlements and the Rights Equity Shares may only be acquired by persons in the United States who are U.S. QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. If you are in the United States, you may not exercise any Rights Entitlements and/or acquire any Rights Equity Shares offered hereby unless you are a U.S. QIB and have been invited to participate directly by our Company.

All offers and sales in the United States of the Rights Entitlements and the Rights Equity Shares have been, or will be, made solely by our Company. The Lead Managers are not making, will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

Each person in the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the

Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

2. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.

3. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Letter of Offer under the heading "Restrictions on Purchases and Resales".

4. Without limiting the generality of the foregoing, the purchaser is aware and understands (and each account for which it is acting has been advised and understands) that (i) the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States; (ii) any offer and sale of the Rights Entitlements or the Rights Equity Shares in the United States is being made pursuant to the private placement exemption set out in Section 4(a)(2) under the US Securities Act; and (iii) the Rights Entitlements and the Rights Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act; and it agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Rights Entitlements or the Rights Equity Shares are "restricted securities", it will not reoffer, resell, pledge or otherwise transfer any Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interest therein, except in an offshore transaction complying with Rule 904 of Regulation S.

5. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

6. The purchaser is a U.S. QIB, and if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB. To the extent the purchaser exercises the Rights Entitlements and subscribes for the Rights Equity Shares, it will exercise such Rights Entitlements and acquire such Rights Equity Shares for its own account, or for the account of one or more U.S. QIB(s) as to which the purchaser has full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of U.S. securities laws) of the Rights Entitlements or the Rights Equity Shares.

7. To the extent the purchaser exercises the Rights Entitlements and subscribes for the Rights Equity Shares, it acknowledges and agrees that it is not acquiring or subscribing for the Rights Entitlements or the Rights Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the US Securities Act). The purchaser understands and agrees that although offers and sales of the Rights Entitlements and the Rights Equity Shares are being made in the United States to U.S.

QIBs, such offers and sales are being made pursuant to the private placement exemption set out in Section 4(a)(2) of the US Securities Act.

8. The purchaser understands and acknowledges that all offers and sales in the United States of the Rights Entitlements and the Rights Equity Shares have been, or will be, made solely by our Company. The Lead Managers are not making, will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

9. The purchaser understands that the Lead Managers have not performed diligence with respect to our Company or this Issue that they would have performed if this Issue was being registered pursuant to the US Securities Act.

10. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilisation or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

11. To the extent the purchaser exercises the Rights Entitlements and subscribes for the Rights Equity Shares, it agrees not to deposit any Rights Equity Shares into any unrestricted depository facility maintained by any depository bank unless and until such time as the Rights Entitlements or the Rights Equity Shares are no longer "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act.

12. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Managers or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

13. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Managers or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

14. The purchaser understands that the Exchange Information and this Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchanges or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the US SEC, and (ii) this Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the US SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.

15. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) none of the Lead Managers or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Managers or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.

16. The purchaser will not hold our Company, the Lead Managers or its affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Managers or its affiliates to it.

17. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Managers, for all or part of any such loss or losses it may suffer.

18. The purchaser understands and acknowledges that the Lead Managers are assisting our Company in respect of this Issue and that the Lead Managers are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.

19. The purchaser understands that our Company cannot determine with certainty, and has not determined, whether our Company may be treated as a "passive foreign investment company" (a "**PFIC**") for U.S. federal income tax purposes for the current taxable year, and may not be able to make such a determination in future years and, in the event our Company is treated as a PFIC, will not provide information required for it to make a "qualified electing fund" election, and that there may be certain adverse consequences under United States tax laws if our Company were to be a PFIC in the current or any future taxable year in which it may hold Equity Shares. In addition, in the event our Company is treated as a PFIC, it will be subject to certain U.S. Internal Revenue Service information reporting obligations. It understands that a separate determination must be made each year as to our Company's PFIC status. The purchaser acknowledges and confirms that it has made and relied entirely upon its own assessment as to whether, and the consequences to it if, our Company has been, is, continues to be, may be, or becomes a PFIC for United States federal income tax purposes.

20. The purchaser's exercise of the Rights Entitlements and subscription for the Rights Equity Shares and consummation of the transactions contemplated by this Letter of Offer, does not and will not constitute or result in a prohibited transaction under the U.S. Employee Retirement Income Securities Act of 1974 or Section 4975 of the U.S. Internal Revenue Code of 1986 for which an exemption is not available;

21. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States (other than U.S. QIBs), or if such person is outside of India and the United States, such person is not a foreign corporate or institutional shareholder, or is ineligible to participate in this Issue under applicable securities laws.

22. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and the Lead Managers, its affiliates and others (including legal counsels to our Company and the Lead Managers) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Rights Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

Any person in the United States who obtains a copy of this Letter of Offer, or its accompanying documents and who has not been specifically invited by our Company to participate or who is not a U.S. QIB is required to disregard it.

For Investors outside of the United States

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in offshore transactions in reliance on Regulation S.

Each person outside of the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

(a) Each of the representations, warranties and agreements in numbered paragraphs 1 through 5 (inclusive), paragraphs 10 through 18 (inclusive) and paragraphs 21 and 22 under the heading "*Restrictions on Purchases and Resales – United States – For Investors in the United States*".

(b) The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

(c) No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S under the Securities Act).

(d) The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

(e) The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Letter of Offer, and any offers made under this Letter of Offer, you represent to the Issuer and the Lead Managers that you will not provide this Letter of Offer or communicate any offers made under this Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Rights Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Lead Managers) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Rights Equity Shares should observe such Australian on-sale restrictions.

Belgium

The Issue does not constitute a public offer in Belgium. This Letter of Offer relating to the Issue has not been, and will not be, notified to the Financial Services and Markets Authority in Belgium in accordance with the Belgian Law of 11 July 2018 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (as amended or replaced from time to time, the "Prospectus Law") and Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Accordingly, the Rights Equity Shares and Rights Entitlements may not be distributed, offered, sold or resold, transferred or delivered in Belgium except (i) to "qualified investors" as referred to in article 2, (e) of the Prospectus Regulation, (ii) to fewer than 150 natural or legal persons who hold shares in our Company (other than qualified investors as defined in the Prospectus Regulation) or (iii) in any other circumstances in which the Issue does not qualify as an offer to the public in Belgium in accordance with the Prospectus Regulation and the Prospectus Law.

Canada

The Rights Equity Shares and the Rights Entitlements, this Letter of Offer and any other offering material may be offered to and distributed to shareholders resident in Canada in accordance with the exemption from prospectus requirements in National Instrument 45-106, section 2.1.2 "Rights Offering-Issuer With Minimal Connection to Canada".

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

China

This Letter of Offer may not be circulated or distributed in the People's Republic of China ("**PRC**") and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Rights Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

European Economic Area (EEA)

In relation to each member State of the European Economic Area (each, a "**Relevant State**"), no Rights Entitlement or Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlement and the Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlement and the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(1) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(2) to fewer than 150 natural or legal persons per Relevant State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or

(3) in any other circumstances falling within article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Rights Equity Shares requires the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this provision, the expression "offer to the public" in relation to any Rights Entitlement and the Rights Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Rights Entitlement and the Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement and the Rights Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended from time to time.

Hong Kong

The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Rights Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Ireland

The Rights Entitlements and the Rights Equity Shares have not been offered or sold, and will not be offered, sold, underwritten, in Ireland other than in conformity with:

a. Regulation (EU) 2017/1129 (the Prospectus Regulation), the European Union (Prospectus) Regulations 2019 of Ireland and any rules issued by the Central Bank pursuant to section 1363 of the Companies Act 2014 of Ireland;

b. the provisions of the Irish Companies Act 2014;

c. the provisions of the Central Bank Acts 1942 to 2018 of Ireland (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended) of Ireland;

d. the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. no. 375 of 2017) (as amended) and the provisions of the Investor Compensation Act 1998; and

e. the provisions of the Market Abuse Regulation (EU 596/2014), the Market Abuse Directive on Criminal Sanctions for market abuse (Directive 2014/57/EU) (as amended), the European Union (Market Abuse) Regulations 2016 of Ireland and any rules issued by the Central Bank of Ireland pursuant to section 1370 of the Companies Act 2014 of Ireland.

Italy

This Letter of Offer has not been submitted to the Italian *Commissione Nazionale per le Società e la Borsa* ("**Consob**") for clearance and will not be subject to formal review, clearance or approval by Consob. The Rights Entitlement and the Rights Equity Shares may not be offered, sold or delivered, directly or indirectly in the Republic of Italy or to a resident of the Republic of Italy, unless such offer, sale or delivery of the Rights Entitlement and the Rights Equity Shares or distribution of copies of this Letter of Offer takes place:

(i) pursuant to the Prospectus Regulation and Italian legislative decree no. 58 of February 24, 1998, as amended from time to time (the "**TUF**"), made only to "qualified investors" (*investitori qualificati*), as defined pursuant to article 34-*ter*, first paragraph, letter (b), of Consob Regulation no. 11971 of May 14, 1999 as amended from time to time ("**Consob Issuers Regulation**") by reference to article 35, paragraph 1, letter (d) of Consob Regulation no. 20307 of February 15, 2018, as amended from time to time ("**Consob Regulation no. 20307**"); or

(ii) in any other circumstances which are exempt from the rules on public offers pursuant to the Prospectus Regulation, article 100 of the TUF and its second-level Consob regulations, including Consob Issuers Regulation.

Any such offer, sale or delivery of the Rights Entitlement and the Rights Equity Shares or any distribution of copies of this Letter of Offer in the Republic of Italy must comply with the selling restrictions under (i) and (ii) above and be:

(1) made by authorised persons (*soggetti abilitati*) (including, without limitation, investment firms, banks or financial intermediaries, as defined by article 1, first paragraph, letter (r), of the TUF), to the extent duly authorised to engage in the placement and/or underwriting and/or purchase of financial instruments in the Republic of Italy in accordance with the relevant provisions of the TUF, Consob Regulation no. 20307, Italian legislative decree no. 385 of September 1, 1993, as amended, and any other applicable laws and regulations; and

(2) in compliance with any other applicable Italian securities and tax and exchange laws and regulations as well as in compliance with other applicable requirements or limitations which may be imposed by Consob or the Bank of Italy or any other Italian regulatory authority from time to time.

Any investor purchasing the Rights Entitlement and the Rights Equity Shares is solely responsible for ensuring that any offer or resale of the rights it purchases occurs in compliance with applicable laws and regulations.

In accordance with article 100-*bis* of the TUF,

(A) the subsequent resale on the secondary market in the Republic of Italy of financial instruments, which were part of an offer made pursuant to an exemption from the obligation to publish a prospectus; or

(B) the systematic resale to investors different from qualified investors of financial instruments which were purchased by qualified investors in the previous twelve months in the context of a placement reserved to qualified investors only,

constitutes a distinct and autonomous offer that must be made in compliance with the public offer and prospectus requirement rules provided under the Prospectus Regulation, the TUF and Consob Issuers Regulation, unless an exemption applies.

Failure to comply with such rules may also result in the subsequent resale of such financial instruments being declared null and void and in the liability of the intermediary transferring the financial instruments for any damage suffered by the investors.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Rights Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Rights Equity Shares (the "**QII Rights Entitlements and the QII Rights Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Rights Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Rights Equity Shares in the State of Kuwait. The Rights Entitlements and the Rights Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Rights Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Rights Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Rights Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Rights Equity Shares in the State of Kuwait.

Luxembourg

The Rights Entitlements and the Rights Equity Shares offered in this Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Rights Equity Shares. Distribution of this Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Norway

This Letter of Offer has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Letter of Offer shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in Norway except to professional clients (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

Each Lead Manager has acknowledged that this Letter of Offer has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Lead Manager has represented and agreed that it has not offered or sold any Rights Entitlement or Rights Equity Shares or caused the Rights Entitlement and Rights Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Rights Entitlement or Rights Equity Shares or cause the Rights Entitlement or Rights Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Letter of Offer or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlement and the Rights Equity Shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Rights Entitlement and the Rights Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Rights Entitlement and the Rights Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Letter of Offer to acquire the Rights Entitlements and the Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Rights Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Rights Equity Shares.

Sweden

This Letter of Offer has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this Letter of Offer may not be made available, nor may the Rights Entitlements and the Rights Equity Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of the Rights Entitlements and the Rights Equity Shares in Sweden is limited to persons who are qualified investors (as defined in the Financial Instruments Trading Act). Only such investors may receive this Letter of Offer and they may not distribute it or the information contained in it to any other person.

Switzerland

This Letter of Offer is not intended to constitute an offer or solicitation to purchase or invest in the Rights Entitlements and the Rights Equity Shares described herein. The Rights Entitlements and the Rights Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Rights Entitlements and the Rights Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Rights Equity Shares or the Issue constitutes a prospectus pursuant to the FinSA or pursuant to Articles 652a and 1156 of the Swiss Code of Obligations (as in effect immediately prior to the entry into force of the FinSA) or pursuant to Articles 27 ff. of the listing rules of SIX Exchange Regulation or any other trading venue in Switzerland, and neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Rights Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Rights Equity Shares or the Issue or our Company have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Letter of Offer will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Issue has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Rights Entitlements and the Rights Equity Shares.

This Letter of Offer, as well as any other offering or marketing material relating to the Rights Entitlements and the Rights Equity Shares or the Issuer, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Rights Entitlements and the Rights Equity Shares in Switzerland and it does not constitute an offer to any other person. This Letter of Offer may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Rights Entitlements and the Rights Equity Shares have not and will not be registered with the Financial Supervisory Commission of Taiwan or any other governmental authorities of Taiwan, and are not being offered or sold and may not be offered or sold, directly or indirectly, in Taiwan or otherwise, to, or for the benefit of, any resident or entity of Taiwan, except (i) pursuant to the requirements of the securities related laws and regulations in Taiwan; and (ii) in compliance with any other applicable requirements of Taiwan laws.

United Kingdom

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

Denmark

This Letter of Offer has not been and will not be filed with, registered with or approved by the Danish Financial Supervisory Authority (*Finanstilsynet*) or any other Danish regulatory authority.

France

This Letter of Offer has not been and will not be submitted for clearance procedures or otherwise reviewed or approved by the French *Autorité des Marchés Financiers*.

The Netherlands

This Letter of Offer has not been and will not be approved by the Authority for the Financial Markets of The Netherlands (*Autoriteit Financiële Markten*) pursuant to the Prospectus Regulation.

Germany

None of the Issue, this Letter of Offer or any other prospectus within the meaning of the Prospectus Regulation has been submitted to, or approved by, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*).

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Due to the COVID-2019 pandemic, SEBI pursuant to May 6 – Rights Issue Circular and July 24 – Rights Issue Circular granted the relaxation to provide procedure for inspection of material documents electronically, and accordingly, copies of the documents for inspection referred to hereunder, would be available on the website of our Company at https://corporate.shoppersstop.com/investors/RightsIssue.aspx from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated November 13, 2020 between our Company and the Lead Managers.

2. Registrar Agreement dated November 11, 2020 amongst our Company and the Registrar to the Issue.

3. Banker to the Issue Agreement dated November 11, 2020 amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker to the Issue.

4. Monitoring Agency Agreement dated November 11, 2020 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of incorporation of our Company and fresh certificates of incorporation issued pursuant to the change of name of our Company from ‘Shopper’s Stop Private Limited’ to ‘Shopper’s Stop Limited’ and then subsequently to “Shoppers Stop Limited”.

3. Prospectus dated May 9, 2005, in respect of the IPO of equity shares of face value of ₹ 10 each by our Company.

4. Resolution of our Board dated October 16, 2020 approving the Issue.

5. Resolution passed by our Board dated November 13, 2020 finalising the terms of the Issue including Issue Price, Rights Entitlements ratio, Record date and approval of this Letter of Offer.

6. Consents of our Directors, Company Secretary and Compliance Officer, the Lead Managers, legal counsel, Banker to our Company and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.

7. Annual Reports of our Company for Fiscals 2020, 2019, 2018, 2017 and 2016.

8. Audited Consolidated Financial Statements for Fiscals 2020 and 2019, along with the audit reports issued by the Statutory Auditors dated June 15, 2020 and April 30, 2019, respectively.

9. Unaudited Consolidated Condensed Interim Financial Statements for the six months period ended September 30, 2020 and September 30, 2019, along with review reports each dated October 30, 2020.

10. In-principle approvals each dated November 10, 2020 issued by BSE and NSE, under Regulation 28(1) of the SEBI Listing Regulations.

11. The statement of possible special tax benefits dated November 13, 2020 from our Statutory Auditors, S R B C & Co LLP, Chartered Accountants.

12. Certificate dated November 13, 2020 issued by Nayak & Rane, Chartered Accountants confirming that the borrowings of our Company, which are proposed to be repaid using the Net Proceeds have been utilized for the purposes for which they were availed, as provided in the relevant documents.

13. Due diligence certificate dated November 13, 2020 addressed to SEBI from the Lead Managers.

14. Tripartite agreement dated June 12, 2000 amongst our Company, Registrar and NSDL.

15. Tripartite agreement dated December 17, 2004 amongst our Company, Registrar and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF THE COMPANY

Mr. B. S. Nagesh
Chairman and Non-Executive Director
Place: Mumbai

Mr. Venugopal G. Nair
Managing Director & CEO
Place: Mumbai

Mr. Ravi C. Raheja
Non-Executive Director
Place: Mumbai

Mr. Neel C. Raheja
Non-Executive Director
Place: Mumbai

Mr. Nirvik Singh
Independent and Non-Executive Director
Place: Singapore

Mr. Deepak Ghaisas
Independent and Non-Executive Director
Place: Mumbai

Mr. Manish Chokhani
Independent and Non-Executive Director
Place: Mumbai

Mr. Robert Bready
Independent and Non-Executive Director
Place: London

Mr. William Kim
Independent and Non-Executive Director
Place: Gyeonggi-do

Ms. Ameera Shah
Independent and Non-Executive Director
Place: Dubai

Mr. Karunakaran M
Chief Financial Officer
Place: Mumbai

Date: November 13, 2020