

SEC/25/2020-21

July 21, 2020

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| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Stock Code : 532638 | National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Stock Symbol : SHOPERSTOP |
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Dear Sirs,

Sub: Notice of 23rd Annual General Meeting (23rd AGM) & Annual Report 2019-20.

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report for the Financial Year 2019-20 and the Notice convening 23rd AGM of the Company.

Please be informed that 23rd AGM is scheduled to be held on Thursday, August 13, 2020 at 4.00 p.m. IST through Video Conferencing / Other Audio Visual Means, to transact the businesses as set out in the Notice, pursuant to the relevant circulars issued by Ministry of Corporate Affairs and SEBI in this regard.

The aforesaid documents are available on the corporate website of the Company at <https://corporate.shoppersstop.com/Investors/annual-report.aspx> and are being dispatched electronically to shareholders whose email addresses are registered with the Company and Depositories.

Kindly take the same on record.

Thank you.

Yours truly,
For Shoppers Stop Limited



Bharat Sanghavi
Company Secretary



Encl: A/a

SHOPPERS STOP

START SOMETHING NEW

SHOPPERS STOP LIMITED

Reg. Office: Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (W), Mumbai-400064.

Tel no.: 022-42497000, **Email:** investor@shoppersstop.com **Website:** www.shoppersstop.com

CIN: L51900MH1997PLC108798

NOTICE

NOTICE is hereby given that Twenty Third Annual General Meeting of the Members of Shoppers Stop Limited will be held on Thursday, August 13, 2020 at 4.00 p.m. Indian Standard Time ("IST"), through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt:
 - the audited Standalone financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and
 - the audited Consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon.
- To appoint a Director in place of Mr. Ravi Raheja (DIN: 00028044), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- Appointment of Mr. William Kim (DIN: 08750326) as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. William Kim (DIN: 08750326), who was appointed by the Board of Directors as an Additional Director with effect from June 15, 2020 and who holds office up to the date of 23rd Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") read with Article 135 of the Articles of Association of the Company and being eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying intention to propose his candidature for office of director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and

the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. William Kim (DIN: 08750326), who has submitted a declaration that he meets the criteria for independence as provided in the Act and the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years, with effect from June 15, 2020, and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company or its Committee thereof or any empowered officials, be and hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

By Order of the Board of Directors
For **Shoppers Stop Limited**

Place: Mumbai
Date : June 15, 2020

Bharat Sanghavi
Company Secretary

NOTES:

- An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item No. 3 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company has opined that the special business under Item No. 3, being considered unavoidable, be transacted at 23rd Annual General Meeting (AGM) of the Company.
- In view of the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020, read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and the SEBI vide its circular dated May 12, 2020 ("SEBI Circular") permitted the Companies to hold AGM through VC / OAVM, without the physical

presence of the Member at a common venue, subject to compliance of various conditions mentioned therein.

3. In compliance with the applicable provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") read with MCA Circulars and SEBI Circular, 23rd AGM of the Company is being convened as e-AGM and the Members can attend and participate in 23rd AGM / the Meeting / e-AGM, through VC / OAVM facility.
4. Your Company has appointed KFin Technologies Private Limited ("KFinTech"), Registrar & Share Transfer Agent, to provide VC / OAVM Facility & voting facility for the AGM. The instructions for participation by Members are given in the subsequent paragraphs.
5. Pursuant to Section 105 of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for 23rd AGM, and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Pursuant to provisions of MCA Circulars, Members attending the 23rd AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. As per the MCA Circulars atleast 1,000 Members will be able to join AGM on a first-come-first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination Remuneration & Corporate Governance Committee and Stakeholders' Relationship Committee, Auditors, etc. can attend AGM without any restriction on account of first-come-first- served principle.
8. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary User ID and password is given in subsequent paragraphs. Such remote e-voting facility is in addition to the voting that will take place at the 23rd AGM, being held through VC / OAVM.
9. Members joining the Meeting through VC / OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC / OAVM but shall not be entitled to cast their vote again.
10. The Company has fixed Thursday, August 6, 2020 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility and for participation and voting in the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the AGM.
11. The Board of Directors of the Company has appointed Mr. Makarand M Joshi of Makarand M Joshi & Co., Practicing Company Secretaries, Mumbai, as the Scrutiniser to scrutinise the voting including remote e-voting process in a fair and transparent manner.
12. In pursuance of Section 112 and Section 113 of the Act, the Corporate /Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF/JPEG Format) of the Board or governing Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), for attending AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/Authorization should be sent electronically through registered email address to the Scrutiniser at scrutinizer@mmjc.in with a copy marked to einward.ris@kfintech.com and investor@shoppersstop.com. The scanned image of the above-mentioned documents should be in the naming format "Shoppers Stop Limited - 23rd AGM."
13. The Annual Report 2019-20 including Notice of AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may please note that the Annual Report 2019-20 including Notice of 23rd AGM will be available on the Company's corporate website at <https://corporate.shoppersstop.com>. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of KFinTech at <https://evoting.karvy.com>
14. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a) Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
 - b) Members holding shares in physical form may register their email address and mobile number

with KFintech by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number and self-attested PAN copy for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

- Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, may temporarily get their email address and mobile number registered with KFintech by clicking the link: <https://ris.kfintech.com/email-registration/>. The Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and password.
 - Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFintech, in case the shares held in physical form.
 - In case of any queries, Members may write to einward.ris@kfintech.com
15. The relevant documents referred to in this Notice are available for inspection by the Members through electronic mode. The Members may write to the Company at investor@shoppersstop.com in that regard, by mentioning "Request for Inspection" in the subject of the E-mail.
 16. The statutory registers as required under the Companies Act, 2013 and the Certificate from the Statutory Auditors of the Company in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, will also be made available for inspection by the Members and request shall be made as above.
 17. As required under Regulations 26(4) and 36(3) of the Listing Regulations read with applicable provisions of Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India and other relevant information, if any, in respect of Directors seeking appointment / re- appointment, forms an integral part of this Notice as an Annexure.
 18. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts.
 19. Members holding shares in physical form can submit their PAN to the Company or to KFintech.
 19. Members may note that, as mandated by SEBI, request for effecting transfer of securities held in physical mode is prohibited effective April 1, 2019, unless the securities are held in dematerialized form. In this regard, Members are requested to dematerialize their shares held in physical form, at the earliest possible.
 20. Pursuant to Section 72 of the Act read with the Rules made thereunder, Members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 to KFintech. Members holding shares in electronic form may contact their respective DPs for availing this facility. The Nomination form can be downloaded from the Company's corporate website at <https://corporate.shoppersstop.com>.
 21. Investor Education and Protection Fund (IEPF): As per Section 124 of the Act and the applicable rules, the dividend remaining unpaid / unclaimed for a period of 7 (seven) consecutive years from the date of transfer to the Company's unpaid dividend account is to be transferred to IEPF. Further, equity shares in respect whereof dividend remains unpaid / unclaimed (i.e. underlying shares) for 7 (seven) consecutive years will also be transferred to IEPF. Accordingly, the Company has transferred unpaid/unclaimed dividend and underlying shares thereto upto the financial years 2011-12 to IEPF Authority.
 22. Unpaid/unclaimed dividend and underlying shares thereto for the financial year 2012-13 is due to be transferred to IEPF Authority and in this regard a notice has been published by the Company in the leading newspaper in English and regional language having wide circulation, on May 27, 2020 and is also available on the Company's corporate website at <https://corporate.shoppersstop.com/Investors/UnclaimedDividendN.aspx> giving details of concerned Members along with number of shares due to be transferred to IEPF.
 23. Unclaimed dividend: Members who have not encashed/ claimed their dividend pertaining to the financial years beginning from 2012-13 till 2018-19 are advised to write to the Company or KFintech immediately, claiming dividends declared by the Company, in order to avoid transfer of both dividend and underlying shares thereto to IEPF, if any, for the financial year 2012-13.
 24. Any person whose shares and unclaimed dividend has been transferred to IEPF, may claim them pursuant to the process prescribed under IEPF Rules.

25. Any person becoming a Member of the Company after the Company sends the Notice of this Meeting by E-mail and holds shares as on the cut-off date i.e. Thursday, August 6, 2020, may obtain the user ID and Password by sending a request to KFintech and can exercise their voting rights through remote e-voting and participate in e-AGM, by following remote e-voting instructions mentioned in the Notice.
26. Since the AGM is being held through VC / OAVM, the route map is not annexed in this Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item no. 3

The Board of Directors of the Company based on the recommendation of Nomination, Remuneration and Corporate Governance Committee, on June 15, 2020 appointed Mr. William Kim (DIN: 08750326) as an Additional (Independent) Director and also an Independent Director of the Company with effect from the said date i.e. June 15, 2020.

As per Section 161 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, Mr. William Kim holds office of Director only up to the date of 23rd AGM and his appointment as an Independent Director of the Company is subject to the approval of the Members.

The Company has received a notice in writing from a Member pursuant to Section 160 of the Act, proposing the candidature of Mr. William Kim as an Independent Director of the Company. Further, the Company has, *inter-alia*, received from Mr. William Kim (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he satisfies the criteria of independence as provided in both under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosures Requirements), 2015 ("the Listing Regulations").

In the opinion of the Board, Mr. William Kim fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the Management and possesses appropriate skills, experience and knowledge which will aid in the growth

of the business model of the Company. Accordingly, the Ordinary Resolution proposed at Item No. 3 seeks the approval of Members for the appointment of Mr. William Kim as an Independent Director of the Company for a term of 5 (five) consecutive years effective June 15, 2020.

Details of Mr. William Kim are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

A copy of draft letter of appointment of Mr. William Kim setting out the terms and conditions of his appointment will be available for inspection by the Members through electronic mode. The Members may write to the Company at investor@shoppersstop.com in that regard, by mentioning "Request for Inspection" in the subject of the Email.

Except Mr. William Kim, being the appointee or his relatives none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in passing of resolution set out at Item no. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item no. 3 of the Notice for approval by the Members.

By Order of the Board of Directors
For **Shoppers Stop Limited**

Place: Mumbai
Date : June 15, 2020

Bharat Sanghavi
Company Secretary

Annexure

Details of Director Seeking Appointment / Re-Appointment at the Meeting

| Particulars | Mr. Ravi Raheja (Re-appointment) | Mr. William Kim (Appointment) |
|---|---|---|
| DIN | 00028044 | 08750326 |
| Date of Birth & age | September 23, 1971 - 49 years | August 21, 1972 - 48 years |
| Date of first appointment on the Board | June 16, 1997 | June 15, 2020 |
| Qualifications | MBA from the London Business School | B.Sc in Finance and International Business from University of Colorado |
| Experience (including expertise in specific functional area) / Brief Resume / Brief profile | <p>An alumnus of the London Business School, Ravi has over 26 years of comprehensive experience across real estate, retail and hospitality. He has spearheaded business development for the real estate arm of the Group and played a significant role in guiding the teams of corporate strategy, finance and planning for the Group's retail and hospitality divisions. At the helm of the most significant growth strategies, Ravi is actively involved in charting the future growth of K Raheja Corp and each of its businesses and has been a catalyst in the Company's evolution from a family owned business to a well-diversified conglomerate.</p> <p>An evangelist for the green cause, Ravi spearheaded the signing of the memorandum of understanding with CII-Green Building Council to construct green buildings back in 2007. Ravi plays a key role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital. He was recently awarded the EY Entrepreneur of the Year for the Energy, Real Estate and Infrastructure category.</p> | <p>William is an experienced Executive with an obsession for Design Thinking and using creativity to solve today's business issues. Skilled in transforming company models utilising Luxury/Contemporary/Hard Luxury/ Retail /Digital Sector experiences to build a future proof, global, digital model. He is EVP - Global Retail and Digital Commerce (Global Direct to Consumer Center) with Samsung, since February 2019.</p> <p>He joined AllSaints as its CEO in 2012 and moved to Lion Capital, its parent company in the year 2018 as Head of digital investments. AllSaints is a British fashion retailer headquartered in London, UK. From 2005 to 2011, he was associated with Burberry Group PLC, where has played varied roles from Vice President & Representative Director (Korea, Taiwan, SouthEast Asia, Asia Travel Retail & DFC), SVP - Digital Commerce and SVP Retail. He was associated with Gucci Group from 2001 to 2005 as its Chief Financial Officer. For limited span, he also acted as Director of Stores - Abercrombie & Fitch, an American lifestyle retailer that focuses on casual wear.</p> |
| Terms and Conditions of appointment | As per ordinary business no. 2 of the Notice of the Meeting, Mr. Ravi Raheja's office as a Director shall be subject to retirement by rotation and being eligible, he has offered himself for re-appointment. | As per the special business no. 3 of the Notice of the Meeting read with explanatory statement thereto. |
| Remuneration 2019-20 (including sitting fees) | Rs. 10 lacs (Rs. 3 lacs as Commission and Rs. 7 lacs as Sitting Fees) | Not applicable |
| Remuneration proposed to be paid | He shall be entitled to sitting fee for attending Board meetings and / or Committee Meeting and commission, if paid, for succeeding financial years. | He shall be entitled to sitting fee for attending Board meetings and / or Committee Meeting and commission, if paid, during his tenure. |
| Shareholding in the Company | 12,30,000 equity shares of Rs. 5 each. | None |
| Relationship with other Directors / Key Managerial Personnel | Mr. Ravi Raheja, is elder brother of Mr. Neel Raheja, Non-Executive Director & Promoter. He is not related to any Key Managerial Personnel of the Company. | Not related to any Director and / or Key Managerial Personnel of the Company |
| Number of Board meetings of the Company attended during FY 2019-20 | 4 of 4 | Not applicable |
| Directorships held in other Companies (excluding this Company, foreign companies and Section 8 companies) | <ol style="list-style-type: none"> 1. Trion Properties Private Limited 2. Chalet Hotels Limited 3. K.Raheja Private Limited 4. Inorbit Malls (India) Private Limited 5. K. Raheja IT Park (Hyderabad) Limited 6. Intime Properties Limited 7. Gigaplex Estate Private Limited 8. K. Raheja Corp Private Limited 9. Ivory Properties and Hotels Private Limited 10. Support Properties Private Limited 11. Sundew Properties Limited 12. Whispering Heights Real Estate Private Limited 13. Genext Hardware & Parks Private Limited | None |

| Particulars | Mr. Ravi Raheja (Re-appointment) | Mr. William Kim (Appointment) |
|---|---|-------------------------------|
| Membership/ Chairmanship of Committees of other Companies. | <ol style="list-style-type: none"> 1. K. Raheja IT Park (Hyderabad) Limited: Member of the Audit Committee and Nomination and Remuneration Committee 2. Sundew Properties Limited: Member of the Audit Committee and Nomination and Remuneration Committee 3. Intime Properties Limited: Member of the Audit Committee and Nomination and Remuneration Committee 4. Chalet Hotels Limited: Member of Stakeholders Relationship Committee and Audit & Risk Management Committee. 5. Member of Corporate Social Responsibility Committee: <ul style="list-style-type: none"> - Ivory Properties and Hotels Private Limited - Genext Hardware & Parks Private Limited - Inorbit Malls (India) Private Limited - K. Raheja Corp Private Limited - Trion Properties Private Limited 6. K Raheja Corp Investment Managers LLP (acting as Investment Managers for Mindspace REIT): Member of Stakeholders Relationship Committee and Nomination and Remuneration Committee | None |

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

- I. Remote E - Voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and Regulation 44 of the Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing "remote e-Voting" facility to its Members in respect of the business to be transacted at 23rd AGM from a place other than the venue of the Meeting (Remote e-voting).
- A.** In case a Member receives an email from KFintech [for Members whose email IDs are registered with the Company/Depository Participant(s)], please follow the below instructions:
- i. Launch web browser by typing the URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, Click on "LOGIN".
 - iv. You will now reach 'Password change Menu' wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e. Shoppers Stop Limited.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/ demat accounts shall choose the voting process separately for each folios/ demat accounts.
 - ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).
- B.** In case of Members who have not registered their e-mail address (including Members holding shares in physical form), please follow the steps for registration of e-mail address and obtaining User ID and Password for e-voting as mentioned "Note no. 14" of this Notice and para (v) under the "Other Instructions" section below.
- II. Voting at Annual General Meeting:** Voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same. Members, attending the AGM through VC / OAVM and who have not cast their vote on resolutions through remote e-Voting shall be eligible to cast their vote through e-voting system available during the AGM. Members who have voted through Remote e-Voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.

III. Other Instructions

- i. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> or contact Mr. S.V. Raju / Mr. Balaji Reddy, (Unit: Shoppers Stop Ltd.) of KFintech at Selenium Tower B, Plot nos. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, or at evoting@kfintech.com or call KFintech's toll free No. 1800-3454-001 for any further clarifications.
- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The remote e-voting period commences on Sunday, August 9, 2020 from 9.00 a.m. IST and ends on Wednesday, August 12, 2020 at 5.00 p.m. IST, and Members holding shares either in physical form or in dematerialized form, as on cut-off date, may cast their votes electronically. The remote e-voting module shall be disabled by KFintech thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- iv. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, August 6, 2020.
- v. In case a person has become a Member of the Company after the Company send the Notice of AGM by E-mail, but on or before the cut-off date for e-voting i.e. Thursday, August 6, 2020 or has registered his/her/its e-mail address after dispatch of AGM notice, he/she may obtain the User ID and Password in the manner as mentioned below:

- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS, MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399:

Example for NSDL: MYEPWD <SPACE> IN12345612345678

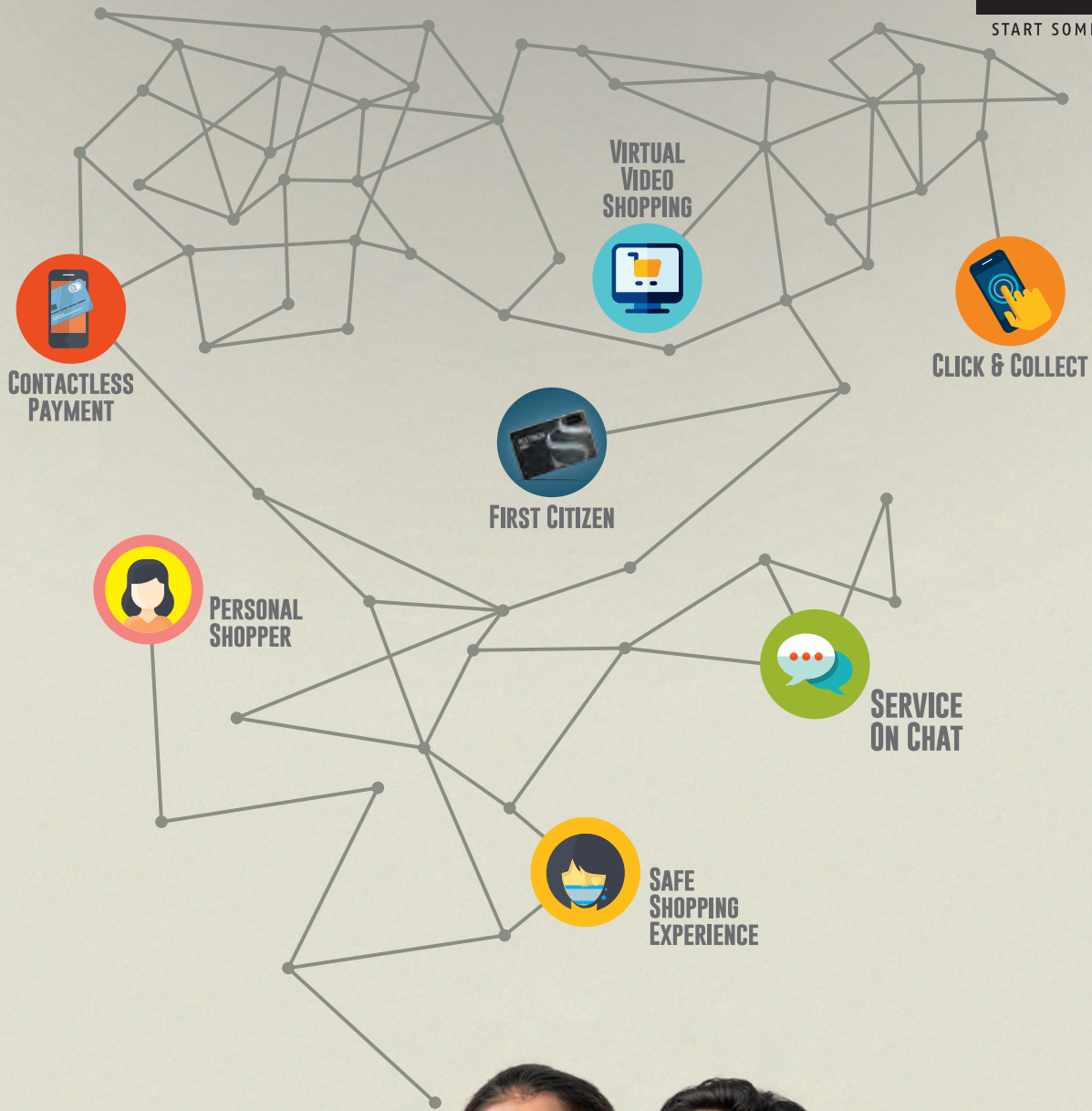
Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call KFintech's toll free number 1800-3454-001.
- d. Member may send an e-mail request to evoting@kfintech.com. However, KFintech shall endeavor to send User ID and Password to those new Members whose e-mail IDs are available.
- vi. The Scrutiniser will submit his report to the Chairman or to the person authorized by him, after the completion of the scrutiny. The results of the voting will be announced on or before Saturday, August 15, 2020 and will also be displayed on the Company's website at www.shoppersstop.com and website of KFintech at <https://evoting.karvy.com> besides being communicated to the Stock Exchanges.

INSTRUCTIONS FOR ATTENDING AGM THROUGH VC / OAVM

1. Member may access the platform to attend the AGM through VC / OAVM at <https://emeetings.kfintech.com/> by using their remote e-voting credentials. The link for AGM will be available in 'shareholders/members' login where the EVENT and the Name of the Company can be selected. Please note that the Members who have not registered their e-email address or do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this notice.
2. The Members can join AGM 15 minutes before and after the scheduled time of the commencement of the Meeting.
3. Members are advised to join the Meeting through Laptops with Google Chrome for better experience.
4. Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members seeking or requiring any clarification or information in respect of the accounts or any other matter to be placed at the AGM, may send their request(s) to the Company, on or before August 5, 2020 at investor@shoppersstop.com.
7. **Submission of Questions / queries:** Members who may wish to express their views or ask questions at the Meeting may visit <https://emeetings.kfintech.com/> and click on the tab "Post Your Queries" to post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall remain active between Sunday, August 9, 2020, 9.00 a.m. IST to Tuesday, August 11, 2020, 4.00 p.m. IST.
8. **Speaker Registration:** In addition to above, Members may register themselves as speakers for the Meeting to post their queries. Accordingly, the Members may visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during the remote e-voting period. Only those members who register themselves as Speaker will be allowed to express views / ask questions during the AGM. The Company reserves the right to restrict the speakers and time for each speaker depending upon the availability of time for the Meeting. Members are encouraged to send their questions etc. in advance as provided in note no. 6 above.
9. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. Members may click on the voting icon (🗳️) on the left side of the screen to cast their votes.
10. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-3454-001 or write at inward.ris@kfintech.com.



NAVIGATING THE NEW NORMAL

DIGITAL | AGILE | RESILIENT

About Shoppers Stop

Established in 1991, Shoppers Stop is India's pioneering retailer and considered the highest benchmark in modern retail. Spread across 293 multi-format stores in 44 cities, we are home to the country's most coveted loyalty programme 'First Citizen'. Our one-of-a-kind shopping assistance initiative, 'Personal Shoppers' is revolutionising the way our customers shop, bringing more value, comfort and convenience to customer experiences. Our diversified Omni-channel offering spans over 500+ recognised and trusted brands across an incomparable range of products that together serve our overarching objective of delivering customer delight.

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To succeed when digitisation is changing customer behaviour and the competitive landscape is being redrawn requires agility and resilience. Shoppers Stop has accelerated its transformation to pivot from a largely brick-and-mortar brand, into a digital Omni-channel company, adapting to a new normal with enhanced digital dexterity. The COVID-19 impact further strengthens our unwavering commitment to build the most loved Omni-shopping destination for the young Indian family and in turn, enable communities to live and feel better.

Rajiv Suri

Customer Care Associate,
Managing Director & Chief Executive Officer

The retail world experienced a tectonic shift in the past decade, with rapidly changing customer tastes and preferences, and the emergence of digital-only businesses.

The new decade has come with a global event that could fundamentally alter the way people interact, work, and make buying decisions.



Shoppers Stop, Golf Course Road, Gurugram
Best Department Store Design at the VMRD Retail Design Awards



STOP
BY GO COLORS

LAVIE
BAGS & SHOES



As a pioneer in Indian retail, Shoppers Stop is leading the conversation around change and investing in areas that will be instrumental in adapting quickly to the new normal.

We are growing our digital footprint and inventing new store formats, creating a proximity with customers that is unique to Shoppers Stop. We are empowering our associates to better serve customer needs by drawing insights from our long-standing relationships with our First Citizens. We are harnessing the power of digital to deliver hyper-personalised shopping experiences. We are enriching our collection of brands and expanding our product offerings to provide greater choice to our customers. We are further strengthening our Omni-channel capabilities by building a nimble and responsive supply chain and enabling faster fulfilment of customer orders.

At Shoppers Stop, we are inspired every day by the creativity, vision and desire to power change that we see in each other. We are incorporating new in-store practices that ensure safety and comfort for shoppers and employees alike.

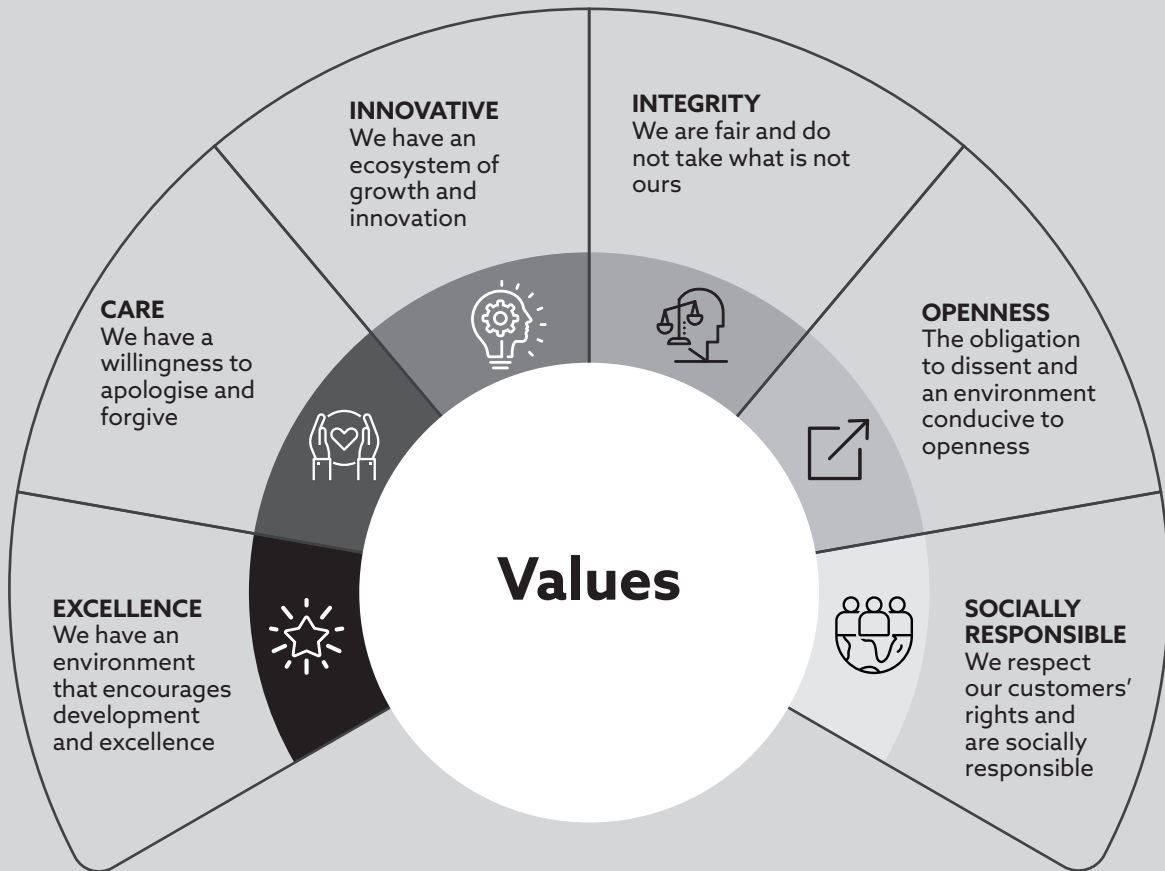
These initiatives collectively will take us closer to achieving our objective of becoming the most loved retail destination for young Indian families.



OUR UNIVERSE IN BRIEF

Vision

To be an inspirational and trusted brand, transforming customers' lives through fashion and delightful shopping experience every time

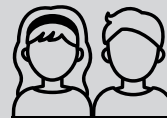


Customer focus



Young families with a focus on women and kids

Our core focus is the young middle- to high-income families. We aspire to become the go-to shopping destination for women and children; providing opportunities for shopping, learning and entertainment; and strengthening our association with leading Indian and global brands.



Millennials and Gen-Next

We have a rapidly growing young customer base, aged between 18 and 25 years, who will fuel our online growth.

Product portfolio



Department store

We are India's foremost fashion and beauty retailer with a distinctive customer-centric identity. We are the only Indian member of the coveted 'Intercontinental Group of Department Stores', along with some of the world's biggest department stores.



HomeStop

Our complete home need solution chain of stores is crafted to add exclusivity to your space through contemporary designs, top-notch quality, unparalleled convenience and value.



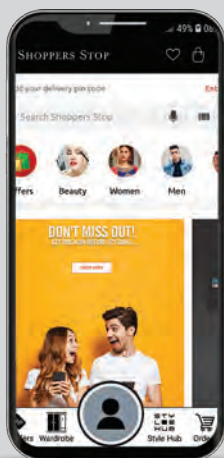
Beauty

We are India's #1 offline beauty destination with a strong Omni-channel presence. We operate exclusive stores for renowned beauty brands from the Estee Lauder Group, viz. M.A.C., Clinique, Bobbi Brown, Estée Lauder, Smashbox, Jo Malone; and have launched a luxury beauty store called Arcelia.



Crossword

Crossword bookstore is India's largest bookstore chain present across 13 cities. Crossword stocks an immersive collection of books, toys and stationery, among other edutainment products.



Shoppersstop.com

Our website and mobile app support online and offline integration and have been aimed to create a convenient at-home experience.

At a glance

89

DEPARTMENT
STORES
(+11 NEW STORES)

11

HOMESTOP
STORES

132

BEAUTY DOORS
(+21 NEW STORES)

41

CROSSWORD
STORES

500+

TRUSTED BRANDS

44

CITIES (INCLUDING
TIER I, II AND III)

4.5M

RETAIL FLOOR SPACE
IN SQ FT

9.7M

MOBILE APP
DOWNLOADS

111M

TOTAL CUSTOMER
VISITS

68

STORES WITH MOBILE-
ENABLED BILLING
AND 8 EDI* STORES IN
PARTNERSHIP WITH
AMAZON CENTRES

25,000+

PIN CODES COVERED

Strategic pillars

First Citizen

We are home to one of the country's longest running and most coveted loyalty programme, First Citizen. 2019 marked the 25th year of the programme.

~7M

FIRST CITIZEN
MEMBERS (+0.9M
NEW ENROLMENT)

82%

CONTRIBUTION
TO SALES (+6% y-o-y)

68%

REPEAT PURCHASES
(+3% Y-O-Y)



*EDI: Electronic Data Interchange

Personal Shoppers

Our one-of-a-kind shopping assistance service, Personal Shoppers are revolutionising the way Indians shop, helping discerning customers to get what they need in a much more personalised way.

300+
SHOPPING
ASSISTANTS

15.6%
CONTRIBUTION TO
SALES

2.5X
AVERAGE TICKET
SIZE

92%
AVERAGE CUSTOMER
SATISFACTION SCORE



Private brands

We curate iconic brands across multiple categories, including men's, women's and children's wear; accessories; and beauty. Our private and exclusive brand portfolio includes homegrown brands, exclusive international brands and celebrity brands.

15+
PRIVATE AND
EXCLUSIVE BRANDS
ACROSS CATEGORIES

12%
CONTRIBUTION TO
SALES



Beauty

Beauty is among our strongest categories, with a large in-store presence in India. We occupy the most prime retail real estate in key shopping malls, both through our department stores and standalone bridge-to-luxury formats.

150+
CONTINUED DOMINANCE
IN BEAUTY SEGMENT
ACROSS ALL CHANNELS

16%
CONTRIBUTION TO
SALES



ENABLING PATHWAYS TO PROGRESS



"As the Company transforms its approach to customer experience and product marketing, enabled by its cost excellence and talented people, I believe Shoppers Stop is well positioned to deliver long-term value to its customers, employees and the society, and reward its shareholders."

- B. S. NAGESH



Dear Shareholders,

Progress and change are inextricably intertwined. There exists a dichotomy, though. As individuals or as businesses, we all aspire to progress, but often resist to the changes that come with it. Today, the world is at the cusp of a new normal. The changing times will victimise many a tradition.

This year has re-defined the very essence of business for the Company. It began on a growth accelerating mode with your company opening 11 stores across the year. But with the COVID-19 pandemic and lockdown, the focus has now shifted towards Omni-channel and strengthening of the digital marketing processes.

It gives me immense pleasure to share with you that Shoppers Stop is not only well prepared to embrace the new but is also taking the lead in the transformation of the Indian retail landscape. In the meantime, I hope you are taking good care of your health and wellbeing and that of your family during these pandemic times.

While shoppers are anxious to get out of their homes, it would take time for some sense of normalcy to prevail. But whenever that happens, consumer behaviour would have changed forever. These trends are likely to redefine even the most deeply entrenched selling and buying habits. Retailers will need to continuously innovate to fully tap the opportunities, by deploying the best available technologies and data analytics, social commerce and next-generation customer relationship management tools.

Succeeding in a fluid environment, with digitisation and customer behaviour as key catalysts, requires speed, innovation and always-on transformation. Two years back,

Shoppers Stop had embarked on a journey to strengthen its Omni-channel capabilities and improve its cost efficiency. We are now reaping the benefits of those initiatives across the organisation.

As the Company transforms its approach to customer experience and product marketing, enabled by its cost excellence and talented people, I believe Shoppers Stop is well positioned to deliver long-term value to its customers, employees and the society, and reward its shareholders. I am confident that Shoppers Stop will emerge out of this global crisis stronger, guided by its ethos of stakeholder centricity and ably led by its senior management.

Employee health and safety is accorded the highest priority at Shoppers Stop. This has been reflected in our proactive response to the coronavirus outbreak, consequent imposition of lockdowns, and graded unlocking currently underway.

The Company was quick on its feet to prepare our offices, warehouses and stores in accordance with the government protocols and advisories. The Company embraced remote ways of working and continuously engaged with internal and external stakeholders. We leveraged social media platforms to generate new and interactive content for both employees and customers.

Now, with our stores gradually opening across the country in accordance with containment zoning guidelines, we are taking every precaution to ensure a seamless yet safe shopping experience for our walk-in customers. At the same time, we are ramping up our digital

marketplace to better mirror our customers' fast-changing needs.

The long-term demand drivers for fashion retail in India like the burgeoning millennial population, growing middle income households and increasing participation of women in the workforce remain intact. The leadership has identified the existing and emerging growth avenues and will work towards building on the Company's strategic strengths.

I would like to thank each and every Customer Care Associate and our partners for their continuous support and walking the path along with us during these trying times. On behalf of the Board of Directors of Shoppers Stop, I thank you all for your continued trust, confidence, and support.

As you may know, Mr. Rajiv Suri has tendered his resignation from the position of Managing Director & Chief Executive Officer of Shoppers Stop and will be relocating to Dubai. I extend my gratitude to Mr. Suri for his contribution to the Company and wish him well for his future endeavours. The Board is in the process of identifying a suitable candidate to lead the Company and in the interim period, the Company has appointed an experienced CXO Committee to ensure stability of operations and strategic initiatives. I assure all the stakeholders that I will remain close at hand for support and guidance.

Thank you once again.

Warm Regards,

B. S. NAGESH

Customer Care Associate & Chairman

July 15, 2020

From the Managing Director's Desk

ACCELERATING AHEAD IN A CHANGING WORLD

"Shoppers Stop has been refining its positioning as the most loved shopping destination for the young Indian family and evolving its product suite to be stronger for women and kids while maintaining leadership in the men's category."

- RAJIV SURI

Dear Shareholders,
Wishing you a safe and healthy time during this pandemic. As we know, the COVID-19 outbreak since the last quarter has posed a tangible threat to the health and safety of our employees, customers, partners and other stakeholders, impacting our business significantly. In the process, it has also taught us some important lessons on business continuity amid uncertainty.

In terms of performance, FY 2020 was a rather mixed one. It started on a high note, as we further expanded our footprint across the country to 44 cities. I am happy to share with you that today we are 293 store-strong and have successfully ventured into uncharted markets like Calicut, Varanasi, Bhubaneshwar, Guwahati and Cochin.

Our non-GAAP revenue this year was nearly flat at ₹4,385 crores from ₹4,428 crores in FY 2019, primarily due to the impact of COVID-19; and EBITDA declined by 30%, to ₹183 crores from ₹265 crores in FY 2019, as the margin decline completely flowed to EBITDA owing to the decline in sales.

Strategic review

Shoppers Stop has been refining its positioning as the most loved shopping destination for the young Indian family and evolving its product suite to be stronger for women and kids while maintaining leadership in the men's category.

Our First Citizens loyalty programme continues to be a pillar of strength with consistent year-on-year growth and now has close to 7 million First Citizens. The programme continues to lead our revenue momentum, with a share of 82%, a higher ticket size and 68% of repeat purchases.

The programme is also now integrated with our online channels and continues to add more members to an already substantial base of loyal customers in an Omni-channel

way. The programme enables us to interact with members at a deeper level to discern their preferences and consumption patterns. Such insights will be instrumental in providing a personalised, curated, seamless and delightful shopping experience across all our stores as well as digital touchpoints. Our new initiatives for the First Citizens, including the Black Card benefits and facilities, have been well appreciated.

Our second biggest differentiator has been our Personal Shopper programme that has garnered a lot of love from our customers. Well-trained, courteous, knowledgeable and well-informed Personal Shoppers take care of our customers as soon as they enter our stores. Further, as we move more towards a digital world, our Personal Shoppers are connecting with our customers via video consultations. With a CSAT score of 93% Personal Shoppers contributed 15.6% to our total sales and generated close to 2.5 times the average ticket value.

Coming to the third strategic pillar, our focus continues to accelerate our universe of Private brands. The new price positioning, focus on essentials with high-quality value for money merchandise, will drive the business to new heights. We are already beginning to see green shoots of these initiatives.

Our fourth strategic pillar is our Beauty business. We are the largest and most dominant offline beauty retailer in India, contributing to 16%

From the Managing Director's Desk (Contd.)

of our sales. With an exclusive stores tie-up with the Estee Lauder group, we offer premium products across 132 locations, including shop-in-shop and stand-alone stores. I am happy to share that our customers appreciate the well-trained beauty experts at our stores. We have also, launched Arcelia, India's first luxury multi-brand beauty store concept, which we will be expanding. Going ahead, we will be launching private brands in Beauty that will further build the connect with our customers and enhance our market share.

COVID-19 response

The current line of sight indicates a slow and staggered easing of the lockdown and a gradual economic recovery till the end of 2020 and early 2021. The resulting financial and psychological distress is expected to shape customer behaviour in a definitive manner. Online, e-commerce and other focused product categories will be the initial response till the main categories see an uptick. Online and omni will be the pivot for the future of our business and such we have already begun a renewed focus on this to serve our customers.

We have ensured the safety of our people and customers, in collaboration with advisory authorities like Retailers Association of India (RAI), to institute key precautionary measures, such as registration of all employees and customers with the Aarogya Setu app, compulsory health check-ups for all staff, enhanced sanitisation at stores and warehouses, social distancing measures at stores, contactless payments and deliveries, among others.

Another key development from this period – our logo underwent a makeover during the lockdown,

"Throughout this journey of transformation, we are committed to our internal purpose of being the most loved Omni-channel shopping destination for the young Indian family that will help us grow our business exponentially and profitably."

OUR ENDLESS SUPPORT FOR



ALL THE DELIVERY STAFF AND HEALTHCARE PROFESSIONALS WHO ARE SERVING US ENDLESSLY THROUGH THIS CRISIS.

a bold move on our part to change the identity of the Company at a time when its brand salience was most vulnerable. The new mnemonic is an infinity sign, signifying the endless gratitude for the essential services workers who were at the frontlines.

Outlook

To insulate the business against the immediate impact as well as to build resilience in the face of the 'new normal', Shoppers Stop will execute on seven key priorities in the short and medium term.

- Ensure business continuity by securing the safety and wellbeing of employees, proactively reaching out to the First Citizens and building confidence among customers that our stores will be safe places to visit
- Manage liquidity and conserving cash by optimising inventory, re-evaluating buy plans, re-negotiating terms of trade with large partners and scaling back most capital expenditures; and by transforming the fixed cost structure through re-negotiations of rent, outsourcing of functions and undertaking scenario-based exercises to reduce operating expenses
- Acquire and retain the First Citizens, through improved products and services and a stronger demand generation methodology
- Lay the foundation for a digital enterprise, by leveraging scalable and stable platforms and data-driven decision-making to craft tailored experiences that allow us to tap into the very pulse of the customer

- Reimagining the role of our stores and our front-end associates to enhance Omni-channel journeys
- Building a living organisation that is resilient, adaptive and agile
- Transition from a largely offline retailer to a truly Omni-channel organisation

Throughout this journey of transformation, we are committed to our internal purpose of being the most loved Omni-channel shopping destination for the young Indian family that will help us grow our business exponentially and profitably. Our agile work culture, digital capabilities, efficient processes and debt-free balance sheet, with Omni-channel as an anchor, will support the Company in tracing a higher growth trajectory.

The relentless spirit for excellence and innovation has defined Shoppers Stop for close to three decades and it continues to inspire us, as we set out to carry forward the romance of retail into the next phase of the Company's transformation.

Unfortunately, I will not be with you during this exciting journey. Owing to developments in my personal life, I will be shifting back to Dubai shortly, along with my family. That said, I will remain close at hand, to ensure that the transition in leadership is seamless and business continues to stay on course. I have committed time to support the Board in the transition and will be available as and when required to complete this successfully. The Company remains strong and I will be applauding the successes from the side lines.

I would like to thank the entire Shoppers Stop team, all the shareholders, our esteemed

customers and our partners for their passion and confidence and wish you all the best on journey ahead to make our Company the most loved Omni-channel shopping destination in India.

Stay safe and stay well.

Warm regards,

RAJIV SURI
Customer Care Associate,
Managing Director &
Chief Executive Officer

July 15, 2020



OPPORTUNITIES IN THE NEW NORMAL

From nice-to-have options, 'Omni-channel capabilities' have become an absolute business imperative.

The sharp shift in customer preferences will compel retailers around the world to significantly accelerate their transformation, all the while remaining digital, agile and resilient.

TREND

1

Business models are evolving

As customers are increasingly shifting between channels through their sales journey, physical retailing will need to be complemented by a multitude of capabilities like online fulfilment, home deliveries, data-driven decision-making with process automation, to provide a unified ecosystem of offline and online shopping options. This will spark a new wave of innovation and competition in the industry.

TREND

2

Power of choice

'Availability' will emerge as a key theme in the post-pandemic world. Companies seek to leverage an expansive collection of brands that cut across categories and broad base their sources of revenue. Retail leaders will invest in three key areas: making their customer loyalty programmes more sophisticated, deriving rich insights from customer data and making the shopping experience safer, more efficient and delightful.

TREND

3

Cash conservation and liquidity management

Emphasis on cost efficiency, liquidity conservation and strong balance sheet will assume greatest precedence in retail operations. It involves negotiation of rents, workforce optimisation and reprioritised investments in supply chains, inventory management, systems, processes and other areas of the businesses. Discretionary spends will be minimised or deferred.

Way forward for Shoppers Stop

NOW**PROTECT THE CORE****Business continuity**

- Employee safety
- Trust in brand Shoppers Stop
- First Citizen engagement
- Secure supply chain
- Store reopening protocols
- New revenue streams
- New partnerships

Liquidity management

- Revamp the cost structure
- Optimise working capital - improve cash conversion cycle
- Rationalise capital expenditure

NEXT**TRANSFORM THE CORE****Acquire and retain First Citizens**

- Develop improved offering and services to ensure we integrate First Citizen into the Shoppers Stop ecosystem - with an online focus

Build the digital core

- Set the data and analytics foundation
- Digitise all processes and adapt to new normal

Reimagine role of store

- Define new role of the store
- Define role of the store staff and Personal Shoppers

Workforce of the future

- Work from home culture and digital adoption
- Focus on agility, learning and adapting

NEW NORMAL**SCALE THE NEW**

- Transition from a largely offline retailer to a truly Omni-channel organisation
- Laying the foundation for a digital enterprise - on the back of strong data management and detailed use of analytics
- Strategic technology investments to augment the right-to-win
- Induction of new Board member with digital and technology background

TREND

4**Putting purpose front and centre**

As companies everywhere retool their business models to stay relevant in the digital future, businesses will be judged by their actions and their purpose. Customers will gravitate towards brands that express a sense of empathy, responsibility and meaning; brands that stand for something bigger than the products they sell.



KEY PERFORMANCE INDICATORS*

Revenue from operations (₹ in crores)

| | |
|---------|-------|
| 2019-20 | 4,385 |
| 2018-19 | 4,428 |
| 2017-18 | 4,179 |
| 2016-17 | 4,061 |
| 2015-16 | 3,766 |

EBITDA (₹ in crores)

| | |
|-----------|-------|
| 2019-20** | 182.9 |
| 2018-19 | 264.5 |
| 2017-18 | 220.3 |
| 2016-17 | 201.8 |
| 2015-16 | 216.5 |

** including one time impact of ₹13.74 Crs and COVID-19 impact of ₹77.00 Crs

PBT (₹ in crores)

| | |
|----------|-------|
| 2019-20* | -9.1 |
| 2018-19 | 123.7 |
| 2017-18 | 29.2 |
| 2016-17 | 0.3 |
| 2015-16 | 81.0 |

*including one time impact of ₹ 64.34 Crs and COVID-19 impact of ₹ 77.00 Crs.

PAT (₹ in crores)

| | |
|----------|-------|
| 2019-20* | -1.3 |
| 2018-19 | 79.0 |
| 2017-18 | 12.0 |
| 2016-17 | -20.0 |
| 2015-16 | 25.0 |

*including one time impact of ₹ 64.34 Crs and COVID-19 impact of ₹ 77.00 Crs.

Share capital (₹ in crores)

| | |
|---------|----|
| 2019-20 | 44 |
| 2018-19 | 44 |
| 2017-18 | 44 |
| 2016-17 | 42 |
| 2015-16 | 42 |

Loan funds (₹ in crores)

| | |
|----------|-----|
| 2019-20^ | -30 |
| 2018-19^ | -2 |
| 2017-18^ | 67 |
| 2016-17 | 576 |
| 2015-16 | 590 |

^ Net of Mutual Fund Investment

*Non-GAAP numbers are reported in this section.

ROCE (%)

| | |
|-------------|------|
| 2019-20 (N) | 17.4 |
| 2019-20 | -0.4 |
| 2018-19 | 12.6 |
| 2017-18 | 9.1 |
| 2016-17 | 6.4 |
| 2015-16 | 8.9 |

(N - Without one time impact of ₹ 64.34 Crs and COVID-19 impact of ₹ 77 Crs.)

RONW (%)

| | |
|-------------|------|
| 2019-20 (N) | 13.8 |
| 2019-20 | -1.0 |
| 2018-19 | 12.6 |
| 2017-18 | 9.4 |
| 2016-17 | 6.3 |
| 2015-16 | 10.3 |

(N - Without one time impact of ₹ 64.34 Crs and COVID-19 impact of ₹ 77 Crs.)

Debt[^]/Equity (x)

| | |
|---------|-------|
| 2019-20 | -0.04 |
| 2018-19 | 0.00 |
| 2017-18 | 0.07 |
| 2016-17 | 0.76 |
| 2015-16 | 0.76 |

[^]Net of Mutual Fund Investment

Asset turnover (x)

| | |
|---------|------|
| 2019-20 | 4.58 |
| 2018-19 | 4.30 |
| 2017-18 | 3.50 |
| 2016-17 | 3.00 |
| 2015-16 | 2.80 |

Operating margin (%)

| | |
|---------|-----|
| 2019-20 | 4.2 |
| 2018-19 | 6.1 |
| 2017-18 | 5.4 |
| 2016-17 | 5.5 |
| 2015-16 | 6.3 |

EPS (₹)

| | |
|----------------------|------|
| 2019-20 [#] | 15.3 |
| 2018-19 | 9.0 |
| 2017-18 | 1.4 |
| 2016-17 | -2.4 |
| 2015-16 | 3.0 |

([#] - Without one time impact of ₹ 64.34 Crs and COVID-19 impact of ₹ 77 Crs.)

Fixed assets (₹ in crores)

| | |
|---------|-----|
| 2019-20 | 597 |
| 2018-19 | 630 |
| 2017-18 | 666 |
| 2016-17 | 652 |
| 2015-16 | 659 |

Net worth (₹ in crores)

| | |
|---------|-----|
| 2019-20 | 774 |
| 2018-19 | 978 |
| 2017-18 | 953 |
| 2016-17 | 761 |
| 2015-16 | 785 |

FUTURE FIT. DIGITALLY DRIVEN.

A robust technology backbone supports our digital experiences, as we look to tap into new and emerging opportunities. From our processes at the back end to our abilities at the front, digital is enabling us to go the extra mile in delivering unique value to customers.

Digital at the core

We are activating new digital solutions across business functions to enable data-driven decision-making, customer insights-led actions and improved efficiency through advanced process automation. We are mapping customer journeys at every point, to better inform our communication strategies. Such end-to-end digital capabilities and skills will allow us to adapt to continuously changing behaviours and communicate an improved offering.

Key initiatives

- Upgrading to SAP S4 HANA ERP and the various modules therein, as a reliable engine for enterprise resource planning
- Building solutions on the new digital core to support decisions in buying, demand forecasting, merchandise financial planning, allocation, replacement and assortment planning and others
- Implementing an ancillary digital tool, Gravty, to empower teams managing the loyalty programme with advanced analytics and customer insights
- Drawing on customer data to digitise campaign creation and an augmented shopping experience
- Institutionalising data-driven exercises in financial planning, real estate management, business planning and forecasting
- Optimising store operations and our fulfilment capabilities, while empowering associates with on-the-go solutions to serve customers better
- Complying with the highest standards of security and governance

Reimagining shopping as we know it

Endless Aisle was introduced to fulfil the objective of helping customers find what they are looking for, by widening their choice and ensuring they do not walk away from the store empty-handed. We empower them with the access to the stock at any other store, while mitigating the need to stock every variant in every store.

Click-and-collect is about providing customers with the convenience of buying online and collecting their orders from the store, ensuring faster fulfilment.

Ship from store leverages the full might of our store and warehouse inventory to promptly fulfil customer orders.

SNAP. FIND. BUY. is a visual search feature on our app which allows customers to learn more about a product by clicking a picture of it. Similarly, the bar code and QR code searches on the app provide further information on products and styles, helping customers 'shop the look'. Our app can now recommend the right apparel/accessory size and fit to shoppers, based on the inputs we receive from them.

Google directs customers, when they initiate a search on the platform, to digital ads promoting specific offers from Shoppers Stop. Here the customer is provided first-hand information on offers, product range and availability, brands and so on, which influences the customers' visit to the nearest store.

Seamless blend of bricks and clicks

A strong digital presence together with our local stores creates a proximity to customers around the country that is unique to Shoppers Stop. We are making incremental adjustments to our website and app, making them central for searching, discovering and shopping fashion, as well as for sharing inspiration. We are incorporating new digital features - everything from image recognition and personalised product feeds to fashion shopping via social media. We are further integrating our physical stores and digital channels with facilities like 'click and collect' and 'ship from store' to give customers an easy, inspiring and convenient shopping experience no matter where, when and how they shop.



FORWARD AND FASHIONABLE.

We embrace change and are empowered by it. From sourcing the best and most loved brands and carving out a niche through our store concepts, to growing closer to our customers and changing the way they shop – we are redefining retail.

Developing our brands

Each of the brands in our portfolio has a distinct personality, image and offering. But they are united by our customer centricity. Aiming for a relevant and well-curated offering at all times, we work with brands seamlessly to make our collections even better.

- **Stop** is the store brand from Shoppers Stop that caters to everyday clothing and lifestyle needs of consumers. It is positioned to provide the best selling styles at affordable prices. A preferred option for a family that wants a trusted brand; Stop delivers value for money without any compromises.
- **Life** is a best-selling store brand of denim and casual wear from Shoppers Stop. Life is all about the everyday and offers a high-quality selection of denims, western fashion-forward styles,

accessories and footwear, all at great value.

- **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.
- **Karrot** is an infant wear brand that is thoroughly designed to provide apparel that is safe and comfortable for the baby.
- **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 Shopper's Stop aimed at urban professionals.

11

NEW STORES LAUNCHED
IN THE YEAR

Accelerating our growth

New consumer behaviour is changing the role of the stores. Our physical stores offer a more inspiring and convenient customer experience and are customised to local needs. During FY20, the Company opened 11 new stores across Tier I and II cities and towns. This expansion also integrated the development of online sales and platform.

To meet customers' increased expectations, we are inventing new store concepts. We partnered with international retail design firms to conceptualise two distinct identities for our next generation of stores. We envision these to become contemporary shopping destinations, where customers can shop, unwind, and explore fashion. While one set of stores caters to the high-end customer base, the other delivers a younger, more modern aesthetic appeal. The nature of the store depends on the local contexts as well as the perceived affluence index of the neighbourhood, maximising the value proposition of Shoppers Stop in every region.

Shoppers Stop, Gaur City, Noida

Among our key openings this year, the new Shoppers Stop store in Gaur City mall, Noida, is spread across 43,000 square feet of retail space. Schwitzke & Partner, the well-known German retail design firm, created the interior architecture, using a clean minimal environment to amplify the brand presence.

In addition, Shoppers Stop has launched and expanded its stores across Lucknow, Varanasi and Calicut, capturing the local flavour and essence to instil a sense of belonging for customers.



Shoppers Stop, Tapasya One, Gurugram

A multi-brand flagship store, Tapasya One at Golf Course Road, Gurugram as a four-storey, high-street 65,978 sq ft fashion hub at the heart of the thriving locale. Dalziel & Pow, a leading London-based creative agency, was commissioned to create this experiential bridge-to-luxury store. It aims to offer a super-premium retail experience to customers with a place to relax, shop and spend quality time with their family and friends.

The store hosts the widest range of international and exclusive brands. In addition we have international chains like Starbucks Hamleys, Timezone, Mothercare, Crossword, Michael Kors and Coach, and premium beauty brands, the store will serve as a place to learn and do new things. These include fashion style talks, beauty master classes and make-up stations anchored at the beauty hall instore. In addition, customers can discover experiential zones designed for indulgences across categories like luxury handbags, a lingerie studio, a denim zone, a footwear ramp and a suits and jacket section, among others.

Resilient

STREAMLINED TO DELIVER.

To deliver sustainable growth, we are increasing our operational efficiency, to better respond to the new normal. We are consolidating offline and online capabilities across functions, to ensure seamless operations, improved accountability and agile decision-making.

Architecting a faster, more flexible and responsive supply chain

We are 100% GS1 complaint company: This enables complete system-led traceability of our products at all points along the value chain.

We maintain a cost-effective warehouse management system. In-bound processes are automated and centrally monitored. Our despatch schedules ensure timely deliveries before the store opens.

The inventory for our digital channels is integrated with our distribution centres, to service online orders with equal ease. The distribution centres play a significant role in supporting Shoppers Stop's ship-from-store facility.

We are investing in our supply chain capabilities to provide world-class service, ensuring consistency across all channels and reducing delivery time from days to hours.

At the same time, we are increasing our focus on the quality of materials and emphasising the recycling of packaging cartons in our warehouses.

With a network of 874 vendors across the country, Shoppers Stop is actively working to create business relationships that are built on trust and respect, ensuring sustained and efficient supply of high-quality products to our consumers.

4

DISTRIBUTION CENTRES, ONE FOR EVERY REGIONAL ZONE, CATERING TO ALL OUR STORES, INCLUDING HOMESTOP AND BEAUTY DOORS

100%

STOCK PICK ACCURACY

95%

OF THE STOCK PICKED AND TAGGED THE SAME DAY

95%

OF NEW SHIPMENT IS ALLOCATED THE SAME DAY

1M

SHIPPING CARTONS REUSED



People

ENERGISING THE FORCE THAT (EM)POWERS US

Our people are our most valuable asset, as we seek to navigate the challenges of a dynamic retail environment and convert them into growth opportunities. We provide a conducive work atmosphere that supports their personal and professional growth journeys.

Training and development initiatives

New competency framework

Our revised competency framework reorients employees, teams and managers, inculcating principles of new-age customer service, agility, digital transformation and planning, among others.

Baby Kangaroo programme

A flagship training programme for our front-end associates, Baby Kangaroo selects 20-25 employees from a pool of ~1,500 applicants, to train them to become future managers.

L.E.A.P.

Our Learn Excel Achieve and Perform Programme (L.E.A.P.) enables aspiring retail operations managers to participate in a programme moderated by internal and external speakers.

5,000+

HOURS OF TRAINING UNDER BABY KANGAROO

L.E.A.D.

The Leadership Excellence Accreditation Development Programme (L.E.A.D.) is a mandate for



retail operation managers, wherein they participate in 56 hours of training.

A.G.I.L.E.

Our Unit Heads undergo a three-phased training initiative, Accelerated Guidance In Leadership Excellence (A.G.I.L.E.). It leverages practical learning and simulation methods to impart knowledge of real-life challenges.

Management Development Centre

Senior executives participate in this programme, wherein we bring in

external speakers who share their leadership anecdotes and interact with our management team members.

SIP

Systematic Investment in People (SIP) comprises a series of leadership talks where eminent personalities share ideas with our associates and relate them to the Shoppers Stop values.

TRRAIN CIRCLE APP

Through the TRRAIN CIRCLE APP, we achieved our three primary goals of employee learning and development, motivation and engagement – even during the nationwide lockdown. We disseminated bite-sized modules for our retail employees, facilitating anytime-anywhere learning.

3,900+

HOURS OF TRAINING UNDER AGILE

Learning Management System

Our Learning Management System blends virtual and practical learning opportunities, besides hosting a rich repository of training modules and self-assessments.

Engagement initiatives

Shoppers Stop Got Talent

Through a closed group on Facebook, we rolled out ~30 digital engagement initiatives.

Onboarding initiatives

Objective evaluation

We have standard proficiency tests for large volume hiring, wherein we score prospective employees on aspects of communication, problem-solving, logical reasoning and quantitative aptitude.

Digital shift

Our induction process has completely moved to the digital medium, making it more efficient and easier to consume. Further, we have converted many of our internal policy awareness sessions into digital, thus maximising reach.

F.L.E.X. & P.O.E.M.

First Line Executive Excellence (F.L.E.X.) and Pursuit of Excellence in Management (P.O.E.M.) are the programmes focused on newly recruited department and retail operation managers. They undertake 28 hours of orientation to understand the organisational culture and get acquainted with Standard Operating Procedures (SOPs) and responsibilities.

Inclusive workplace

We partner with TRRAIN to recruit the differently abled, emphasising our focus on talent diversity.

Employee welfare in the time of a pandemic

In the wake of the nationwide lockdown to contain the spread of COVID-19, we seamlessly transitioned our staff to remote work. But 'growing apart' did not stop us from growing closer to one another.

Activities that we run throughout the year, whether yoga and meditation, or ergonomics awareness and nutrition, were also extended during the months of the shutdown. We encouraged regular team and cross-functional interactions, setting aside break hours to allow employees to unwind and take care of their personal chores.

Further, safety assumed the highest priority during these weeks, as we regularly sanitised the workplaces, the stores and the distribution centres. Our stores and distribution centres have all necessary precautions, in line with international and national guidelines, in place to protect the health and wellbeing of our employees as well as customers.

What's more, we also reached out to our alumni to lend them a patient ear and check in on their safety and wellbeing.



LEAVING THE WORLD BETTER THAN WE FOUND IT

As a responsible corporate citizen, we uphold our unwavering commitment to the community in all our actions. Our interventions are primarily oriented towards improving the health and wellbeing of women from vulnerable backgrounds.

Towards a circular economy

We are committed to the cause of reducing our ecological footprint to a minimum and in partnership with two NGOs, namely, Goonj and Sustain Plus, conducted the following drives during the year.

- Encouraged customers to donate their old clothes at a Shoppers Shop store
- Segregated donated clothes to be given to marginalised families and upcycled remaining clothes to make into shopping jholas, bags and sanitary napkins, among others – the menstrual hygiene kits are in turn distributed to marginalised women free of cost
- Recycled worn out clothes into yarn, fibre or used them to weave new fabrics

Impact

- 12.5 tonnes of cloths collected, recycled and distributed since the programme's launch in April 2019
- 6,000 families supported
- Every kg of recycled clothes generates employment for two women

3,000

MARGINALISED WOMEN PROVIDED WITH MENSTRUAL HYGIENE KITS



Helping acid attack survivors rebuild their lives

We have joined forces with Braveheart Foundation (Make Luv Not Scars) and Chhavn Foundation to help survivors back on their feet by aiding them with medical expenses and treatments, skilling them for employability and funding their children's education.

Impact

- 8 survivors supported in their medical treatment and surgery



Sustainable practices for shared growth

At our stores

- We replaced plastic bags with paper bags, reducing plastic consumption by 40 tonnes.
- Our efforts of introducing Variable Frequency Distribution at 35 stores reduced power consumption by 5,62,310 Kw/h (carbon emission equivalent to 450 tonnes).
- We installed LED illumination across 82 stores, leading to energy savings of ₹0.4 crores and carbon emission reduction equivalent to 4,500 tonnes.
- We began rainwater harvesting at our Hyderabad store with a target of saving 60,000 litres water annually and reducing carbon emission by ~52 tonnes.
- Environment-friendly recyclable frameworks and fit-outs were

introduced in 11 stores, which helped save 1,50,000 square feet of woodwork or the equivalent of 600 trees.

At our distribution centres

- In Delhi NCR, we are transporting wares to stores from distribution centres by CNG vehicles to minimise pollution.
- We recycled over 1 million cartons across locations.



DIVERSE EXPERIENCE



Mr. B. S. Nagesh

Customer Care Associate, Chairman and Non-Executive Director

B. S. Nagesh is the Founder of a Public Charitable Trust TRRAIN (Trust for Retailers and Retail Associates of India) and for profit social enterprise, TRRAIN Circle. He has been involved with Shoppers Stop and its group companies since its inception in 1991 as the first employee. As part of his personal philosophy of 'Learn, Earn & Return', he stepped out of the day-to-day roles of the business as Managing Director of the Company in 2009 and founded TRRAIN. He is the first Asian retailer to be inducted in the World Retail Hall of Fame in 2008. Recently, he was awarded with the prestigious NCPEDP – Hellen Keller Award for creating livelihood opportunities for Persons with Disabilities and was recognised as the Change Maker at the Sabera Awards. He is an Ashoka Fellow.



Mr. Ravi C. Raheja

Non-Executive Director

An alumnus of the London Business School, Ravi has over 26 years of comprehensive experience across real estate, retail and hospitality. He has spearheaded business development for the real estate arm of the Group and played a significant role in guiding the teams of corporate strategy, finance and planning for the Group's retail and hospitality divisions. At the helm of the most significant growth strategies, Ravi is actively involved in charting the future growth of K Raheja Corp and each of its businesses and has been a catalyst in the Company's evolution from a family-owned business to a well-diversified conglomerate.

An evangelist for the green cause, he spearheaded the signing of the memorandum of understanding with the CII-Green Building Council to construct green buildings back in 2007. He plays a key role in the Group's philanthropic initiatives through the K. Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital. He was recently awarded the EY Entrepreneur of the Year Award for the Energy, Real Estate and Infrastructure category, along with his brother Mr. Neel Raheja.



Mr. Neel C. Raheja

Non-Executive Director

With a strong background in finance, a degree in law from the Mumbai University and an alumnus of the Harvard Business School, Neel has extended the Company beyond the realms of real estate. He has worked his way to the top, scaling the Company to new heights. With an ear to the ground and ability to pre-empt trends and practices, he has been at the forefront of driving change and innovation within the Group. He also ushered in the malls and department stores format in India, Inorbit Malls and Shoppers Stop are the culmination of his endeavour to bring organised retail into India.

He plays an active role in the Group's philanthropic initiatives through the K. Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital. He also drives the Group's growth through Green Building initiatives in sustainable development. He was recently awarded the EY Entrepreneur of the Year Award for the Energy, Real Estate and Infrastructure category, along with his brother Mr. Ravi Raheja.



Mr. Rajiv Suri

Customer Care Associate, Managing Director & Chief Executive Officer

Rajiv brings over 25 years of leadership experience spanning multiple geographies, namely, Europe, the Middle East and India and specialising in the fashion, beauty, home and department store segments. Before shifting base to India, he was the CEO at Majid Al Futtaim Fashion (MAF) from 2014 to 2017. During his time at MAF, he served on the Board of Directors of Abercrombie & Fitch Middle East, Monsoon & Accessorize Middle East, and the Dubai Retail Business Group. He was also the CEO Retail at Jashanmal from 2007 to 2014. As part of his role, he served on the Board of Directors of Burberry Middle East and was instrumental in launching Burberry in India. Under his leadership, Shoppers Stop is on a growth acceleration mode adding almost one store every month. The brand has also won many prestigious awards over the past two years, most notable being the Company of the Year in Retail.



Prof. Nitin J. Sanghavi

Independent and Non-Executive Director

Nitin brings to the Board immense wisdom as an educator with experience in retailing of over 33 years. He is a Professor at the Manchester Business School, UK, a Distinguished Visiting Professor at the Flame University as well as at the Great Lake Institute of Management, India, and was a visiting scholar/professor at the Harvard Business School, USA. He held senior positions in buying, merchandising, operations and commercial areas for major organisations in the UK and other countries. He has directed and taught many executive programmes for major retail and related organisations as well as consumer-facing companies and financial institutions from the UK, the US, Asia and the Middle East. He acts as a strategic advisor to the Boards of many blue-chip retail organisations globally, along with the British Council, the Commonwealth Secretariat and the World Bank.



Mr. Deepak Ghaisas

Independent and Non-Executive Director

Deepak, a qualified Chartered Accountant, Cost Accountant and Company Secretary and alumina of the London Business School, leads strategy development, visioning and conceptualisation of breakthrough business models for Gencoval Group, in the field of healthcare and biotechnology. Prior to Gencoval, he had served as the Vice-Chairman of Oracle Financial Services Software Limited (formerly known as i-Flex Solutions Limited, India). It was his strategic, financial and operational acumen that drove the company to become a true Indian multinational. He is the first Indian Chief Financial Officer (CFO) to be felicitated with the prestigious CFO Asia award. Deepak is also a Partner in 'Exfinity', a PE Fund and serves on the Board of Governors of IIT Kanpur and Chairperson of IIITDM, Jabalpur.

Board of Directors (Contd.)



Mr. Nirvik Singh

Independent and Non-Executive Director

Nirvik brings to the Board his keen sense of marketing communications and over 29 years of experience in the industry. He is the Global COO & Chairman and Chief Executive Officer (CEO) of Grey Group Asia Pacific, Middle East and Africa, a leading global marketing communications network. He oversees a network of over 2,000 professionals across 22 countries in 27 cities. He has been credited with Grey's growth in the region. His highly regarded business acumen has led to numerous acquisitions by the Grey network in various countries, such as China, India and Korea, among others. He has also expanded Grey's presence to Vietnam, Nigeria and Ghana.



Ms. Ameera Shah

Independent and Non-Executive Director

Ameera is the Promoter & Managing Director of Metropolis Healthcare Ltd., a leading chain of pathology labs with a large network in India and Africa. A finance graduate from the University of Texas, she is also an alumna of the Harvard Business School, (OPM Program). For the last 19 years, she has built Metropolis into a leading and reputed chain of laboratories with a wide network of over 2,900 laboratories and patient service centers. Due to its unique operating model and competitive advantage, Metropolis has attracted three rounds of investment by reputed private equity investors. Under her leadership, Metropolis had a successful listing at Stock Exchanges in April 2019. She has played an instrumental role in changing the pathology industry landscape in the country, from being a doctor-led-practice to a professionally led industry in an extremely unregulated, competitive, and fragmented market. She has been named among the Most Powerful Women in Business by Fortune India (2017, 2018, 2019) and by Business Today (2018, 2019). She launched Empoweress in October 2017, which is a peer-to-peer mentoring and networking ecosystem for women entrepreneurs.



Mr. Manish Chokhani

Independent and Non-Executive Director

A Chartered Accountant and an MBA from the London Business School, Manish is one of India's most respected financial experts and investors. He was the CEO of Enam Securities, India's leading investment bank. He led its \$400 million merger in 2011 with Axis Bank to create Axis Capital Ltd., which he led as MD & CEO until the end of 2013. Under his leadership, Enam/Axis mobilised ~25% of all equity funds raised in India and was the house banker to several leading Indian business groups. From 2014 to 2016, he served as the Chairman of TPG Growth in India and then as senior advisor to TPG Group until 2019.



Mr. Robert Bready

Independent and Non-Executive Director

Robert is a freelance retail expert with over 28 years of experience in fashion retail, both online and offline. He built his career across different functions in buying and merchandising while moving his way from mid-size family-owned River Island to blue-chip multinational brand Arcadia Group. He joined the start-up team at Asos.com as Executive Director - Product & Trading, overseeing significant growth across all areas of the business. He joined the board of Asos Plc and led all product and trading strategy and delivery within the company across all 140 countries. He helped launch a new initiative, KOOVs Plc, targeting the growing fashion conscious, urban Indian youth market.



Mr. William Kim

Independent and Non-Executive Director (Additional Director)

William is an experienced executive with an obsession for Design Thinking and using creativity to solve today's business issues. Skilled in transforming company models utilising Luxury/ Contemporary/Hard Luxury/ Retail / Digital Sector experiences to build a future-proof, global, digital model. He is the EVP - Global Retail and Digital Commerce (Global Direct to Consumer Center) with Samsung, since February 2019. He has had successful stints with AllSaints as its CEO and Lion Capital, its parent company as Head of Digital Investments. AllSaints is a fashion retailer headquartered in London, UK. He was associated with Burberry Group PLC, where had played varied roles from Vice President to Representative Director (Korea, Taiwan, SouthEast Asia, Asia Travel Retail & DFC), SVP - Digital Commerce and SVP Retail. He was also associated with Gucci Group from 2001 to 2005 as its Chief Financial Officer. For a limited span, he also acted as the Director of Stores - Abercrombie & Fitch, an American lifestyle retailer that focuses on casual wear.

Management Team

TRUSTED LEADERSHIP



Rajiv Suri

CCA, Managing Director & Chief Executive Officer



Karunakaran Mohanasundaram

CCA and Chief Financial Officer



Uma Talreja

CCA and Chief Marketing & Customer Officer



Neeraj Nagpal

CCA, Chief Buying and Merchandising Officer



Anil Shankar

CCA and Chief Technology Officer

Note: CCA refers to Customer Care Associate



Devadas Nair
CCA and Chief Supply Chain Officer



Deepak Yadav
CCA and VP Business Development



Shilpee Sharma
CCA and Chief Creative Officer



Venkatesh Raja
CCA and Chief Human Resource Officer



Ajay Chablani
CCA and President Exclusive Brands

Corporate Information

Board of Directors

B. S. Nagesh - Chairman & Non-Executive Director
Ravi C. Raheja - Non-Executive Director
Neel C. Raheja - Non-Executive Director
Deepak Ghaisas - Independent Director
Nitin Sanghavi - Independent Director
Manish Chokhani - Independent Director
Nirvik Singh - Independent Director
Ameera Shah - Independent Director
Robert Bready - Independent Director
William Kim* - Independent Director (Additional Director)
Rajiv Suri - Managing Director & Chief Executive Officer

*Appointed effective June 15, 2020

Audit & Risk Management Committee

Deepak Ghaisas - Chairman
Ravi C. Raheja - Member
Nitin Sanghavi - Member
Manish Chokhani - Member
Ameera Shah* - Member

*Appointed effective April 30, 2019

Nomination, Remuneration & Corporate Governance Committee

Nirvik Singh - Chairman
Neel C. Raheja - Member
Nitin Sanghavi - Member
Ameera Shah* - Member

*Appointed effective April 30, 2019

Stakeholders Relationship Committee

Ravi C. Raheja - Chairman
Neel C. Raheja - Member
B.S. Nagesh - Member
Deepak Ghaisas - Member

Corporate Social Responsibility Committee

Ravi C. Raheja* - Member
Robert Bready - Member
Rajiv Suri - Member

*Elevated from Member to Chairman effective April 30, 2019 in place of Ameera Shah (Member & Chairperson upto April 30, 2019)

Chief Financial Officer

Karunakaran Mohanasundaram

Company Secretary

Bharat Sanghavi

Registered Office

Umang Tower, 5th Floor,
MindSPACE, Off. Link Road,
Malad (West), Mumbai - 400 064.
Website: www.shoppersstop.com
email: investor@shoppersstop.com
CIN:L51900MH1997PLC108798

Statutory Auditors

S R B C & CO LLP

Internal Auditors

KPMG

Registrar & Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot 31 & 32, Financial
District, Nanakramguda, Hyderabad - 500 032.
Tel : 040 6716 2222/ Toll Free No: 18003454001
Fax : 040 23420814
e-mail ID : einward.ris@kfintech.com
balaji.reddy@kfintech.com

Bankers

Axis Bank Limited
Bank of India
HDFC Bank Limited
ICICI Bank Limited
IDFC First Bank Limited
Kotak Mahindra Bank Limited
Yes Bank Limited

Management Team

Rajiv Suri
Karunakaran Mohanasundaram
Uma Talreja
Neeraj Nagpal
Anil Shankar
Devadas Nair
Deepak Yadav
Shilpee Sharma
Venkatesh Raja
Ajay Chablani

Solicitors

Wadia Ghandy & Co.



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Management Discussion and Analysis

Economic Environment

World

The world has changed dramatically in the last few months. The COVID-19 pandemic and subsequent lockdown that the world has seen, has put pressure on all economies. According to the International Monetary Fund (IMF), while there is huge uncertainty about 2020 growth prospects, and even more so about the 2021 outlook, the impact of COVID-19 on the world will—across the board—be severe and unprecedented. This is the lowest growth rate in almost 60 years, including during the global financial crisis (4.7%) and the Asian financial crisis (1.3%). The global economy is expected to contract in 2020 by 3% - causing the worst recession since the Great Depression. This is a synchronised contraction, a sudden global shutdown.

India

During the first three quarters of FY 2020, the cyclical slowdown in the Indian economy showed signs of a turnaround, on account of counter-cyclical measures announced by the Government of India, along with the accommodative stance adopted by the Reserve Bank of India (RBI). However, the emergence of the COVID-19 pandemic in March has cast a shadow on these incipient signs, with the economy estimated to have grown at an 11-year low of 4.2%.

In addition to a phased nationwide shutdown, the Government of India has rolled out a series of policy initiatives and broad-based stimulus to offset the economic impact to the lockdown.

The fiscal support under the 'Aatma Nirbhar Bharat Abhiyan' announced on May 12, 2020 intends to inject ₹ 20.9 trillion into the economy, ~10% of the nominal GDP of India. There were some structural measures announced for the vulnerable sections such as using technology to provide seamless disbursement of food subsidy. These actions have served to reduce systemic stress and contributed to limiting the amplification of the shock. However, the full impact of the outbreak cannot be ascertained yet.

A concerted effort remains the need of the hour, to position the economy on the path to recovery - spanning a multi-pronged approach through public policy impetus, private sector participation and civic society support.

India's growth pattern (%)

| 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---------|---------|---------|---------|---------|
| 8.0 | 8.2 | 7.2 | 6.1 | 4.2 |

Source: Economic Survey of India 2019-20; Central Statistics Office

Industry Overview

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. Total consumption expenditure is expected to reach ~\$3,600 billion by 2020 from that of \$1,824 billion in 2017. The Indian retail industry is the fifth largest in the world, and accounts for over 10% of the country's GDP and ~8% of its employment.

However, post the announcement of the nationwide lockdown and closure of 'non-essential' operations, the retail sector has been severely affected.

Even as businesses open up in the green zones, social distancing will restrict footfalls and sales at stores and malls in the ensuing months. The retail industry is estimated to require 9-12 months to recover amid the pandemic. The demand for non-essential retail is projected to open with 40% of the value noted in pre-COVID-19 times. The cost of business across non-essential sectors is likely to increase by 30-35% post lockdown. Moreover, the non-essential industry is hit hard, especially due to the overlap of the lockdown with the peak season from March to May.

COVID-19 perspective: Consumer trends

- Discretionary spends witnessing either cutbacks or postponement of demand
- Health and wellness, at-home entertainment and 'essential' categories witnessing the most traction
- Spends in categories like beverages and food delivery witnessing mixed performance
- Panic buying inducing a 'stocking up' and 'savings-first' mind set
- E-commerce witnessing a clear surge, even in traditional categories

Source: Boston Consulting Group research; CT Group research

COVID-19 perspective: Supply chain imperatives

- Establish demand-side rapid response teams to monitor marketing, sales and pricing implications
- Understand changing customer needs
- Focus product and service offerings ensuring alignment with key customers
- Divert resources to newer channels, products and services appropriately
- Activate centralised rapid response teams for daily monitoring of supply chain vulnerabilities
- Prioritise health- and safety-critical products and services with upstream and downstream linkages
- Actively communicate with suppliers, manufacturing partners and logistics vendors to minimise business disruption
- Implement product/service allocation processes to reduce constraints in the supply chain
- Understand liquidity and business position of key suppliers
- Arrange for contingencies for critical components, operations and logistics routes
- Evaluate alternate demand/supply scenarios and mitigate their impact on capacity (such as, through local sourcing)
- Shift inventory position to manage near-term market impact
- Ensure proper safety precautions inbound from suppliers and outbound from warehouses, stores and other facilities with consideration to lead times
- Assess viability of current investment roadmap and ensure cost discipline
- Leverage resources and network to make a difference to those affected in nearby communities
- Reinforce purpose and values to stakeholders

Source: Boston Consulting Group research

COVID-19 perspective: Stepping up

Disruptions in supply chains and stringent social distancing norms have led retail businesses to rethink their ways of working and unravelling new opportunities. Stakeholders and the society at large will remember a company's behaviour during the crisis. Businesses that demonstrate responsibility will establish trust and a truly differentiated position.

Companies have stepped up to mitigate the impact of the crisis, while preparing for the post-COVID-19 new normal, in primarily three ways.

| 1 | 2 | 3 |
|---|--|---|
| Mobilising emergency response teams and ensuring business continuity through digital tools and Omni-channel | Prioritising employee health and welfare, and utilising the downtime for upskilling and reskilling | Expediting collections and lowering discretionary spends and non-key short-term costs |

Some examples of initiatives include:

- Early procurement of protective gear
- Regular review of procedures
- Periodical communication with employees
- Online training programme and digital learning modules
- Conversion of offline store sales to online channels
- Redeployment of sales effort to online channels
- Online flash sales and diverse online shopping scenarios
- Dynamic budget allocations
- Zero, partial or deferred rental payments

The future of retail, thus, will involve a combination of human and digital. The convenience of ordering online in a safe and secure environment of 'your home' and of setting up safe delivery systems will play equally important roles. Investments in Omni-channel capabilities will be accorded high priority. Online consultations will hold greater appeal, as customers will be able to connect with personal shoppers and stylists through simple video calls. Overall, the definition of usual in 'shopping as usual' will see a lasting change.

Source: Boston Consulting Group research

Management Discussion and Analysis (Contd.)

Outlook

Fashion and accessories

With the new reforms shaping the industry's growth, non-contact demand during the pandemic is expected to boost sales at standalone stores and malls with the observation of high security measures. Due to the impact of the enforced COVID-19 lockdown on consumer behaviour and habits, online sales are expected to witness a significant surge when the industry resumes operations after the lockdown is lifted. The establishment of online platforms is expected to become indispensable for offline stores, and online-offline service integration is expected to increase. Omni-channel will be the way to go, with customer convenience becoming a top priority and key differentiator. Additionally, categories that will see an uptick will be in casual clothing, athleisure, home décor, environment-friendly and sustainable products. Opportunities will also arise in the categories of school-at-home essentials and entertainment options for kids.

Beauty

The beauty industry is constantly evolving and therefore, retailers need to be at the top of their game to effect growth in this challenging economic environment. Newer makeup scenarios for occasions are expected to give rise to new areas of demand, including 'home makeup', 'mask makeup' and 'contrast makeup' influencing the pattern of beauty products. Amid the downturn for offline beauty stores, demand for in-home skincare is expected to increase. Supported by the increased use of virtual technologies, online shopping is likely to gradually replace offline shopping, making decentralisation imperative for the industry.

Shoppers Stop

Shoppers Stop is the nation's leading premier retailer of fashion and beauty brands since its establishment in 1991. FY 2020 witnessed us enhancing our journey of accelerated expansion – both physically and online. We have continued to review the different aspects of our business and successfully adopted an agile way of working with sharper execution and faster turnarounds. We have reaped rich dividends from our investments in our technology and are certainly poised for industry-leading growth in the new normal. Our single-minded objective is our commitment to do what is in the best interest of our customers, employees, shareholders and all other stakeholders. Being connected closely with them and the realities of the world around us, enable us to maximise the value we create for all.

Widespread dispersion of COVID-19 and subsequent lockdown measures have had a material negative impact on all major industries in India. In this rapidly evolving situation, the current line of sight indicates a slow and staggered lockdown release and sustained economic recovery till the end of 2020 and early 2021. The financial and mental distress caused by the pandemic is expected to have a lasting impact on consumer behavior. Poor consumer sentiment, lower discretionary spending coupled with the fear of catching the disease will

result in consumers avoiding crowded places such as malls and retail outlets and diverting spends to online. Among all the categories, fashion and beauty—mostly discretionary—will witness largest decline in intent to purchase. Shoppers Stop being a leading player in this industry is expected to face significant headwinds. Keeping this in mind, we have embarked on a strategic implementation process to build a resilient business.

1. SCOT analysis

Strengths

- First Citizens loyalty programme
- Brand marketing
- Personal Shoppers service
- Omni-channel presence
- Refined portfolio mix
- Robust supply base
- Strong systems, processes and teams
- Corporate governance

Challenges

- Social distancing, thus less footfalls at stores
- Higher cost of operations
- Fast-paced adoption of technology
- Scarcity of skilled workers

Opportunities

- Omni-channel and online expansion creating convenience
- Premiumisation and global brands access in India
- Beauty and personal care categories
- Digital innovation
- Analytics

Threats

- Economic conditions
- New entrants
- Industry disruptions
- Marketplace scale in fashion and beauty

1.1 Strengths

- **First Citizens loyalty programme:** A successful programme, it accounts for 82% of our sales. Started in 1994 and with 7 million enrolled members (as on 31 March 2020), it is one of the longest-running and most coveted loyalty programmes in India. The programme is at the heart of customer relationships that is visible in a ticket value that is twice that of a non-member. The rich database helps us collect gainful data-driven insights, enabling informed decision-making and analytics-backed targeted promotions across the organisation.
- **Brand marketing:** Shoppers Stop has been known to launch clutter-breaking campaigns that stand out in imagery and tone of voice. We draw from 25+ years of rich insights into customers' shopping behaviour, habits and preferences, to design and plan our campaigns and promotions. In the year, we effectively carried out thought provoking campaigns with customer sub-segments and regional segments and created new marketing occasions.

- **Personal Shoppers service:** The initiative innovates customer engagement and provides a differentiated shopping experience, contributing to 15.6% of our revenue. It was introduced to help discerning customers explore our product range and indulge in a premium end-to-end personalised journey. We have more than 300 Personal Shoppers that are trained in premium standards of customer service, styling and fashion by the best experts.
- **Omni-channel presence:** With changing trends of the Indian shopper, our expansive presence across all channels has contributed significantly to our growth. A cross-channel approach, comprising 89 large department stores in 44 cities (plus 11 HomeStop and 132 specialty beauty doors), 8 EDI-enabled stores and DCs, an e-commerce website, and a mobile application that helps in Endless Aisle and, Snap. Find. Buy., have helped us become more accessible and further strengthen ties with our shoppers. We recorded 67 million visits to our website and 9.7 million mobile app downloads serving 25,000 pin codes during the year leading to a 17% growth in sales. This further validates our strategy of being where the customer wants to find us.
- **Refined portfolio mix:** The Shoppers Stop 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 an incomparable 'Shoppers Stop' brand recall, attracts and retains customers. This has enhanced our market position and enabled us to become the first choice for mall developers, brands and suppliers, thereby helping us in our pursuit of greater consumer mindshare.
- **Robust supply base:** We support the growth of our Omni-channel distribution through an efficient supply chain system. Right from sourcing, design and production to a hub-and-spoke distribution model, it plays a key role in sustaining our multi-channel approach and we consistently invest in improving it to remain competitive. We leverage its round-the-clock efficiency to service four brick-and-mortar regional centres spanning more than 5 lacs sq. ft. We launched a 6,500 sq. ft. design studio in May 2019, for private brands with a sampling unit, ramp walk and photo studio at our headquarters in Mumbai.
- **Strong systems, processes and teams:** Our strong back-end capabilities have helped us coordinate our operations on well-oiled wheels. We are focused on building our back-end efficiencies through

increased usage of digitisation, technology and improved processes to drive growth and profitability across our channels.

- **Corporate governance:** We have at the helm, an experienced team, with a growth-oriented mind set and streamlined focus, which helps us unlock value for our stakeholders. Our commitment to good governance further enables us to be a beacon of light for the industry.

1.2 Challenges

- **Social distancing, thus less footfalls at stores:** The social-distancing imposed during the COVID-19 outbreak has significantly reduced footfalls, thereby leading to a complete shut-down in operations. This has affected the organisation's performance and bottom line and would continue to do so till things regain normalcy.
- **Higher cost of operations:** Rental expenditure is one of the largest components in a retail business' fixed costs. The rise in 100% Foreign Direct Investment (FDI) in single-brand retail has led to increased competition and upgradation of retail spaces. The surge in demand for key catchments in prominent malls is driving rentals higher, thereby increasing the cost of overheads.
- **Fast-paced adoption of technology:** The increased adoption of new technologies by customers is providing greater access to global designs, that have been made accessible through disruptive technologies and management practices. This has contributed to an increase in the development of new platforms that are steadily being adopted by the industry, leading to an increased investment.
- **Scarcity of skilled workers:** The Indian organised retail space incurs significant expenditure due to spending on personnel; a large part of which is on account of investment in training and development. The industry also deals with a high churn rate. Lack of specialised courses that impart pertinent skills to suit the evolving requirements of Shoppers Stop's operations, impact the business' ability to build a talent pipeline.

1.3 Opportunities

- **Omni-channel and online expansion:** The influx of mobile usage and internet technologies have led to increasing popularity of online shopping. This trend has led to the rise of the Omni-channel and other online shopping avenues in the retail industry. This will play a significant role once the lockdown is lifted, when customers would still be wary about stepping into stores for shopping, despite stores stepping-up their anti-COVID-19 precautionary measures.

Management Discussion and Analysis (Contd.)

- **Premiumisation and global brands access in India:**

With higher disposable income, there is a discernible shift in preference towards premium and customised services. Convenience also continues to play for young, aspirational consumers who seek more flexibility and choice in their consumption basket as well as a superior shopping experience. High-street retail is increasingly gaining ground, online platforms notwithstanding.

- **Beauty and personal care categories:**

A combination of higher discretionary spending, rising awareness towards personal hygiene and grooming with urbanisation as well as globalisation have impacted consumption decisions vis-à-vis these products.

- **Digital innovation:**

Internet access will be democratised in India by 2030 with more than one billion citizens on the internet. More than 80% of internet users primarily access the web through mobile phones. This implies a potentially different profile of connected consumers for businesses to tap into.

- **Analytics:**

The power of data has become a big differentiator in how a business is run. Besides a real-time update of stocks and inventory, data offers great potential for more targeted advertising.

1.4 Threats

- **Economic conditions:**

Retail consumption is directly impacted by the general economic environment. A subdued GDP growth performance, lowered market confidence, unanticipated policy reforms and rising oil prices, along with the ramifications of the COVID-19 pandemic are some of the many macroeconomic factors that affect retail performance.

- **New entrants:**

With India presenting an attractive retail market, there is a continuous influx of new entrants into the sector. Our nationwide footprint, seamless service offers, diversified format presence and capable management team are few of the factors that help us retain our competitive edge.

- **Industry disruptions:**

Increased competition among leading national retailers, compounded by foreign brands entering the market has led to rivalry for locations, footfalls and offering price-based discounts to attract the customer. Our robust pipeline of stores and an array of insightful promotions help us navigate a tough operating context.

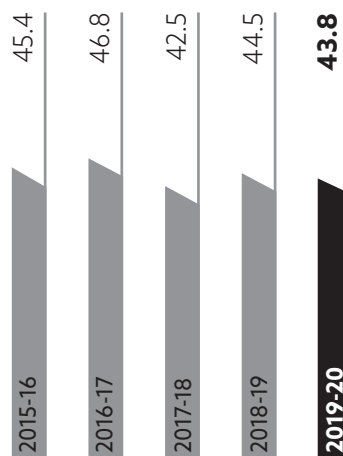
- **Marketplace scale in fashion and beauty:** The existence of online marketplaces in fashion and beauty with all-season discounts on new and old merchandise can pose a threat to department stores

2. Performance review

2.1 Operational metrics

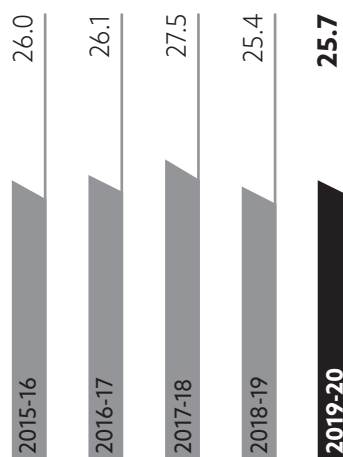
Customer entry in departmental stores

(in million)

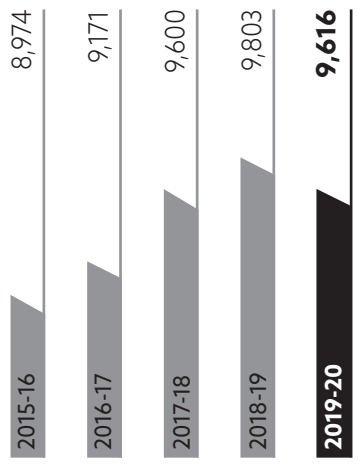


Conversion ratio in departmental stores

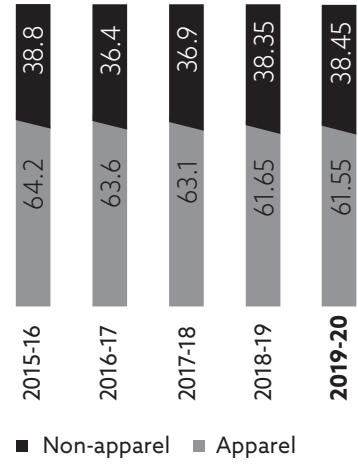
(in %)



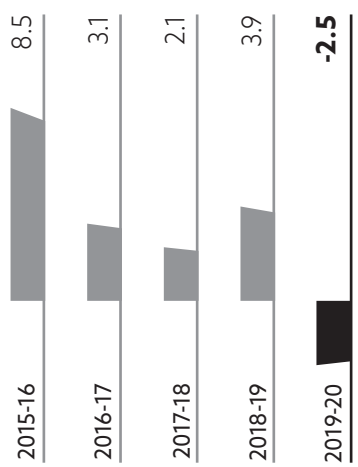
Sales per square feet in departmental stores
(in ₹)



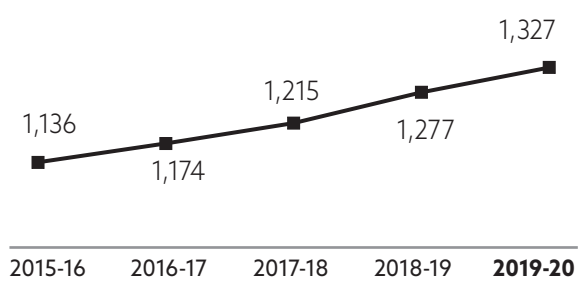
Sales mix in departmental stores
(in %)



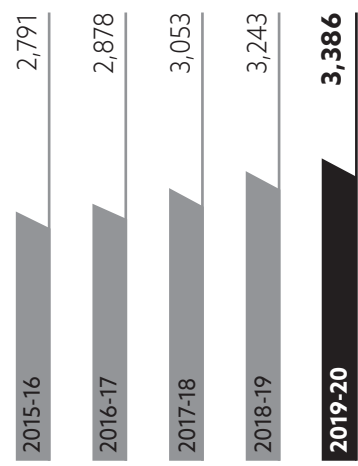
Sales (like-to-like growth) in departmental stores (in %)



Average selling price on like-to-like basis in departmental stores (in ₹)



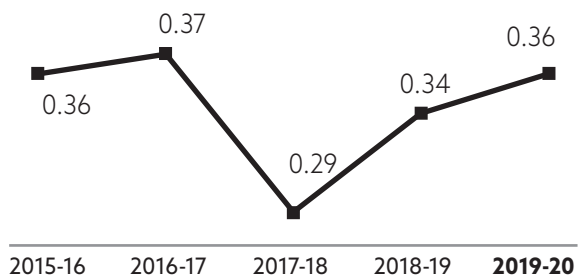
Transaction size in departmental stores
(in ₹)



Management Discussion and Analysis (Contd.)

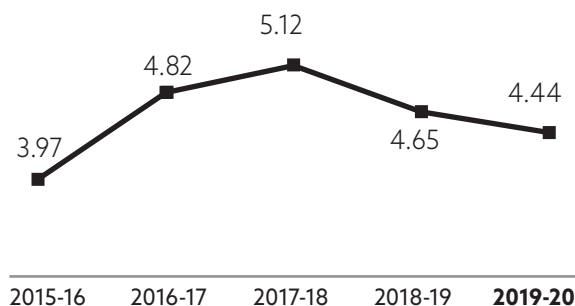
Shrinkage

(as a % of sales)



GMROI

(₹ in lacs)



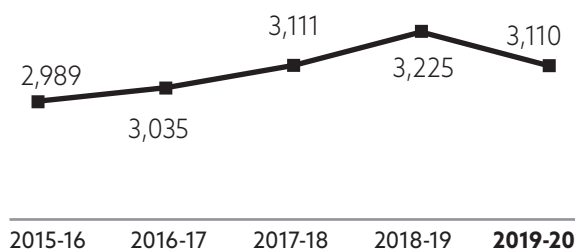
Merchandising purchase: Our ability to present on the shelves, correct merchandise assortments in the right mix, style, colour and fashion is one of our most critical success factors. A team of buyers and merchandisers ensure that the pricing strategy and value proposition are completely in tune with the customers' expectations. We regularly monitor sales trends to optimise inventory levels. We take inputs on customer buying behaviour from Loyalty and Analytics teams, to alter the product and brand assortments. Our systems and processes in buying, merchandising and logistics enabled us to efficiently manage the flow of inventory to stores, provide prompt replenishments. We believe in a broad distribution of risk with no dependency on any single supplier, confirming our diversified supplier base. Suppliers are selected on fairly stringent parameters to ensure the quality and reliability of supply. Alternate distribution channels for inventory have also been put in place as a contingency, should the need arise.

2.2 Efficiency metrics

We review our Gross Margin with reference to our Space, Inventory and Labour to monitor our efficiency with the help of three indicators, that is, Gross Margin Return on Inventory (GMROI), Gross Margin Return on Floor Space (GMROF) and Gross Margin Return on Labour (GMROL).

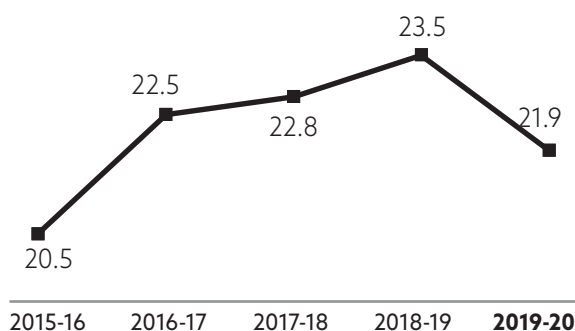
GMROF

(₹ per unit of retail space)



GMROL

(₹ in lacs per employee)



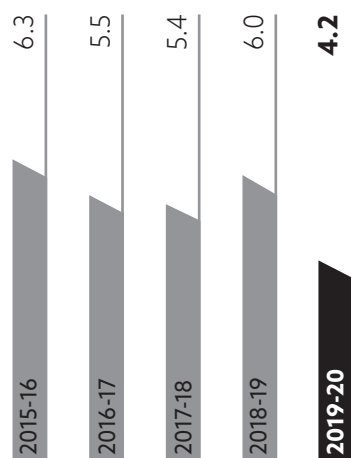
3. Financial review

3.1 Financial metrics

- **EBITDA/Operating profit (Non-GAAP):** Operating profit (without exceptional items) in FY 2020 is ₹182.93 crores (4.2% of sales) as compared to ₹264.50 crores (6.0% of sales) in FY 2019 – an increase of 114.94% over the last year.

EBITDA

in %



- **Net interest:** Interest cost has increased to ₹194.38 crores, as against ₹12.45 crores last year; Interest cost for FY 2020 includes interest on ROU liabilities amount to ₹187.84 crores on account of adoption of IND-AS 116 with effect from April 1, 2019.
- **Dividend:** The Board of Directors has not recommended any dividend for the year under review.
- **Inventory:** The inventory at the end of current year is ₹1,223.92 crores as against ₹1,053.55 crores as at the end of the last year. Inventory holding period is 18 weeks during the current year, as against 20 weeks last year. The inventory has been valued at lower of cost or net realisable value.

3.2 Financial ratios

The significant changes in the financial ratios of Shoppers Stop, which are more than 25% as compared to the previous year in terms of Listing Regulations are summarised below:

| Ratios* | 2019-20 | 2018-19 | Change (%) |
|--------------------------------|----------|---------|------------|
| Interest coverage | 3.00 | 21.79 | (86.23) |
| PAT margin (%) | (4.50) | 2.40 | (286.76) |
| Debt equity ratio | 0.91 | 0.04 | 2,175 |
| Return on net worth (%) | (103.20) | 8.10% | (1,374) |
| Return on capital employed (%) | (54.10) | 10.30 | (625) |

*Ratios have been computed as per GAAP financials.

Notes

1. Lower Interest coverage in current year is majorly due to interest on ROU liabilities as per IND-AS 116 applicable from 1 April 2019 amount to ₹187.84 crores, therefore previous years ratio is not comparable.

2. PAT margin in current year is adversely impacted by combination of provisions aggregating to ₹127.62 crores which are non-cash provided purely on a conservative basis. The detail explanation has been provided in point no.2 review of operations to Directors' Report.
3. Debt equity ratio: Considering the mutual fund investment the net debt is nil in fact there is net surplus of ₹30.34 crores as on 31 March 2020. In addition, there is one-time impact on reserves amount to ₹517.17 crores (net of deferred tax) on account of applicability of IND-AS 116 with effect from 1 April 2019, and deferred tax reversal on reserve of ₹77.45 Crores created on IND-AS 116 transition due to change in tax rate, which has led to decline of debt equity ratio.
4. Return on net worth is negative primarily on account of combination of factors as explained note 1, 2 and 3 above.
5. Return of capital employed is negative in current year as explained in note 1, 2 and 3 above.

4. Women at the forefront

Dignity for women has been the core mantra for Shoppers Stop over the years. This is the focal point across our CSR campaigns and initiatives, its employee policies as well as the clutter-breaking and stereotype-questioning marketing campaigns. Shoppers Stop promotes equal employment practices for women at work and recognises that economic progress is strongly linked to social and financial independence of women.

It has a three-pronged approach of development and employment of women at work, support to rural women for their wellness and other needs, and employment generation for rural women through ancillary initiatives. The Company works with women from marginalised communities by providing them a livelihood, access to menstrual hygiene kits and increasing their awareness on menstrual hygiene. At the workplace, we have initiatives promoting gender equality, diversity and inclusiveness.

In fact, our core customer is a young family where the woman is the primary influencer. Women today form 55% of our audience and influence 57% of our sales.

5. Marketing campaigns

At Shoppers Stop, we work to deliver more than delightful shopping experiences. As a responsible organisation, our team, comprising unmatched marketing talent, strives to raise awareness on the social causes that move us and communicate more transparently with our customers across platforms, including both traditional as well as new-age digital media. Our commitment also extends to offering unique perks to those customers who have been intricately connected with our universe over the years.

Management Discussion and Analysis (Contd.)

5.1 Focusing on women

Shoppers Stop has been pushing the agenda for women's place in society, at home and at work through various inspiring campaigns. Our women-centric content received much appreciation and screen time across regional channels. They reached over 25 million viewers and features across channels catering to movies, music, western entertainment and lifestyle, among others. Of these ad pieces, 70% featured during primetime television and have upped sales by 11% compared to last year and customer engagement by 2%.

- **It's Our Time:** Our most pertinent campaign, #CelebratingWomen is a satirical take on the several social rights concerns that women have struggled with and fought for over the years. Featuring young women of the new world, it raises awareness on myriad issues while smashing an age-old stereotype associated with women.

The campaign reached 7.7 million people with 28 million impressions

- **Mother's Day:** One of the advertisements in the campaign released on the occasion of Mother's Day was about a young woman recalling how as a child she would emulate the strong influence that her mother wielded. It came with a message to donate your mother's old sarees to those who could use them in starting a new life.

The campaign reached 9.1 million people with 16.4 million impressions.

- **#CelebratingSisterhood:** Our truly singular initiative was dedicated to the community of caregivers who keep children safe while their parents are at work. The piece chronicles a family on Rakhshabandhan where the mother encourages her daughter to tie the first rakhi on her caregiver's hands as mark of respect for the other's nurturing presence in her life.

The campaign reached 2.6 million people with 13.8 million impressions

- **#ShareMyNewYear:** This campaign celebrated the rich cultural heritage of India. It is aimed at raising awareness on the myriad names and ways in which new years are celebrated and titled across communities in the country and encourages a more inclusive understanding of Indian culture.

The campaign reached 11.8 million people with 40.6 million impressions

- **#JaagoTumiJaago:** This powerful campaign designed for our Bengali-speaking customer base, is a call for women around the world to rise to their potential and fight the many impositions that hinder women's growth.

The campaign reached 3 million people with 11.9 million impressions

- **#RecycleForHerCycle:** Released on Women's Day this year, our one-of-a-kind CSR campaign, aimed at generating employment opportunities for marginalised women. It encouraged customers to donate their old clothes to be in turn upcycled into other products. The campaign was supported by eminent personalities, including Anupama Chopra, Tisca Chopra, Richa Chadha and Kalki Koechlin.

The campaign reached 7 million people with 8.7 million impressions.

- **Scarred but not scared:** This Valentine's Day campaign chronicled the life of an acid attack survivor in a short film where she confidently picks out gifts for all the people who have supported her and thought of her. The film was well received. This was in association with our CSR initiative of helping to rebuild the lives of such survivors. Shoppers Stop contributes ₹1 towards this initiative from all beauty purchases.

The campaign reached 14 million people with 30 million impressions

5.2 First Citizen Black

We launched a by-invitation programme for the discerning few with a singular objective of bringing the magic of 'personal touch' back to large format retail shopping. First Citizen Black is the only retail 'Relationship' and 'Experience' programme in the country - with incentives such as no-queue billing, a Black Assist service with direct access to Personal Shoppers and Store Managers, dedicated trial rooms, one year of no-questions-asked garments exchange, beauty makeovers and exclusive access to sales, among others.

- 14,000+ First Citizen Black card members

5.3 First Citizen turns 25

This year marked the 25th anniversary of the programme and we celebrated with a mass media campaign that involved 250 brands and 25% discount on the most popular brands in our repertoire.

- 17% growth in yearly sales
- 14% growth in repeat sales

5.4 Personal Shoppers app

The Personal Shoppers app is designed to provide hyper-personalised styling recommendations, in addition to gathering loyalty data flows and tracking customer relationship management ticket status. The app helps identify discerning members from our First Citizen programme who are likely to opt for

personal shopping assistance and connect them to our Personal Shoppers team.

- 2.5+ lakh members served under the programme
- 4X ATV of members who availed the service
- 15.6% of total sales

5.5 Riding the wave of trends

Throughout the year, we invested in several topical campaigns that leveraged special occasions to encourage our customers to shop and avail unique benefits and discounted rates. These initiatives included the popular 'Black Friday' sale where we offered discounts of up to 50%, marking a sales growth of 36% and CE growth of 16%. This clubbed with our end of season sale with up to 50% discount on our apparel and accessories drove sales by 24% and customer engagement by 2%. In keeping with our spirit of celebrating diversity, we offered the Ramadan sale that witnessed remarkable traction across markets in Kolkata, Hyderabad and Lucknow.

5.6 Communicating effectively amidst a pandemic

We understand that the pandemic and the subsequent nationwide lockdown dampened consumer spirit like never before. Shoppers Stop stayed connected with customers, conveying key information on themes like beauty, edutainment and fitness.

- **Regular SMS communications:** We circulated social responsibility messages and regional festive wishes alongside promoting online shopping, e-gift vouchers and online transactions, in keeping with the spirit of social distancing through our communications. These messages also requested customers to provide feedback on their concerns, which would help us serve them more effectively once our outlets reopen after the pandemic.
- **Being vocal about a global crisis:** During these trying times, our campaigns remained sensitive to the most pressing concern at hand. We regularly updated our social media handles with creatives that encouraged empathy for our frontline workers, staying home to help contain the outbreak and practicing healthy habits to avoid burnout (in collaboration with Adidas and Reebok) while keeping indoors.
- **Staying true to who we are:** We ensured our communication retained the essence of the brand. Our social media campaigns, therefore, included Live Facebook sessions, easy-to-follow

beauty and wellness tutorials, among other category-based creatives.

6. Supply chain partners

Our initiatives towards our supply chain partners are disclosed on Page 22 of the Annual Report, as well as the Business Responsibility Report.

7. Human capital

Our initiatives towards managing and developing our people are disclosed on Page 24 of the Annual Report, as well as the Business Responsibility Report.

8. Corporate social responsibility

Our initiatives in corporate social responsibility are disclosed on Page 26 of the Annual Report, as well as the Business Responsibility Report.

9. Information technology

Our initiatives in digital tools and technologies are disclosed on Page 18 of the Annual Report.

10. Risk governance and internal controls

Everything we do at Shoppers Stop revolves around our vision and values. And that vision can only be secured through effective risk management. Our risk management framework applies to every part of our business in an effective manner, so that it continues to enable us to assess and determine what our key risks are and how to manage them appropriately. That then enables us to meet our strategic objectives and deliver the long-term growth and viability of our business.

10.1 Risk management

Risks are owned, managed and formally reviewed across Shoppers Stop using the following process.



Management Discussion and Analysis (Contd.)

COVID-19 perspective: Risk management

The pandemic has had a huge impact on Shoppers Stops' offline stores (albeit temporarily for a medium term of at least next eight to 12 months) owing to central/state government legal mandates around lockdown and social distancing. This has resulted in us having a definite risk exposure to our business model, since we were not able to open our doors at mall premises for walk-in customers. We faced similar issues at our airport stores since airline operations were closed completely for a significant period of time. In addition, deteriorating macroeconomic conditions have led to demand postponement and a savings-first mindset.

We are emphasising our Personal Shoppers service and our First Citizen loyalty programme, as well as other revenue streams, such as ship from store. Further, we are deferring capital expenditure and discretionary spends, to focus on cash conservation. With gradual easing of the lockdown in the country, we expect the footfall and sales to recover in the coming quarters.

10.2 Principal risks and uncertainties

| Key risk | Description | Actions initiated |
|--------------------------------|---|---|
| Economic and market conditions | Major changes in the economic environment (such as the pandemic) may challenge the existing business strategy, have a material impact on financial performance and dilute our competitive advantage. | We rely on a multi-format click-and-mortar model that enables us to respond to changes in customer demand, manage the product mix and pricing policy and identify opportunities for growth. |
| Online retail | E-commerce offers a unique value proposition to the digitally savvy new-age consumer who increasingly prefers to shop online. | We are investing in our cross-channel approach of reaching customers. Our objective is to drive sales across all channels, while recruiting customers through holistic experience-led offerings. |
| Execution | We operate in a multi-stakeholder context that requires careful estimation of inventory and sale. | We have a strong execution team and we believe it has the capability to execute varied retail formats. |
| Supplier risk | Our broadly varied offering necessitates alliances with many suppliers from various business sectors. | We enter into arrangements with vendors in various business formats such as outright buy/sale or return, consignment and concessionaire/conducting arrangement. |
| Shrinkage | Shrinkage in the retail business is defined as the loss in inventory through a combination of shop lifting, pilferage and errors in documentation and transaction processing that go unnoticed. | We have focus on inventory control. We monitor shrinkage on a regular basis and look at various factors that could lead to shrinkage at stores and distribution centres. Store Operations and Supply Chain teams work together and monitor the shrinkage level on a month-on-month basis. Our shrinkage percentage is controlled at 0.36% of the turnover and our endeavour will always be to lower this ratio through proper monitoring and continuously reviewing inventory management processes and systems. |
| Employee retention | Our strategic goals are heavily dependent on the competencies and performance of our people. The high churn rate in the retail space is a key risk since demand for experienced personnel in modern retail will only increase in the near term and long term. | We monitor the labour market and provide employee benefits in line with and/or ahead of the market. We have a defined system for employee on-boarding, training and development in place. We also nurture a culture of collaboration among our people to build a spirit of teamwork and unity. |
| IT and data privacy | Failure to match IT capabilities, scalability and reliability in relation to business requirements will disrupt business continuity. | We engage the best external experts and develop partnerships and in-house expertise in key IT solutions. We ensure corporate governance of IT architecture with sufficient reliability of centralised IT infrastructure. We have in place policies and procedures to ensure cybersecurity. |

| Key risk | Description | Actions initiated |
|------------|--|--|
| Regulation | Our operations are subject to a broad spectrum of national and regional statutes, laws and regulations. These include product safety, trademarks, competition, employee and customer health and safety, data, corporate governance, employment and tax. Changes to laws and regulations or a major compliance breach could have a material impact on the business. | We have the internal controls in place, to ensure that compliances are adhered to. |

Effective governance consists of competent management; implementation of standard policies and processes; maintenance of an appropriate audit programme with internal control environment; effective risk monitoring and Management Information Systems (MIS).

We adopt an integrated approach towards management of risk, formulating the framework for regulatory and risk management and standardising the definition of internal controls. We also provide a framework for risk management and regulatory compliance, which requires risk assessments and related policies, a control-based environment and activities, information and communication procedures, and a monitoring mechanism.

We have laid down a sound system of internal controls for financial reporting of various transactions, efficiency of operations and compliance with relevant laws and regulations commensurate with the size and nature of business.

We have a well-defined system of management reporting and periodic review of businesses to ensure timely decision-making. These internal control procedures ensure the following:

- Efficient use and protection of resources
- Compliance with policies, procedures and statutes
- Accuracy and promptness of financial reports

The MIS forms an integral part of our control mechanism. All operating parameters are monitored and controlled, with material deviations from the annual planning and budgeting and business outlook, including capital expenditure reported to the Board on a quarterly basis.

In adherence to the Companies Act 2013, we have documented and tested all the key internal controls related to both financial reporting and operational controls. Reports of internal auditors are reviewed by the Audit Committee and corrective measures are carried out towards further improvement in systems and procedures as well compliance with the internal controls. The Board recognises the work of the auditors as an independent check on the information received from the management on our operations and performance.

11 Corporate governance

We have taken adequate steps to ensure that the Corporate Governance guidelines are adopted and fully complied with. The detailed Corporate Governance Report is attached on Page 84.

Cautionary Statement

Statements in this Annual Report, particularly those that relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results may differ.

Directors' Report

To the Members,

Your Board of Directors present 23rd Annual Report of Shoppers Stop Limited on the business and operations of the Company together with the Audited Financial Statements, for the financial year ended March 31, 2020 ("the year under review" or "the year" or "FY20").

This report is in accordance with the applicable provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

1. Financial Performance - An Overview

| Particulars | (₹ in crores) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Retail Turnover | | |
| Own merchandise - Gross of tax | 3,507.79 | 3,646.87 |
| Less: Goods and Service Tax | 402.69 | 406.62 |
| | 3,105.10 | 3,240.24 |
| Other Retail Operating Revenue | 275.88 | 241.06 |
| Revenue from Operations | 3,380.98 | 3,481.31 |
| Other Income | 33.49 | 17.89 |
| Total Income | 3,414.47 | 3,499.19 |
| Profit before Depreciation & Tax | 388.55 | 258.76 |
| Less: Depreciation | 439.21 | 135.07 |
| Profit before Tax | (50.66) | 123.69 |
| Exceptional Items | 20.00 | - |
| Profit before tax | (70.66) | 123.69 |
| Less: Provision for Tax | 70.28 | 44.93 |
| Profit for the year (A) | (140.94) | 78.76 |
| Other comprehensive loss / (income) (B) | 177.03 | 47.78 |
| Total comprehensive income/(loss) for the year (A)-(B) | (317.97) | 30.98 |

2. Review of Operations

During FY20, your Company has opened 11 'Shoppers Stop' departmental stores taking its chain of stores to 89 stores with 11 HomeStop stores and 132 beauty doors across 44 cities in India, under its operations.

Your Company posted revenue from operations of ₹3,380.98 Crores (as per GAAP financials), a de-growth of (2.88%) over the previous year. The EBITDA stood at ₹582.93 Crores (as per GAAP financials) with a growth of 114.94% over the previous year.

A combination of all below items aggregating to ₹127.62 crores impacted the profitability of the company, albeit they are non-cash and provided purely on conservative basis. Without these onetime non-cash provisions, the Company's Profit before tax would have been at ₹56.96 crores. (₹123.69 crores in FY19)

- i. On March 30, 2019, Ministry of Corporate Affairs (MCA) had notified Indian Accounting Standards (Ind AS) 116, Leases as part of the Companies (Ind AS) Amendment Rules, 2019. Ind AS 116, replaces existing standard on Leases Ind AS 17, Leases with effect from Accounting Period beginning on or after April 1, 2019. The New Standard requires Lessees to initially recognize a lease liability for the obligation to make lease payments and a right

of use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. Lessee increases the lease liability to reflect interest cost and reduce the same to reflect lease payments made over a period. The corresponding right of use asset is depreciated in accordance with the depreciation requirements of Ind AS 16 Property, Plant and Equipment over a tenure of lease. We need to recognize the Interest on liability and the depreciation on the assets. This is a significant deviation from the earlier Ind AS 17, which recognized the lease expenses as an expense, on accrual basis. Consequently, for this year, the EBITDA had been significantly higher and it has been offset by Interest and Depreciation (₹379.80 crores) on the ROU Liability and Asset. The impact for the year is ₹368.73 crores. on the lease expenses, which has increased the EBITDA for FY21 and decrease the net profit by ₹11.07 crores. On account of Ind AS 116, the re-measurement of lease life in certain properties resulted in a GAAP income of ₹15.20 crores. Consequently, the cumulative net profit has increased by ₹4.13 crores. The EBITDA for FY20 and FY19 is strictly

not comparable to this extent. We have onetime adjustment in the opening reserves for ₹517.17 crores (net of deferred tax) on account of this standard, as a difference between the ROU Liability and the Asset. While adhering to Ind AS 116 we also had to accelerate the depreciation by ₹44.44 crores on some of the assets in line with the primary lease period, even though the life of the assets is higher than the primary lease period.

Similarly, in line with Ind AS 109 interest income accounted on present value of deposits of ₹12.04 crores and depreciation on prepaid rentals amounting to ₹15.01 crores has had a net impact of ₹2.97 crores on the profitability (non-cash)

- ii. Due to the Covid Impact, we believe there are few vulnerable stores for which we are negotiating lease rentals. Purely on conservative basis, we have accounted ₹20 crores as accelerated depreciation for the immovable assets in this fiscal year for these stores, on the assumption that we may have to close down during the year.
- iii. The accumulated GAAP losses of our 100% subsidiary Crossword ₹46.78 crores at March 31, 2020 have substantially eroded its net worth. Whilst, Crossword Bookstores Limited continues to take steps to revamp its operations, (including store right sizing, and brand positioning), the gestation period to achieve the desired level of turnaround is taking longer than previously envisaged. Based on a business valuation, the Company has recognized impairment loss of ₹20 crores with respect to its equity investment of ₹35.06 crores.
- iv. Effective January 1, 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 equipment, based on the combination of evaluation conducted by an independent consultant and management estimate. As a result of this, the company has decided to take a Depreciation charge for the quarter ended March 31, 2020. The impact on account of this is ₹30.60 crores.
- v. Due to Covid-19 impact, the Company has written off stocks of ₹13.74 crores. The provision has been higher due to lower sales in March and purely as a conservative measure, the company has written off some of the inventory, albeit this can be sold in FY21.
- vi. The Company has to mark to market, shares of Future Retail Limited (FRL) from ₹211.31 crores

(net of shares sold) to ₹36.46 crores during the year and consequently the company had to write down ₹174.85 crores. The Company was allotted these equity shares by FRL, subsequent to disposal of its 51.09% stake in equity share capital of Hypercity Retail (India) Ltd.

While the year under review, started on a high note with your Company being in a growth acceleration mode, it however, ended on a rather solemn note. Even as the Company opened 11 new large format department stores, the Covid-19 pandemic and the nation-wide lockdown towards the fag end of the FY20, brought operations to a standstill. All stores were temporarily closed and that had a significant impact on revenue.

Nonetheless, the Company has put into place certain strategic steps to ensure a bounce back from this situation. Simultaneously, we will provide a safe workplace for employees and a safe and delightful shopping experience at stores for customers. Our key investments in Digitisation, and further strengthening our strategic pillars, of First Citizen Members, Personal Shoppers, Exclusive Brands and Beauty, will help us put forth a resilient and sustainable business model.

Further, analysis of operating performance is carried under Management Discussion and Analysis, which forms part of this Annual report.

3. Dividend

In accordance with Regulation 43A of the Listing Regulations, the Company has adopted the 'Dividend Distribution Policy', which sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its Members and / or retaining profits earned by the Company, from time to time. This Policy is annexed as Annexure I to this report and is also available on the Company's corporate website at https://corporate.shoppersstop.com/uploaded_files/191b878-8de7.pdf.

In view of said financial position of the Company, for FY20, the Board of Directors of your Company are unable to recommend dividend on equity shares (previous year dividend at ₹0.75 per equity share was declared).

4. Reserves

There is no amount proposed to be transferred to the Reserves, for the year under review.

5. Subsidiaries, Associates And Joint Venture

As on March 31, 2020, your Company has five wholly owned subsidiaries, details whereof are as under:

Crossword Bookstores Limited (Crossword): Crossword with its wide portfolio of books, movies, toys, confectionary and stationery, is the definitive

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place and space for those who seek information, knowledge or just the pleasure of reading. Crossword has chain strength of 41 stores across the country with a revenue of ₹81.46 crores (previous year ₹96.98 crores). Crossword posted net loss of ₹12.45 crores for the year under review, against a net loss of ₹14.45 crores in the previous year.

Shoppers' Stop.Com (India) Limited (SSCL): SSCL was incorporated in year 2000 with an objective of advancing the online presence, which became more operationalized, during the year under review, with commencing the online business activities. With its maiden online presence, SSCL posted net profit of ₹0.29 crores for the year under review, against a net loss of ₹0.01 crores in the previous year.

The other 3 (three) wholly owned subsidiaries of the Company viz.: Upasna Trading Limited; Shopper's Stop Services (India) Limited and Gateway Multichannel Retail (India) Limited; had no operations during the year under review. The Company has no joint venture or associate company. Further, no company has become or ceased to be subsidiary, joint venture or associate company of the Company, during the year under review.

A separate statement containing the salient features of the Financial Statement of all above subsidiaries is provided in prescribed Form AOC - 1 and forms part of this Annual Report.

In accordance with the provisions of Section 136(1) of the Act, the Financial Statements of each of the aforesaid subsidiaries along with related information are available on the Company's corporate website at <https://corporate.shoppersstop.com/> and the same are also available for inspection by the Members. The Members desiring inspection / interested in obtaining a copy of the Financial Statements may write at investor@shoppersstop.com or to the Company Secretary.

Your Company has adopted a policy for determining material subsidiaries, which is part of the Company's Policy on Related Party Transactions. The same is available on the Company's corporate website at https://corporate.shoppersstop.com/uploaded_files/614043c-71cd.pdf. As per this Policy, as on March 31, 2020, your Company does not have any material subsidiary.

6. Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Act and Regulation 34 of the Listing Regulations, the Consolidated Financial Statements forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (IND AS) and Section 133 of the Act.

7. Employees Stock Option Scheme / Plan And Statutory Information Thereon

Shoppers Stop Employee Stock Option Scheme 2008 (ESOP - 2008): The Members at 11th Annual General Meeting held on July 29, 2008, had approved ESOP-2008 for issuance of the employee stock options ("Options") to the eligible employees of the Company. ESOP-2008 aims to promote desired behavior among employees for meeting the Company's long term objectives and enable retention of employees for desired objectives and duration, through a customized approach.

The Nomination, Remuneration & Corporate Governance Committee of the Company, inter-alia, administers and monitors ESOP - 2008, implemented by the Company in accordance with the Act and the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended ("the SEBI Regulations"). During the year under review, the Company has granted 82,915 Options under ESOP - 2008 to the eligible employees of the Company.

Statutory Information On ESOP - 2008: The disclosures requirements under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the aforesaid ESOP Scheme, in respect of the year ended March 31, 2020 are disclosed on the Company's website and can be accessed using the link <https://corporate.shoppersstop.com/Investors/annual-report.aspx>. Further, a certificate from S R B C & CO LLP, Statutory Auditors of the Company, with respect to implementation of Employee Stock Option Plan in compliance with the Act, the SEBI Regulations and the Members' approval, is obtained and shall be available for inspection by the Members. The Members desiring inspection may write at investor@shoppersstop.com or to the Company Secretary.

8. Human Resources

The Company has been designing its Human Resources initiatives in line with the trends shaping the future of work and enabling us to create the best possible environment for the workforce. During the year under review, your company built on a number of initiatives to improve existing HR systems and processes as well as develop new tools to enhance the employee experience. These efforts, spanned around recruitment and employer brand; development; engagement; performance and recognition; leadership and succession.

Key HR processes of recruitment has gone digital and implemented all India based Recruitment Management System, which provides a seamless experience to newly hired employees and at the same time develops a robust database of potential candidate for future requirements. As on date of the Balance

Sheet, the Company has a total of 7,498 Customer Care Associates.

As we adopt digital tools and new ways of working, we also needed to ensure our employees are equipped with the right skills. To support this objective, we have provided access to learning available anywhere and anytime via our innovative Learning Planet program. Learning Planet is a cloud based Learning Management System implemented this year. It covers the entire range of mandatory training and available learning at Shoppers Stop. Furthermore, reflecting our commitment to help employees develop professionally and personally and advance their careers.

It is crucial for us to understand what motivates and engages our employees and how they perceive their work environment. Therefore, we encourage open and regular dialogue between managers and their team members, conduct surveys and offer a framework which ensures they feel comfortable to speak up, raise concerns and are empowered to initiate improvements. As a part of which, your Company conducted a 360 degree feedback survey for all its senior employees to help them develop themselves and also listen to their teams. We are pleased to inform that this has helped in creating a more trusting and open working environment. Furthermore, the team provided support by coaching and training senior managers to prepare them for the foundational changes your Company is going through.

As your Company continued to execute its strategy, the HR function helped manage significant organizational change such as the reframing of its competencies and updated them in line with the changing work environment, at the same time simplified its competency framework. Keeping an eye on the future, it introduced competencies such as being Digital Savvy and Agility. Your Company was conferred the Best HR initiative award by TRRAIN and also honoured by RASCI for their project on RPL – Recognition of Prior Learning, at the Retailers Association of India - annual event.

9. Corporate Social Responsibility (CSR)

The Company remains committed as a good Corporate Citizen to integrate social, environmental and economic concerns in its values and operations, to improve the welfare of the stakeholders and the Society as a whole.

Your Company has in place the CSR Committee ("the Committee"), which performs the functions as mandated under the Act and the Rules framed thereunder. The composition of the Committee is detailed in the Corporate Governance Report.

Further, your Board has adopted a Policy on CSR, in terms of the Act and the Rules framed thereunder and in accordance thereof, your Company undertakes activities / projects / initiatives and makes contributions, from time to time. The salient features of the said Policy are outlined in the Corporate Governance Report and the said Policy is made available on the Company's corporate website.

Pursuant to the provisions of Section 135 of the Act and Schedule VII thereto read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the prescribed CSR expenditure for the financial year 2019-20 amounts to ₹1.68 crores. The CSR expenditure incurred by your Company amounts to ₹0.85 crore. A brief outline of the CSR Philosophy and the report on CSR activities containing therein, the reasons for unspent CSR amount, for the period under review is enclosed as Annexure II, to this report.

10. Board Of Directors & Key Managerial Personnel

i. Non-Independent Directors - Director Retiring By Rotation

During the year under review, the Members at 22nd AGM held on July 30, 2019, approved re-appointment of Mr. B. S. Nagesh (DIN: 00027595) as the Director of the Company, who retired by rotation at the said AGM and being eligible, had offered himself for appointment.

In accordance with the Act and the Article of Association of the Company, Mr. Ravi Raheja (DIN: 00028044) is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment as the Director. Accordingly, the re-appointment of Mr. Ravi Raheja is being placed for the approval of the Members at the ensuing AGM. A brief profile of Mr. Ravi Raheja along with other related information forms part of the Notice convening the ensuing AGM.

ii. Independent Directors

During the year under review, the Members at 22nd AGM held on July 30, 2019, approved appointment of Mr. Robert Bready (DIN: 06842835) as an Independent Director of the Company. The members also approved re-appointment of Mr. Nirvik Singh (DIN: 01570572), Mr. Deepak Ghaisas (DIN: 00001811), Prof. Nitin Sanghavi (DIN: 00863107) and Mr. Manish Chokhani (DIN: 00204011) as the Independent Directors of the Company for their second term, pursuant to the provisions of the Act and the Listing Regulations. Your Board had formed an opinion that above mentioned Independent Directors, who got appointed for their second term, during the year under review, are of utmost integrity and that they possess requisite expertise and experience

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relevant to support and scale up the business model of your Company.

The Board of Directors on June 15, 2020, on the recommendation of the Nomination, Remuneration & Corporate Governance Committee, appointed Mr. William Kim (DIN: 08750326) as an Additional and Independent Director of the Company for a term of 5 (five) consecutive years effective June 15, 2020, subject to approval of the Members at ensuing 23rd AGM of the Company. He shall hold office as an Additional Director up to the date of ensuing 23rd AGM. The Company has received declaration from Mr. William Kim confirming that he meets the criteria of Independence as prescribed under both, Section 149(6) of the Act and the Listing Regulations. The Board of Directors recommends his appointment and attention of the Members is invited to the relevant item in the Notice convening 23rd AGM, the explanatory statement and brief profile attached thereto.

In terms of recent regulatory requirement, in respect of establishment of an on-line database of Independent Directors by Indian Institute of Corporate Affairs, every Independent Director, shall pass an online proficiency self-assessment test conducted by said Institute. However, immunity has been granted to an individual who has served for a period of at least 10 years as on the date of inclusion of his name in the databank, as director or key managerial personnel in a listed public company or in an unlisted public company having a paid-up share capital of ₹10 crores or more. The Independent Directors of the Company, who do not have this exemption, shall ensure clearance of online proficiency self-assessment test within the stipulated timeframe.

iii. Declaration By Independent Directors

The Company has received necessary confirmations/ declarations from each Independent Director of the Company confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations. Based on such confirmations/ declaration, in the opinion of the Board, the Independent Directors of your Company fulfil the conditions specified under the Act, the Rules made thereunder and Listing Regulations and are independent of the Management of the Company.

Further, the Company has received declaration from all Independent Directors confirming that they have ensured inclusion of their names in the Independent Directors' data bank created and maintained by Indian Institute of Corporate Affairs

within stipulated timeframe, as mandated by the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

iv. Key Managerial Personnel

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

11. Performance Evaluation

In compliance with the relevant provisions of the Act read with the Rules made thereunder and the Listing Regulations, the performance evaluation of the Board as a whole, its specified statutory Committees, the Chairman of the Board and the individual Directors was carried out for the year under review. The manner in which the annual evaluation was carried out and the outcome of the evaluation are explained in the Corporate Governance Report.

12. Nomination, Remuneration & Corporate Governance Committee And Company's Policy On Nomination, Remuneration, Board Diversity, Evaluation And Succession

Your Company has in place the Nomination, Remuneration & Corporate Governance Committee, which performs the functions as mandated under the Act and the Listing Regulations. The composition of the Committee is detailed in the Corporate Governance Report.

In terms of the Act and the Listing Regulations, the Board of Directors of your Company has framed and adopted a policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company, which, inter-alia, includes Board Diversity, process of Evaluation of Directors, KMPs, and SMPs of the Company, criteria for determining qualifications, positive attributes, independence of a Director and other related matters. The remuneration paid to Directors, KMP and SMP of the Company are as per the terms laid down in this Policy. The Managing Director & CEO of your Company does not receive remuneration or commission from any of the subsidiaries of your Company. The salient features of the said Policy are outlined in the Corporate Governance Report and the said Policy is made available on the Company's corporate website.

13. Disclosures Under The Act

Extract of Annual Return: The extract of Annual Return in prescribed form MGT - 9, pursuant to Section 92 of the Act read with the Rules framed thereunder, is annexed as Annexure III to this report and is also available on the Company's corporate website at <https://corporate.shoppersstop.com/Investors/annual-report.aspx>.

Meetings of the Board of Directors: A calendar of Meetings is prepared and circulated in advance to the Directors. The Board of Directors of your Company met 4 (four) times during the year under review. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations. The details of the board meetings, the attendance of the Directors thereof and other particulars are provided in the Corporate Governance Report.

Change in the share capital: During FY20, there was no change in the paid up share capital of the Company.

Audit and Risk Management Committee: As on date, the Committee comprises of four Independent-Non-Executive Directors i.e. Mr. Deepak Ghaisas (Chairman), Prof. Nitin Sanghavi, Ms. Ameera Shah & Mr. Manish Chokhani (Members) and Mr. Ravi C. Raheja, Promoter and Non-Executive Director (Member). The powers and role of the Committee are included in the Corporate Governance Report. During the year under review, all the recommendation made by the Committee were accepted by the Board.

Related Party Transactions: All transactions with related parties are placed before the Audit and Risk Management Committee ("the Committee") for its approval. An omnibus approval from the Committee is obtained for the related party transactions which are repetitive in nature, based on the criteria specified and approved by the Board, based on recommendation of the Committee and transactions which are unforeseen for each financial year. The Committee and the Board reviews on a quarterly basis, all transactions entered into by the Company pursuant to the omnibus approvals so granted.

All transactions with Related Parties entered into during FY20, were in ordinary course of business and at arm's length basis and in accordance with the provisions of the Act and the Rules made thereunder, the Listing Regulations and the Company's Policy on Related Party Transactions.

During the year under review, there were no transactions which were material, considering the aforesaid Policy. Accordingly, no disclosure is made in respect of related party transaction in Form AOC - 2 in terms of Section 134 of the Act and Rules framed thereunder. There are no related party transactions that may have potential conflict with the interest of the Company at large or which warrants the approval of shareholders. The attention of the Members is drawn to the notes to the Standalone Financial Statement setting out the related party transactions disclosures, for FY20.

The policy on Related Party Transactions as formulated and adopted by your Company is available on the Company's corporate website at https://corporate.shoppersstop.com/uploaded_files/614043c-71cd.pdf

Particulars of loans, guarantees or investments: The details of the loans, guarantees or investments covered under Section 186 of the Act forms part of the Notes to the Standalone Financial Statement provided in this Annual Report.

Other Disclosures: The Board hereby states that no disclosure and / or reporting and / or details is required, in respect of the following matters, as there were no transactions on these matters and / or instances / requirement / applicability, during the year under review:

- Deposits covered under Sections 73 and 74 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this report.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- No significant or material orders were passed by the Regulators or Courts or Tribunals, impacting the going concern status of your Company and its operations in future.
- There was no revision in the financial statements.
- Maintenance of cost records in terms of Section 148 of the Act is not applicable to the Company.
- Material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report, unless otherwise stated in the report.

14. Prevention Of Sexual Harassment (PoSH)

The Company continues to follow all the statutory requirements and guidelines in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. The PoSH Committee established as per the statutory requirements, continues to operate in every Unit and at the registered office. In case of any instances, employees are advised to approach the local PoSH Committee and appropriate action in this regard is initiated post detailed review of the matter. The Company stands strong against any kind of sexual harassment and has zero tolerance for sexual harassment at workplace.

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Every employee undergoes an extensive training on PoSH through an E-learning module that covers the definition, guidelines and detailed coverage of PoSH examples. It also covers the rights and responsibilities of the employees under the PoSH guidelines and Company's policy. A software program has been created to ensure faster and standardized documentation of each and every PoSH complaint in line with the statutory guidelines and Company's policy. The same is under testing phase. The Internal Complaints Committee members of the PoSH have been trained and certified to update them with the best practices in this area. There were 22 cases received during the year under review and all the cases have been resolved, as per the guidelines of PoSH Act & Rules made thereunder.

15. Risk Management

Your Company has established a robust risk management system to identify, assess the key risks and mitigate them appropriately. Further such system ensures smooth and efficient operations of the business. The Company has in the light of the Covid-19 pandemic outbreak, reviewed the major risks including risks on account of business continuity, supply chain management, third party risks, legal compliance and other risks which may affect or has effected its operations, employees, customers, vendors and all other stakeholders from both the external and the internal environment perspective. Basis this review, appropriate actions have been initiated to mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor such risks on a regular basis.

Your Company has its Risk Management Committee subsumed with Audit Committee, which assists the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and such other functions as the Board may deem fit. The detailed terms of reference of the Audit and Risk Management Committee and composition thereof, forms part of the Corporate Governance Report.

16. Internal Financial Control

Internal financial controls are an integral part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented and embedded in the business processes. The Company has laid down internal financial controls, through a combination of entity level controls, process level controls and IT general controls, inter-alia, to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial

statements/information, safeguarding of assets, prevention and detection of frauds and errors.

The evaluation of these internal financial controls were done through the internal audit process, established within the Company and also through appointing professional firm as the internal auditors to carry out such tests by way of systematic internal audit programme. Based on the review of the reported evaluations, we believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended and for the preparation of financial statement for the year under review, the applicable Accounting Standards have been followed and the internal financial controls related to financial Statement are generally found to be adequate and were operating effectively and that no material weaknesses were noticed.

17. Whistle Blower / Vigil Mechanism

Your Company has established a Vigil Mechanism and adopted a Whistle Blower policy in line with the Regulations 18 and 22 of the Listing Regulations and Section 177 of the Act. The Company has engaged a third party for managing the "Ethics Hotline", which can be used by employees including brand staff, vendors and third party vendor personnel.

Under this Policy, the Whistle Blower can raise concerns relating to reportable matters such as unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy or any other malpractice, impropriety or wrongdoings, illegality, of regulatory requirements. The mechanism adopted by the Company encourages to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower, who avail of such mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The guidelines are designed to ensure that stakeholders may raise any concern on integrity, value adherence without fear of being punished for raising that concern.

This third party managed 'Ethics Hotline' provide independence and comfort to the designated personnel to blow the whistle in case they have any issues worth reporting. The reach of this hotline facility is also expanded further for placing complaints against sexual harassment, Insider Trading & other specific HR related matters.

18. Corporate Governance Report

Pursuant to the Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with the certificate from S R B C &

CO LLP, the Statutory Auditors of the Company, confirming its compliance, forms part of this Annual Report.

19. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, on the business operations / performance review, as stipulated under the Listing Regulations, forms part of this Annual Report.

20. Business Responsibility Report

The Business Responsibility Report for the year under review, as stipulated under the Listing Regulations, describing the initiatives taken by the Company from social and governance perspective, forms an integral part of this Annual Report.

21. Auditors & Auditors' Report

Statutory Auditors

S R B C & CO LLP, (Registration No. 324982E/E300003) Chartered Accountants were appointed as the Statutory Auditors of the Company by the Members at the 20th Annual General Meeting (AGM) held on July 28, 2017, for a term of 5 years, to hold office until the conclusion of the 25th AGM, in accordance with the provisions of the Act and will continue to be the Statutory Auditors of the Company till their term expires. The Company has received confirmation from the Statutory Auditors that their continued appointment shall be in accordance with the criteria as provided under Section 141 of the Act.

The Auditors' Report for the year under review, form part of this Annual report. The said report was issued with unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditors

The Secretarial Audit Report for FY20 issued by Kaushal Dalal & Associates, the Secretarial Auditor for the year under review, is annexed as Annexure IV to this report. The said report does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the above Auditors have not reported any fraud and therefore no details are required to be disclosed under Section 134(3) (ca) of the Act.

22. Energy Conservation, Technology Absorption And Foreign Exchange Earnings And Outgo

The information on conservation of energy and technology absorption, as stipulated under the Act read with the Rules made thereunder, is annexed as Annexure V to this Report. The foreign exchange earnings were ₹85.50 crores (Previous Year ₹96.25 crores) and outgo was ₹18.60 crores (Previous Year ₹19.69 crores), for the year under review.

23. Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules and the disclosures pertaining to ratio of remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the said Rules are annexed to this report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by the Members. The Members desiring inspection/ interested in obtaining copy thereof, may write at investor@shoppersstop.com or to the Company Secretary. The Annual Report including the aforesaid information is made available on the Company's corporate website.

24. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, the Directors of your Company, to the best of their knowledge and based on the information and explanations received from the Company, hereby confirm that:

- a. in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected appropriate accounting policies and have applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the loss of the Company, for the year under review;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. proper internal financial controls to be followed by the Company were laid down and such internal financial controls were adequate and operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws were devised

Directors' Report (Contd.)

and that such systems were adequate and operating effectively.

25. Secretarial Standards

During the year under review, your Company has complied with the Secretarial Standards 1 and 2 on meetings of the Board of Directors and on General Meetings, respectively, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, in terms of Section 118 (10) of the Act.

26. Awards And Accolades

During the year under review, your Company received many awards and felicitations conferred by reputable organizations, some of them are:

- Company of the Year – Retail award from CNBC in collaboration with Chhattisgarh Government.
- HR Best Initiative Award (for Personal Shopper Program) and Recognition for Prior Learning - Skill Development by TRRAIN.
- Best Loyalty Program in Large Format Retail; First Citizen Black – Best use of Relationship marketing in Loyalty Program; Kids Earn Burn Campaign – Best Loyalty Promotion and Best Loyalty Team at The Customers Fest Awards, 2020.
- "Best in Class Supply Chain Strategy and Design" - 4th Year in a row at 13th ELSC Leadership Awards.

- The Coveted "Most Admired Retail Company of the year award" at MAPIC India Retail Awards 2019.

27. Acknowledgement

We thank our customers, business partners, suppliers, bankers and shareholders for their continued support during the year. We thank the Government of India, the State Governments where we have business operations and other government agencies for their support and look forward to their continued support in the future.

We regret the loss of lives due to COVID-19 pandemic. We are deeply grateful and have immense respect for every individual who risked their life and safety, to fight this pandemic.

We place on record our sincere appreciation towards the contribution made by all Customer Care Associates at all levels.

On behalf of the Board of Directors

Mumbai, June 15, 2020

B S Nagesh
Chairman

Annexure I to the Directors' Report

DIVIDEND DISTRIBUTION POLICY

1. Introduction

The Securities and Exchange Board of India on July 8, 2016 has inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 500 listed entities (based on market capitalization of every financial year), to formulate a Dividend Distribution Policy.

Shoppers Stop Ltd; being one of the top 500 listed entities as per market capitalization as on the last day of immediately preceding financial year, has framed this Dividend Distribution Policy in compliance with this regulation.

2. Objective

The objective of this Policy is to ensure optimum balance between dividend paid to shareholders and profits retained by the Company. The Policy lays down parameters to be considered by the Company for declaration of Dividend. The Company's commitment to declare dividends is a part of its commitment towards enhancing shareholder value.

3. Definitions

- **"Act"** means the Companies Act 2013 and rules made thereunder and as amended from time to time.
- **"Board"** means Board of Directors of the Company.
- **"Company"** means Shoppers Stop Limited.
- **"Dividend"** means Dividend as defined under the Companies Act, 2013.
- **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- **"Policy"** means this Dividend Distribution Policy.

4. Parameters for declaration of dividend

The Board of Directors of the Company would consider the following financial parameters and internal & external factors, before declaring or recommending dividend to shareholders.

Financial Parameters / Internal factors

- i. Profit earned for the financial year;
- ii. Cash flow from operations;
- iii. Working capital & capital expenditure requirements;

- iv. Liquidity & debt position;
- v. Operating performance;
- vi. Dividend trends of preceding years;
- vii. Provision for contingencies.

External factors

- i. Taxation and other regulatory requirements;
- ii. Macroeconomic conditions.

Taking into consideration these factors, the Board will endeavor to maintain a dividend payout in the range of 15% to 25% on profit after tax on standalone basis. Further, the Board may amend the payout range, whenever considered appropriate by it.

5. Circumstances under which the shareholders of the Company may or may not expect dividend

Under the following circumstances, the shareholders of the Company may not expect dividend:

- i. In the event of inadequacy of profits or of loss;
- ii. Non-availability of sufficient cash flow to meet the capital requirements;
- iii. Expansion plans, necessitating greater provision of free cash;
- iv. Any acquisition or joint venture, requiring allocation of capital.

6. Utilisation of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds for investing in the growth of the Company and increase shareholders value in the long run.

7. Parameters to be adopted with regard to various classes of shares

Presently, the Company has issued only one class of equity shares with equal voting rights. Accordingly, all the shareholders of the Company are entitled to receive the same amount of dividend per share.

8. Dissemination of Policy

The Company shall make appropriate disclosure of this policy as provided under Listing Regulations.

9. Review and amendment

The Board may monitor, review and amend the Policy from time to time as also whenever necessitated due to amendments in any Act, Rules or applicable Regulations.

Annexure II to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2019-20.

| | | |
|---|---|---|
| 1 | A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes. | The Company has framed the CSR Policy in compliance with provisions of the Companies Act, 2013. The same is placed on the website of the Company and link for the same is https://corporate.shoppersstop.com/uploaded_files/8ce6acb-b55a.pdf |
| 2 | Composition of the CSR Committee. | Mr. Ravi C. Raheja, Chairman, Non Independent Director Mr. Robert Bready, Independent Director Mr. Rajiv Suri, Managing Director & Chief Executive Officer Ms. Uma Talreja, Chief Marketing & Customer Officer, acts as Secretary to the Committee. |
| 3 | Average Net Profit of the Company for last 3 financial years | ₹84.14 crore |
| 4 | Prescribed CSR Expenditure (2% of the amount as in item 3 above) | ₹1.68 crore |
| 5 | Details of CSR spent during the financial year: | |
| | (a) Total Amount to be spent for the financial year; | ₹1.68 crore |
| | (b) Amount unspent, if any; | ₹0.83 crore |
| | (c) Manner in which the amount spent during the financial year | The same is provided hereunder. |

| (₹ in crores) | | | | | | | |
|---------------|--|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Sr. No. | CSR project or activity identified | Sector in which the Project is covered | Projects or programmes 1. Local area or other 2. Specify the state and district where projects or programmes was undertaken | Amount outlay (budget) project or programmes wise | Amount Spent on the Projects Or programmes Sub-Heads: (1) Direct Expenditure (2) Overhead | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1. | Livelihood creation for persons with disabilities (Employment linked training) | Retail | PAN India | 0.31 | 0.31 | 0.31 | Implementing Agency - TRRAIN |
| 2. | Promoting healthcare, education, empowering women | Healthcare | National Capital Region | 0.10 | 0.10 | 0.10 | Implementing agency- 1. Braveheart 2. Chhavn Foundation |
| 3. | Promote sustainable living through reuse, recycle and reduce | Environment | Mumbai | 0.03 | 0.03 | 0.03 | Implementing Agency Wild West Media |
| 4. | Promote sustainable fashion through reuse, recycle and reduce | Environment, Healthcare | PAN India | 0.41 | 0.41 | 0.41 | Implementing Agency 1. GOONJ 2. Sustain Plus |
| 5. | Reasons for not spending the amount | The recycling of old clothes had to be suspended due to the pandemic Covid19. During this time, the women were also immobile and could not make the sanitary napkins and the program was stopped after the distribution of ready inventory to marginalised women in the villages. | | | | | |
| 6. | The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. | | | | | | |

Sd/-
Rajiv Suri
Managing Director & Chief Executive Officer

Sd/-
Ravi Raheja
Chairman - CSR Committee

Annexure III to the Directors' Report

Extract of Annual Return As on the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

FORM NO. MGT-9

I Registration & Other Details:

| | | |
|-----|---|---|
| i | CIN | L51900MH1997PLC108798 |
| ii | Registration Date | June 16, 1997 |
| iii | Name of the Company | Shoppers Stop Limited |
| iv | Category/Sub-category of the Company | Company Limited by Shares / Indian Non-Government Company |
| v | Address of the Registered office & contact details | Umang Tower, 5 th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400 064. Tel : 022-42497000 E-mail: investor@shoppersstop.com Website: www.shoppersstop.com |
| vi | Whether listed company | Yes |
| vii | Name, Address & Contact details of the Registrar & Transfer Agent | KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32 , Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Tel : (040) 6716 2222/ Toll Free No: 18003454001 e-mail ID : einward.ris@kfintech.com; balaji.reddy@kfintech.com Website: www.kfintech.com |

II Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

| Sr. No. | Name & Description of main products/services | NIC Code of the Product /service* | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1 | Apparels | 477 | 61.55% |
| 2 | Non Appearels | 477 | 38.45% |

* As per National Industrial Classification - Ministry of Statistics and Programme implementation.

III Particulars of Holding, Subsidiary & Associate Companies

| Sr. No. | Name & Address of the Company | CIN | Holding / Subsidiary/ Associate | % of Shares held* | Applicable Section |
|---------|---|-----------------------|---------------------------------|-------------------|--------------------|
| 1 | Crossword Bookstores Ltd. Umang Tower, 2 nd Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400064. | U52396MH1999PLC122528 | Subsidiary | 100 | Section 2(87)(ii) |
| 2 | Shoppers' Stop.Com (India) Ltd. Umang Tower, 5 th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400064. | U72900MH2000PLC124178 | Subsidiary | 100 | Section 2(87)(ii) |
| 3 | Shopper's Stop Services (India) Ltd. Umang Tower, 5 th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400064. | U74999MH2000PLC124945 | Subsidiary | 100 | Section 2(87)(ii) |
| 4 | Upasna Trading Ltd. Umang Tower, 5 th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400064. | U51900MH1995PLC095115 | Subsidiary | 100 | Section 2(87)(ii) |
| 5 | Gateway Multichannel Retail (India) Ltd. Umang Tower, 5 th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400064. | U52100MH2007PLC170243 | Subsidiary | 100 | Section 2(87)(ii) |

* 6 Equity Shares (1 Equity Share each) is held by 4 body corporates & 2 individuals, with due compliance of section 89 of the Companies Act, 2013 and rules made thereunder.

Annexure III to the Directors' Report (Contd.)

IV Shareholding Pattern (Equity Share capital break up as % of total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (i.e. as on April 1, 2019) | | | No. of Shares held at the end of the year (i.e. as on March 31, 2020) | | | % change during the year | |
|--|---|----------|-------------------|--|----------|-------------------|--------------------------|-------------------|
| | Demat | Physical | Total | Demat | Physical | Total | | |
| | | | | | | | | % of Total Shares |
| A. Promoters | | | | | | | | |
| (1) Indian | | | | | | | | |
| a) Individual/HUF | 3,695,000 | 0 | 3,695,000 | 3,905,000 | 0 | 3,905,000 | 4.44 | 0.24 |
| b) Central Government/State Government(s) | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| c) Bodies Corporates | 52,334,674 | 0 | 52,334,674 | 52,284,674 | 0 | 52,284,674 | 59.42 | -0.06 |
| d) Financial Institutions/Banks | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| e) Others | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| SUB TOTAL: (A) (1) | 56,029,674 | 0 | 56,029,674 | 56,189,674 | 0 | 56,189,674 | 63.86 | 0.18 |
| (2) Foreign | | | | | | | | |
| a) Individuals (NRIs/Foreign Individuals) | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| b) Bodies Corporate | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| c) Institutions | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| d) Others | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| SUB TOTAL: (A) (2) | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 56,029,674 | 0 | 56,029,674 | 56,189,674 | 0 | 56,189,674 | 63.86 | 0.18 |
| B. PUBLIC SHAREHOLDING | | | | | | | | |
| (1) Institutions | | | | | | | | |
| a) Mutual Funds /UTI | 12,551,399 | 0 | 12,551,399 | 13,510,261 | 0 | 13,510,261 | 15.35 | 1.09 |
| b) Financial Institutions /Banks | 6,721 | 0 | 6,721 | 28,496 | 0 | 28,496 | 0.03 | 0.02 |
| c) Central Government/State Government(s) | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| d) Venture Capital Funds | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| e) Insurance Companies | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| f) Foreign Institutional Investors / Foreign Portfolio Investors | 9,139,943 | 0 | 9,139,943 | 6,125,803 | 0 | 6,125,803 | 6.96 | -3.43 |
| g) Foreign venture Capital Investors | - | 0 | - | 0 | 0 | - | 0.00 | 0.00 |
| h) Others | 188,241 | 0 | 188,241 | 1,002,046 | 0 | 1,002,046 | 1.14 | 0.92 |
| Alternate Investment Funds | - | 0 | - | 4,053,216 | 0 | 4,053,216 | 4.61 | 4.61 |
| Qualified Institutional Buyer | - | 0 | - | - | 0 | - | - | - |
| SUB TOTAL (B)(1): | 21,886,304 | 0 | 21,886,304 | 24,719,822 | 0 | 24,719,822 | 28.09 | 3.22 |

| Category of Shareholders | No. of Shares held at the beginning of the year (i.e. as on April 1, 2019) | | | | No. of Shares held at the end of the year (i.e. as on March 31, 2020) | | | | % change during the year |
|---|---|------------|-------------------|-------------------|--|------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | | | | | | | | | |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | 6,828,060 | 0 | 6,828,060 | 7.76 | 2,088,910 | 0 | 2,088,910 | 2.37 | -5.39 |
| b) Individuals | | | | | | | | | |
| (i) Individuals holding nominal share capital upto ₹1 lakh | 1,538,821 | 322 | 1,539,143 | 1.75 | 2,472,942 | 222 | 2,473,164 | 2.81 | 1.06 |
| (ii) Individuals holding nominal share capital in excess of ₹1 lakh | 1,412,916 | 0 | 1,412,916 | 1.61 | 1,426,731 | 0 | 1,426,731 | 1.62 | 0.02 |
| c) Others | | | | | | | | | |
| Non-resident Indians / Foreign Nationals | 90,970 | 0 | 90,970 | 0.10 | 447,947 | 0 | 447,947 | 0.51 | 0.41 |
| Clearing Members | 13,600 | 0 | 13,600 | 0.02 | 341,691 | 0 | 341,691 | 0.39 | 0.37 |
| Trusts | 90,285 | 0 | 90,285 | 0.10 | 220,102 | 0 | 220,102 | 0.25 | 0.15 |
| NBFCs Registered with RBI | 52,319 | 0 | 52,319 | 0.06 | 16,000 | 0 | 16,000 | 0.02 | -0.04 |
| H U F | 45,063 | 0 | 45,063 | 0.05 | 64,047 | 0 | 64,047 | 0.07 | 0.02 |
| IEPF | 1,594 | 0 | 1,594 | 0.00 | 1,840 | 0 | 1,840 | 0.00 | 0.00 |
| SUB TOTAL (B)(2): | 10,073,628 | 322 | 10,073,950 | 11.45 | 7,080,210 | 222 | 7,080,432 | 8.05 | -3.40 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 31,959,932 | 322 | 31,960,254 | 36.32 | 31,800,032 | 222 | 31,800,254 | 36.14 | -0.18 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 87,989,606 | 322 | 87,989,928 | 100.00 | 87,989,706 | 222 | 87,989,928 | 100.00 | 0.00 |

Annexure III to the Directors' Report (Contd.)

(ii) Share Holding Of Promoters

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year (i.e. as on April 1, 2019) | | | Shareholding at the end of the year (i.e. as on March 31, 2020) | | | % change in share holding during the year | | |
|---------|---|---|----------------------------------|-----------------------|--|-------------------|----------------------------------|---|-----------------------|---------------------|
| | | No. of shares | % of total shares of the company | No. of shares pledged | % of shares pledged | No. of shares | % of total shares of the company | | No. of shares pledged | % of shares pledged |
| 1 | Palm Shelter Estate Development LLP | 11,813,300 | 13.43 | - | 0.00 | 8,471,534 | 9.63 | - | 0.00 | (3.80) |
| 2 | Raghukool Estate Development LLP | 5,593,300 | 6.36 | - | 0.00 | 5,593,300 | 6.36 | - | 0.00 | - |
| 3 | Capstan Trading LLP | 5,459,768 | 6.20 | - | 0.00 | 7,032,417 | 7.99 | - | 0.00 | 1.79 |
| 4 | Casa Maria Properties LLP | 5,253,300 | 5.97 | - | 0.00 | 7,032,417 | 7.99 | - | 0.00 | 2.02 |
| 5 | Anbee Constructions LLP | 10,386,401 | 11.80 | - | 0.00 | 10,386,401 | 11.80 | - | 0.00 | - |
| 6 | Cape Trading LLP | 10,386,401 | 11.80 | - | 0.00 | 10,386,401 | 11.80 | - | 0.00 | - |
| 7 | K. Raheja Corp Private Limited | 3,382,204 | 3.84 | 3,382,204 | 6.04 | 3,382,204 | 3.84 | 3,382,204 | 6.02 | - |
| 8 | Neel C. Raheja | 1,150,000 | 1.31 | 1,150,000 | 2.05 | 1,230,000 | 1.40 | 1,150,000 | 2.05 | 0.09 |
| 9 | Ravi C. Raheja | 1,100,000 | 1.25 | 1,100,000 | 1.96 | 1,230,000 | 1.40 | 1,100,000 | 1.96 | 0.15 |
| 10 | Jyoti C. Raheja | 747,500 | 0.85 | 747,500 | 1.33 | 747,500 | 0.85 | 747,500 | 1.33 | - |
| 11 | Chandru L. Raheja | 697,500 | 0.79 | 697,500 | 1.24 | 697,500 | 0.79 | 697,500 | 1.24 | - |
| 12 | Inorbit Malls (India) Private Limited | 20,000 | 0.02 | - | 0.00 | 0 | 0.00 | - | - | (0.02) |
| 13 | Ivory Properties and Hotels Private Limited | 20,000 | 0.02 | - | 0.00 | 0 | 0.00 | - | - | (0.02) |
| 14 | K. Raheja Private Limited | 20,000 | 0.02 | - | 0.00 | 0 | 0.00 | - | - | (0.02) |
| | Total | 56,029,674 | 63.68 | 7,077,204 | 12.63 | 56,189,674 | 63.86 | 7,077,204 | 12.60 | 0.18 |

(iii) Change In Promoters' Shareholding :

| Sr. No. | Name | Shareholding at the beginning of the year (i.e. as on April 1, 2019)/ at the end of the year (i.e. as on March 31, 2020) | | Date wise Increase/(Decrease) in Share holding during the year | | | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) | | | |
|---------|-------------------------------------|--|----------------------------------|--|-------------------|---------------|---|----------------------------------|-----------|------|
| | | No. of shares | % of total shares of the company | Date | Reason | No. of Shares | No. of Shares | % of total shares of the company | | |
| 1 | Palm Shelter Estate Development LLP | 11,813,300 | 13.43 | 01/04/2019 | - | - | 11,813,300 | 13.43 | | |
| | | | | 03/03/2020 | Inter-se transfer | (1,779,117) | 10,034,183 | 11.40 | | |
| | | 8,471,534 | 9.63 | 17/03/2020 | Sale | (1,562,649) | 8,471,534 | 9.63 | | |
| 2 | Cape Trading LLP | 10,386,401 | 11.80 | 31/03/2020 | - | - | 8,471,534 | 9.63 | | |
| | | 10,386,401 | 11.80 | 01/04/2019 | - | - | 10,386,401 | 11.80 | | |
| 3 | Anbee Constructions LLP | 10,386,401 | 11.80 | 31/03/2020 | - | - | 10,386,401 | 11.80 | | |
| | | 10,386,401 | 11.80 | 01/04/2019 | - | - | 10,386,401 | 11.80 | | |
| 4 | Raghukool Estate Development LLP | 5,593,300 | 6.36 | 31/03/2020 | - | - | 10,386,401 | 11.80 | | |
| | | 5,593,300 | 6.36 | 01/04/2019 | - | - | 5,593,300 | 6.36 | | |
| 5 | Capstan Trading LLP | 5,459,768 | 6.20 | 31/03/2020 | - | - | 5,593,300 | 6.36 | | |
| | | | | 01/04/2019 | - | - | 5,459,768 | 6.20 | | |
| | | 7,032,417 | 7.99 | 17/03/2020 | Purchase | 1,572,649 | 7,032,417 | 7.99 | | |
| 6 | Casa Maria Properties LLP | 5,253,300 | 5.97 | 31/03/2020 | - | - | 7,032,417 | 7.99 | | |
| | | | | 01/04/2019 | - | - | 5,253,300 | 5.97 | | |
| | | 7,032,417 | 7.99 | 03/03/2020 | Inter-se transfer | 1,779,117 | 7,032,417 | 7.99 | | |
| 7 | K. Raheja Corp Private Limited | 3,382,204 | 3.84 | | - | - | | | | |
| | | 3,382,204 | 3.84 | 31/03/2020 | - | - | 3,382,204 | 3.84 | | |
| 8 | Neel C Raheja | 1,150,000 | 1.31 | 01/04/2019 | - | - | 1,150,000 | 1.31 | | |
| | | | | 21/11/2019 | | 10,641 | 1,160,641 | 1.32 | | |
| | | | | 22/11/2019 | | 15,000 | 1,175,641 | 1.34 | | |
| | | | | 25/11/2019 | | 11,960 | 1,187,601 | 1.35 | | |
| | | | | 03/12/2019 | | 153 | 1,187,754 | 1.35 | | |
| | | | | 06/12/2019 | | 1,214 | 1,188,968 | 1.35 | | |
| | | | | 10/12/2019 | | 780 | 1,189,748 | 1.35 | | |
| | | | | 11/12/2019 | Purchase | 1,107 | 1,190,855 | 1.35 | | |
| | | | | 12/12/2019 | | 162 | 1,191,017 | 1.35 | | |
| | | | | 13/12/2019 | | 4,124 | 1,195,141 | 1.36 | | |
| | | | | 18/12/2019 | | 6,113 | 1,201,254 | 1.37 | | |
| | | | | 19/12/2019 | | 252 | 1,201,506 | 1.37 | | |
| | | | | 23/12/2019 | | 20,000 | 1,221,506 | 1.39 | | |
| | | | | 24/12/2019 | | 8,494 | 1,230,000 | 1.40 | | |
| | | | | 31/03/2020 | - | - | 1,230,000 | 1.40 | | |
| | | 9 | Ravi C Raheja | 1,100,000 | 1.25 | 01/04/2019 | - | - | 1,100,000 | 1.25 |
| | | | | | | 17/05/2019 | | 204 | 1,100,204 | 1.25 |
| | | | | 20/05/2019 | | 3,582 | 1,103,786 | 1.25 | | |
| | | | | 22/05/2019 | | 1,705 | 1,105,491 | 1.26 | | |
| | | | | 23/05/2019 | | 3,501 | 1,108,992 | 1.26 | | |
| | | | | 24/05/2019 | | 2,074 | 1,111,066 | 1.26 | | |
| | | | | 06/06/2019 | Purchase | 359 | 1,111,425 | 1.26 | | |
| | | | | 07/06/2019 | | 5,293 | 1,116,718 | 1.27 | | |
| | | | | 12/06/2019 | | 160 | 1,116,878 | 1.27 | | |
| | | | | 14/06/2019 | | 265 | 1,117,143 | 1.27 | | |
| | | | | 17/06/2019 | | 5,000 | 1,122,143 | 1.28 | | |
| | | 20/06/2019 | | 255 | 1,122,398 | 1.28 | | | | |

Annexure III to the Directors' Report (Contd.)

| Sr. No. | Name | Shareholding at the beginning of the year (i.e. as on April 1, 2019)/ at the end of the year (i.e. as on March 31, 2020) | | Date wise Increase/(Decrease) in Share holding during the year | | | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) | |
|---------|---|--|----------------------------------|--|----------|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Reason | No. of Shares | No. of Shares | % of total shares of the company |
| | | | | 26/06/2019 | | 240 | 1,122,638 | 1.28 |
| | | | | 27/06/2019 | | 8,000 | 1,130,638 | 1.28 |
| | | | | 28/06/2019 | | 885 | 1,131,523 | 1.29 |
| | | | | 02/08/2019 | | 8,398 | 1,139,921 | 1.30 |
| | | | | 22/08/2019 | | 1,428 | 1,141,349 | 1.30 |
| | | | | 23/08/2019 | | 169 | 1,141,518 | 1.30 |
| | | | | 06/11/2019 | | 266 | 1,141,784 | 1.30 |
| | | | | 07/11/2019 | Purchase | 570 | 1,142,354 | 1.30 |
| | | | | 08/11/2019 | | 1,365 | 1,143,719 | 1.30 |
| | | | | 11/11/2019 | | 2,635 | 1,146,354 | 1.30 |
| | | | | 13/11/2019 | | 17,000 | 1,163,354 | 1.32 |
| | | | | 14/11/2019 | | 292 | 1,163,646 | 1.32 |
| | | | | 18/11/2019 | | 10,000 | 1,173,646 | 1.33 |
| | | | | 19/11/2019 | | 3,969 | 1,177,615 | 1.34 |
| | | | | 24/12/2019 | | 2,385 | 1,180,000 | 1.34 |
| | | | | 17/03/2020 | | 50,000 | 1,230,000 | 1.40 |
| | | 1,230,000 | 1.40 | 31/03/2020 | - | - | 1,230,000 | 1.40 |
| 10 | Jyoti C Raheja | 747,500 | 0.85 | 01/04/2019 | - | - | 747,500 | 0.85 |
| | | 747,500 | 0.85 | 31/03/2020 | - | - | 747,500 | 0.85 |
| 11 | Chandru L Raheja | 697,500 | 0.79 | 01/04/2019 | - | - | 697,500 | 0.79 |
| | | 697,500 | 0.79 | 31/03/2020 | - | - | 697,500 | 0.79 |
| 12 | Inorbit Malls (India) Private Limited | 20,000 | 0.02 | 01/04/2019 | - | - | 20,000 | 0.02 |
| | | | | 17/03/2020 | Sale | (20,000) | 0 | 0.00 |
| | | - | - | 31/03/2020 | - | - | 0 | 0.00 |
| 13 | K.Raheja Private Limited | 20,000 | 0.02 | 01/04/2019 | - | - | 20,000 | 0.02 |
| | | | | 17/03/2020 | Sale | (20,000) | 0 | 0.00 |
| | | - | - | 31/03/2020 | - | - | 0 | 0.00 |
| 14 | Ivory Properties and Hotels Private Limited | 20,000 | 0.02 | 01/04/2019 | - | - | 20,000 | 0.02 |
| | | | | 17/03/2020 | Sale | (20,000) | 0 | 0.00 |
| | | - | - | 31/03/2020 | - | - | 0 | 0.00 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sr. No. | Name# | Shareholding at the beginning of the year (i.e. as on April 1, 2019)/ at the end of the year (i.e. as on March 31, 2020) | | Date wise Increase/(Decrease) in Share holding during the year | | | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) | | | |
|---------|---|--|---------------------------------------|--|-----------|---------------|---|----------------------------------|-----------|------|
| | | No. of shares | % of total shares of the company | Date | Reason | No. of Shares | No. of Shares | % of total shares of the company | | |
| 1 | Aditya Birla Sun Life Trustee Private Limited | 5,789,554 | 6.58 | 01/04/2019 | - | - | 5,789,554 | 6.58 | | |
| | | | | 05/04/2019 | | 25,380 | 5,814,934 | 6.61 | | |
| | | | | 12/04/2019 | | 15,120 | 5,830,054 | 6.63 | | |
| | | | | 19/04/2019 | Purchase | 8,100 | 5,838,154 | 6.64 | | |
| | | | | 26/04/2019 | | 29,340 | 5,867,494 | 6.67 | | |
| | | | | 03/05/2019 | | 15,407 | 5,882,901 | 6.69 | | |
| | | | | 10/05/2019 | | 51,494 | 5,934,395 | 6.74 | | |
| | | | | 10/05/2019 | Sale | (22,586) | 5,911,809 | 6.72 | | |
| | | | | 17/05/2019 | | 37,800 | 5,949,609 | 6.76 | | |
| | | | | 24/05/2019 | | 50,649 | 6,000,258 | 6.82 | | |
| | | | | 31/05/2019 | | 29,700 | 6,029,958 | 6.85 | | |
| | | | | 07/06/2019 | | 22,140 | 6,052,098 | 6.88 | | |
| | | | | 14/06/2019 | Purchase | 30,240 | 6,082,338 | 6.91 | | |
| | | | | 21/06/2019 | | 44,869 | 6,127,207 | 6.96 | | |
| | | | | 28/06/2019 | | 32,400 | 6,159,607 | 7.00 | | |
| | | | | 05/07/2019 | | 10,790 | 6,170,397 | 7.01 | | |
| | | | | 12/07/2019 | | 18,385 | 6,188,782 | 7.03 | | |
| | | | | 19/07/2019 | | 17,375 | 6,206,157 | 7.05 | | |
| | | | | 20/09/2019 | Sale | (50,114) | 6,156,043 | 7.00 | | |
| | | | | 27/09/2019 | Purchase | 50,114 | 6,206,157 | 7.05 | | |
| | | 04/10/2019 | | 19,440 | 6,225,597 | 7.08 | | | | |
| | | 6,225,597 | 7.08 | 31/03/2020 | - | - | 6,225,597 | 7.08 | | |
| 2 | Reliance Capital Trustee Company Limited | 4,754,987 | 5.40 | 01/04/2019 | - | - | 4,754,987 | 5.40 | | |
| | | | | 12/04/2019 | | 124,876 | 4,879,863 | 5.55 | | |
| | | | | 10/05/2019 | | 21,000 | 4,900,863 | 5.57 | | |
| | | | | 31/05/2019 | | 13,934 | 4,914,797 | 5.59 | | |
| | | | | 02/08/2019 | | 100,000 | 5,014,797 | 5.70 | | |
| | | | | 09/08/2019 | Purchase | 21,868 | 5,036,665 | 5.72 | | |
| | | | | 30/08/2019 | | 18,500 | 5,055,165 | 5.75 | | |
| | | | | 06/09/2019 | | 24,000 | 5,079,165 | 5.77 | | |
| | | | | 20/09/2019 | | 21,000 | 5,100,165 | 5.80 | | |
| | | | | 04/10/2019 | | 10,000 | 5,110,165 | 5.81 | | |
| | | | | 18/10/2019 | Sale | (21,759) | 5,088,406 | 5.78 | | |
| | | | | 06/12/2019 | | 12,000 | 5,100,406 | 5.80 | | |
| | | | | 13/12/2019 | Purchase | 9,000 | 5,109,406 | 5.81 | | |
| | | | | 03/01/2020 | | 41,000 | 5,150,406 | 5.85 | | |
| | | | | 17/01/2020 | | (650,000) | 4,500,406 | 5.11 | | |
| | | | | 24/01/2020 | Sale | (1,300,000) | 3,200,406 | 3.64 | | |
| | | | | 07/02/2020 | | (49,541) | 3,150,865 | 3.58 | | |
| | | | | 3,150,865 | 3.58 | 31/03/2020 | - | - | 3,150,865 | 3.58 |
| | | 3 | Amazon.com NV Investment Holdings LLC | 4,395,925 | 5.00 | 01/04/2019 | - | - | 4,395,925 | 5.00 |
| | | | | 4,395,925 | 5.00 | 31/03/2020 | - | - | 4,395,925 | 5.00 |
| 4 | ICICI Prudential Life Insurance Company Limited | 2,446,288 | 2.78 | 01/04/2019 | - | - | 2,446,288 | 2.78 | | |
| | | | | 12/04/2019 | Purchase | 73,252 | 2,519,540 | 2.86 | | |
| | | | | 26/04/2019 | | (60) | 2,519,480 | 2.86 | | |
| | | | | 03/05/2019 | Sale | (59) | 2,519,421 | 2.86 | | |
| | | | | 17/05/2019 | | (111,944) | 2,407,477 | 2.74 | | |
| | | | | 24/05/2019 | Purchase | 178 | 2,407,655 | 2.74 | | |
| | | | | 28/06/2019 | | (147,992) | 2,259,663 | 2.57 | | |
| | | | | 05/07/2019 | | (1,070) | 2,258,593 | 2.57 | | |
| | | | | 12/07/2019 | | (4,907) | 2,253,686 | 2.56 | | |
| | | | | 19/07/2019 | Sale | (4,310) | 2,249,376 | 2.56 | | |
| | | | | 26/07/2019 | | (28,298) | 2,221,078 | 2.52 | | |
| | | | | 02/08/2019 | | (5,000) | 2,216,078 | 2.52 | | |
| | | | | 16/08/2019 | | (2,553) | 2,213,525 | 2.52 | | |

Annexure III to the Directors' Report (Contd.)

| Sr. No. | Name# | Shareholding at the beginning of the year (i.e. as on April 1, 2019)/ at the end of the year (i.e. as on March 31, 2020) | | Date wise Increase/(Decrease) in Share holding during the year | | | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) | |
|---------|---------------------------------|--|----------------------------------|--|----------|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Reason | No. of Shares | No. of Shares | % of total shares of the company |
| | | | | | | 8,932 | 2,222,457 | 2.53 |
| | | | | 06/09/2019 | | 989 | 2,223,446 | 2.53 |
| | | | | 13/09/2019 | Purchase | 1,784 | 2,225,230 | 2.53 |
| | | | | 27/09/2019 | | 92,435 | 2,317,665 | 2.63 |
| | | | | 04/10/2019 | | 416 | 2,318,081 | 2.63 |
| | | | | 11/10/2019 | | (151) | 2,317,930 | 2.63 |
| | | | | 25/10/2019 | | (2,232) | 2,315,698 | 2.63 |
| | | | | 01/11/2019 | | (483) | 2,315,215 | 2.63 |
| | | | | 08/11/2019 | | (80) | 2,315,135 | 2.63 |
| | | | | 06/12/2019 | Sale | (12,880) | 2,302,255 | 2.62 |
| | | | | 27/12/2019 | | (44,462) | 2,257,793 | 2.57 |
| | | | | 31/12/2019 | | (12,049) | 2,245,744 | 2.55 |
| | | | | 03/01/2020 | | (26,671) | 2,219,073 | 2.52 |
| | | | | 10/01/2020 | Purchase | 19,241 | 2,238,314 | 2.54 |
| | | | | 24/01/2020 | | (27,698) | 2,210,616 | 2.51 |
| | | | | 31/01/2020 | Sale | (6,265) | 2,204,351 | 2.51 |
| | | | | 28/02/2020 | Purchase | 3,912 | 2,208,263 | 2.51 |
| | | | | 06/03/2020 | | (6,548) | 2,201,715 | 2.50 |
| | | | | 13/03/2020 | | (485) | 2,201,230 | 2.50 |
| | | | | 27/03/2020 | Sale | (14,000) | 2,187,230 | 2.49 |
| | | | | 31/03/2020 | | (22,993) | 2,164,237 | 2.46 |
| | | 2,164,237 | 2.46 | 31/03/2020 | - | - | 2,164,237 | 2.46 |
| 5 | DSP Small Cap Fund | - | 0.00 | 01/04/2019 | - | - | 0 | 0.00 |
| | | | | 05/04/2019 | | 1,324,807 | 1,324,807 | 1.51 |
| | | | | 12/04/2019 | | 274,469 | 1,599,276 | 1.82 |
| | | | | 19/04/2019 | | 4,344 | 1,603,620 | 1.82 |
| | | | | 26/04/2019 | Purchase | 47,448 | 1,651,068 | 1.88 |
| | | | | 10/05/2019 | | 94,381 | 1,745,449 | 1.98 |
| | | | | 17/05/2019 | | 7,750 | 1,753,199 | 1.99 |
| | | | | 22/11/2019 | | 325,000 | 2,078,199 | 2.36 |
| | | | | 31/03/2020 | | 6,940 | 2,085,139 | 2.37 |
| | | 2,085,139 | 2.37 | 31/03/2020 | - | - | 2,085,139 | 2.37 |
| 6 | Government Pension Fund Global | 2,078,482 | 2.36 | 01/04/2019 | - | - | 2,078,482 | 2.36 |
| | | | | 05/04/2019 | Sale | (1,264,000) | 814,482 | 0.93 |
| | | 814,482 | 0.93 | 31/03/2020 | - | - | 814,482 | 0.93 |
| 7 | L&T Mutual Fund Trustee Limited | 1,611,064 | 1.83 | 01/04/2019 | - | - | 1,611,064 | 1.83 |
| | | | | 17/05/2019 | | (200,000) | 1,411,064 | 1.60 |
| | | | | 28/06/2019 | Sale | (41,000) | 1,370,064 | 1.56 |
| | | | | 23/08/2019 | | (40,000) | 1,330,064 | 1.51 |
| | | | | 17/01/2020 | Purchase | 52,464 | 1,382,528 | 1.57 |
| | | | | 14/02/2020 | | (92,797) | 1,289,731 | 1.47 |
| | | | | 21/02/2020 | Sale | (134,267) | 1,155,464 | 1.31 |
| | | 1,155,464 | 1.31 | 31/03/2020 | - | - | 1,155,464 | 1.31 |
| 8 | Miraj Marketing Company LLP | 1,571,374 | 1.79 | 01/04/2019 | - | - | 1,571,374 | 1.79 |
| | | | | 24/05/2019 | | (5,246) | 1,566,128 | 1.78 |
| | | | | 31/05/2019 | | (27,261) | 1,538,867 | 1.75 |
| | | | | 07/06/2019 | | (4,002) | 1,534,865 | 1.74 |
| | | | | 14/06/2019 | | (18,310) | 1,516,555 | 1.72 |
| | | | | 21/06/2019 | | (28,621) | 1,487,934 | 1.69 |
| | | | | 28/06/2019 | | (24,760) | 1,463,174 | 1.66 |
| | | | | 13/12/2019 | Sale | (6,252) | 1,456,922 | 1.66 |
| | | | | 20/12/2019 | | (20,084) | 1,436,838 | 1.63 |
| | | | | 27/12/2019 | | (484) | 1,436,354 | 1.63 |
| | | | | 31/12/2019 | | (32,557) | 1,403,797 | 1.60 |
| | | | | 03/01/2020 | | (17,053) | 1,386,744 | 1.58 |
| | | | | 10/01/2020 | | (13,701) | 1,373,043 | 1.56 |

| Sr. No. | Name# | Shareholding at the beginning of the year (i.e. as on April 1, 2019)/ at the end of the year (i.e. as on March 31, 2020) | | Date wise Increase/(Decrease) in Share holding during the year | | | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) | | |
|---------|-------------------------------------|--|----------------------------------|--|------------|---------------|---|----------------------------------|------|
| | | No. of shares | % of total shares of the company | Date | Reason | No. of Shares | No. of Shares | % of total shares of the company | |
| 9 | HDFC Life Insurance Company Limited | | | 17/01/2020 | | (26,228) | 1,346,815 | 1.53 | |
| | | | | 24/01/2020 | | (4,000) | 1,342,815 | 1.53 | |
| | | | | 14/02/2020 | Sale | (1,330) | 1,341,485 | 1.52 | |
| | | | | 28/02/2020 | | (28,233) | 1,313,252 | 1.49 | |
| | | | | 06/03/2020 | | (45,837) | 1,267,415 | 1.44 | |
| | | | 1,267,415 | 1.44 | 31/03/2020 | - | - | 1,267,415 | 1.44 |
| | | | 400,000 | 0.45 | 01/04/2019 | - | - | 400,000 | 0.45 |
| | | | | | 17/01/2020 | | 263,169 | 663,169 | 0.75 |
| | | | | | 24/01/2020 | | 155,541 | 818,710 | 0.93 |
| | | | | | 31/01/2020 | | 502,490 | 1,321,200 | 1.50 |
| | | | | | 07/02/2020 | | 84,941 | 1,406,141 | 1.60 |
| | | | | | 14/02/2020 | | 13,495 | 1,419,636 | 1.61 |
| | | | | | 21/02/2020 | Purchase | 135,652 | 1,555,288 | 1.77 |
| | | | | | 28/02/2020 | | 5,000 | 1,560,288 | 1.77 |
| | | | | | 06/03/2020 | | 11,448 | 1,571,736 | 1.79 |
| | | | | | 13/03/2020 | | 467 | 1,572,203 | 1.79 |
| | | | | | 20/03/2020 | | 51,773 | 1,623,976 | 1.85 |
| | | | 27/03/2020 | | 31,219 | 1,655,195 | 1.88 | | |
| | | | 31/03/2020 | Sale | (313,158) | 1,342,037 | 1.53 | | |
| | | 1,342,037 | 1.53 | 31/03/2020 | - | - | 1,342,037 | 1.53 | |
| 10 | Kotak Small Cap Fund | | | 01/04/2019 | - | - | 382,573 | 0.43 | |
| | | | | 12/04/2019 | | 15,758 | 398,331 | 0.45 | |
| | | | | 02/08/2019 | | 7,119 | 405,450 | 0.46 | |
| | | | | 31/12/2019 | | 13,805 | 419,255 | 0.48 | |
| | | | | 03/01/2020 | | 8,724 | 427,979 | 0.49 | |
| | | | | 10/01/2020 | | 20,915 | 448,894 | 0.51 | |
| | | | | 17/01/2020 | | 16,295 | 465,189 | 0.53 | |
| | | | | 24/01/2020 | | 6,572 | 471,761 | 0.54 | |
| | | | | 31/01/2020 | | 30,544 | 502,305 | 0.57 | |
| | | | | 07/02/2020 | Purchase | 88,350 | 590,655 | 0.67 | |
| | | | | 14/02/2020 | | 116,850 | 707,505 | 0.80 | |
| | | | | 21/02/2020 | | 18,588 | 726,093 | 0.83 | |
| | | | | 28/02/2020 | | 52,449 | 778,542 | 0.88 | |
| | | | | 06/03/2020 | | 71,158 | 849,700 | 0.97 | |
| | | | | 13/03/2020 | | 34,854 | 884,554 | 1.01 | |
| | | | | 20/03/2020 | | 634 | 885,188 | 1.01 | |
| | | | | 27/03/2020 | | 5,000 | 890,188 | 1.01 | |
| | | 890,188 | 1.01 | 31/03/2020 | - | - | 890,188 | 1.01 | |

The details of holding has been clubbed based on PAN and hence, only fund name is mentioned, wherever is applicable, which may cover multiple schemes under it.

Annexure III to the Directors' Report (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Name | Shareholding at the beginning of the year (i.e. as on April 1, 2019)/ at the end of the year (i.e. as on March 31, 2020) | | Date wise Increase/(Decrease) in Share holding during the year | | | Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020) | |
|---------|--|--|----------------------------------|--|--------|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Reason | No. of Shares | No. of Shares | % of total shares of the company |
| 1 | Mr. B S Nagesh (Chairman & Non-Executive Director)* | 582,685 | 0.66 | 01/04/2019 | - | - | 582,685 | 0.66 |
| | | 582,685 | 0.66 | 31/03/2020 | - | - | 582,685 | 0.66 |
| 2 | Mr. Ravi C. Raheja (Promoter & Non-Executive Director) | 1,100,000 | 1.25 | 01/04/2019 | - | - | 1,100,000 | 1.25 |
| | | | | As mentioned in table IV(iii) | | | | |
| | | 1,230,000 | 1.40 | 31/03/2020 | - | - | 1,230,000 | 1.40 |
| 3 | Mr. Neel C. Raheja (Promoter & Non-Executive Director) | 1,150,000 | 1.31 | 01/04/2019 | - | - | 1,150,000 | 1.31 |
| | | | | As mentioned in table IV(iii) | | | | |
| | | 1,230,000 | 1.40 | 31/03/2020 | - | - | 1,230,000 | 1.40 |
| 4 | Mr. Deepak Ghaisas (Independent Director)# | 7,750 | 0.01 | 01/04/2019 | - | - | 7,750 | 0.01 |
| | | 7,750 | 0.01 | 31/03/2020 | - | - | 7,750 | 0.01 |
| 5 | Prof. Nitin Sanghavi (Independent Director) | - | - | 01/04/2019 | - | - | - | - |
| | | - | - | 31/03/2020 | - | - | - | - |
| 6 | Mr. Nirvik Singh (Independent Director) | - | - | 01/04/2019 | - | - | - | - |
| | | - | - | 31/03/2020 | - | - | - | - |
| 7 | Mr. Manish Chokhani (Independent Director) | - | - | 01/04/2019 | - | - | - | - |
| | | - | - | 31/03/2020 | - | - | - | - |
| 8 | Ms. Ameera Shah (Independent Director)# | 4,050 | 0.00 | 01/04/2019 | - | - | 4,050 | 0.00 |
| | | 4,050 | 0.00 | 31/03/2020 | - | - | 4,050 | 0.00 |
| 9 | Mr. Robert Bready (Independent Director) | - | - | 01/04/2019 | - | - | - | - |
| | | - | - | 31/03/2020 | - | - | - | - |
| 10 | Mr. Rajiv Suri (Managing Director & Chief Executive Officer) | - | - | 01/04/2019 | - | - | - | - |
| | | - | - | 31/03/2020 | - | - | - | - |
| 11 | Mr. Karunakaran Mohanasundaram (Chief Financial Officer) | - | - | 01/04/2019 | - | - | - | - |
| | | - | - | 31/03/2020 | - | - | - | - |
| 12 | Mr. Bharat Sanghavi (Company Secretary) | 4,906 | 0.01 | 01/04/2019 | - | - | 4,906 | 0.01 |
| | | 4,906 | 0.01 | 31/03/2020 | - | - | 4,906 | 0.01 |

*Off the number of equity shares held, 15,000 shares are held jointly with a relative, as a second holder.

All the equity shares are held jointly with their relative, as a second holder.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| Particulars | (₹ in crores) | | | |
|--|----------------------------------|-----------------|----------|--------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| (As on April 1, 2019) | | | | |
| i) Principal Amount | 40.00 | 0 | 0 | 40.00 |
| ii) Interest due but not paid | 0.06 | 0 | 0 | 0.06 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 40.06 | - | - | 40.06 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 123.70 | 0 | 0 | 123.70 |
| Reduction | 40.00 | 0 | 0 | 40.00 |
| Net Change | 83.70 | - | - | 83.70 |
| Indebtedness at the end of the financial year | | | | |
| (As on March 31, 2020) | | | | |
| i) Principal Amount | 123.70 | 0 | 0 | 123.70 |
| ii) Interest due but not paid | 0.04 | 0 | 0 | 0.04 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 123.74 | - | - | 123.74 |

VI Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole time director and/or Manager:

| Sr. no. | Particulars of Remuneration | (₹ in crores) | |
|--|---|--|-------------|
| | | Mr. Rajiv Suri (Managing Director & CEO)# | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 | | 6.69 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961* | | 0.00 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | - |
| 2 | Stock option | | - |
| 3 | Sweat Equity | | - |
| 4 | Commission as % of profit | | - |
| 5 | Others - Provident Fund contribution | | 0.13 |
| | Total (A) | | 6.82 |
| Ceiling as per the Act: Within the provisions of Section 198 of the Companies Act, 2013 read with Schedule V thereof | | | |

#The remuneration includes ₹2.14 crores of Performance linked bonus (January 9, 2018 to March 31, 2019), which was provided in Books for FY19 and paid during the year under review.

*The value of perquisite is ₹0.66 Lacs.

B. Remuneration to other Directors

1. Independent Directors

| Sr. No. | Particulars of Remuneration | (₹ in crores) | | | | | | |
|---------|--|-----------------------|----------------------|------------------|---------------------|-----------------|-------------------|-------------|
| | | Name of the Directors | | | | | | |
| | | Mr. Deepak Ghaisas | Prof. Nitin Sanghavi | Mr. Nirvik Singh | Mr. Manish Chokhani | Ms. Ameera Shah | Mr. Robert Bready | Total |
| (a) | Fee for attending Board / Committee meetings | 0.06 | 0.08 | 0.06 | 0.04 | 0.05 | 0.04 | 0.33 |
| (b) | Commission | 0.06 | 0.03 | 0.06 | 0.03 | 0.03 | 0.03 | 0.24 |
| (c) | Others, please specify | - | - | - | - | - | - | - |
| | Total B (1) | 0.12 | 0.11 | 0.12 | 0.07 | 0.08 | 0.07 | 0.57 |

Annexure III to the Directors' Report (Contd.)

2. Other Non-Executive Directors

| Sr. No. | Particulars of Remuneration | Name of the Directors | | | Total |
|---------|--|---|--------------------|----------------|-------------|
| | | Mr. Ravi C. Raheja | Mr. Neel C. Raheja | Mr. B S Nagesh | |
| (a) | Fee for attending Board / Committee meetings | 0.07 | 0.04 | 0.04 | 0.15 |
| (b) | Commission | 0.03 | 0.03 | 0.03 | 0.09 |
| (c) | Others, please specify. | - | - | - | - |
| | Total B (2) | 0.10 | 0.07 | 0.07 | 0.24 |
| | Total (B)=(B1+B2) | | | | 0.81 |
| | Total Managerial remuneration (Total A + B) | | | | 7.63 |
| | Overall ceiling as per the Act | The remuneration is within the ceiling provided under the applicable provisions of the Companies Act, 2013 and the Rules made thereunder. | | | |

C. Remuneration to Key Managerial Personnel other than Managing Director: Key Managerial Personnel

| Sr. no. | Particulars of Remuneration | | | Total |
|---------|--|---|---|-------------|
| | | Mr. Karunakaran M (Chief Financial Officer) | Mr. Bharat Sanghavi (Company Secretary) | |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 1.47 | 0.53 | 2.00 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961* | 0.00 | 0.00 | 0.00 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission as % of profit | - | - | - |
| 5. | Others - Provident Fund contribution | 0.06 | 0.01 | 0.07 |
| | Total | 1.53 | 0.54 | 2.07 |

*The value of perquisite is ₹0.05 lacs and ₹0.21 lacs, respectively.

VII Penalties / Punishment/ Compounding Of Offences

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | Nil | | |
| Compounding | | | | | |

For **Shoppers Stop Limited**

Place: Mumbai
Date: June 15, 2020

B. S. Nagesh
Chairman
DIN: 00027595

Annexure IV to the Directors' Report

Form No. MR-3 Secretarial Audit Report for The Financial year ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Shoppers Stop Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHOPPERS STOP LIMITED (hereinafter called "the Company"), incorporated on 16th June, 1997 having CIN:L51900MH1997PLC108798 and Registered office at Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai-400064. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and have relied on the records, documents and information shared electronically to me by the Company due to extraordinary circumstance of COVID-19, for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018-NOT APPLICABLE
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-NOT APPLICABLE
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- NOT APPLICABLE
- h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- NOT APPLICABLE

I have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the Compliances under the applicable Acts and the regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

Annexure IV to the Directors' Report (Contd.)

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Companies Act, 2013 and the rules made thereunder, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting including meeting through the video conference.

All decision is carried through the unanimous consent of all the Board of Directors and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Kaushal Dalal & Associates
Company Secretaries

Kaushal Dalal
Proprietor

Date: June 3, 2020
Place: Mumbai

M. No: 7141 CP No: 7512
UDIN: F007141B000312875

To,
The Members,
Shoppers Stop Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test check basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kaushal Dalal & Associates
Company Secretaries

Kaushal Dalal
Proprietor

Date: June 3, 2020
Place: Mumbai

M. No: 7141 CP No: 7512
UDIN: F007141B000312875

Annexure V to the Directors' Report

Conservation of Energy & Technology absorption.

A. Conservation of Energy

Energy conservation measures were taken during the year 2019-20:

- LED Lighting & VFD (variable frequency drives) installation at the stores.
- Controlled and optimized usage of Air-Conditioning by setting temperature at 24° C without manual intervention by installing VFD at Air Handling Units (AHU's).
- Audited stores for extra fixed load and reduced the fixed power load in identified 04 stores, which resulted in saving of 767 KVA demand load.
- Adopted good maintenance practice to avoid energy losses and optimized energy consumption.
- Ensure and maintained correct power factor to reduce the losses by installing APFC banks at the stores and availed incentives on the energy bills, for FY 19-20 availed PF benefits of ₹0.26 crores.
- Installed Solar panels in one of the stores is generating @80KWH power per day.
- All the above measures and efforts resulted in the cumulative energy saving of 48.02 lacs of electricity units, for the like to like stores, (which is equivalent of saving energy cost of Approx. ₹5.62 crores).
- Planned and initiated IOT base in store Automation in the stores where work of installation was started in Mar-20, this automation will further help us to monitor the energy consumption closely and control the same at its optimum level.

During the year under review, there was no capital investment on energy conservation equipment.

B. Technology absorption.

There has been no import of technology during the year under review.

Place: Mumbai
Date: June 15, 2020

For **Shoppers Stop Limited**

B. S. Nagesh
Chairman
DIN: 00027595

Business Responsibility Report

Vision and Values of the Company

The Vision and Values adopted by Shoppers Stop govern and guide all its business activities and stakeholders' interactions.

Vision: To be an inspirational and trusted brand, transforming customers' lives through fashion and delightful shopping experience every time

Values that help us in achieving our Vision:

- **Excellence** – We will have an environment that encourages development & excellence.
- **Openness** – The obligation to dissent and an environment conducive to openness.
- **Care** – We will have a willingness to apologise and forgive.
- **Integrity** – We will be fair and not take what is not ours.
- **Innovative** – We will have an environment of innovation and growth.
- **Socially Responsible** – We will respect our customer's rights and be socially responsible.

About this Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members present herewith the Business Responsibility Report (BRR) of the Company for the financial year 2019-20. This delineates the Company's endeavours to conduct business with responsibility and accountability towards its stakeholders. This BRR is in line with the format proposed by the Securities and Exchange Board of India (SEBI).

Section A: General Information about the Company

| | | |
|----|--|--|
| 1 | Corporate Identity Number (CIN) | L51900MH1997PLC108798 |
| 2 | Name | Shoppers Stop Limited |
| 3 | Registered office Address | Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400 064. Tel: 022 – 42497000. |
| 4 | Website | www.shoppersstop.com |
| 5 | E-mail id | investor@shoppersstop.com |
| 6 | Financial Year reported | April 1, 2019 to March 31, 2020 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Fashion Retail business NIC: 477 |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | Retailing of Apparels and Non-Apparels |
| 9 | Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations | (a) Number of International Locations – Nil (b) Number of National Locations – The Company has 89 Shoppers Stop stores, including at the airports and 11 HomeStop Stores spread across India. Details of these store locations are provided in 'General Shareholders Information' section of the Corporate Governance Report. In addition, under the 'Beauty segment', the Company also operates 132 beauty doors under M.A.C, Clinique, Estee Lauder, Bobbi Brown, Smashbox and Arcelia formats across 44 cities in India. |
| 10 | Markets served by the Company – Local/State/National/International | National |

Section B - Financial Details of the Company

| | | |
|---|---|---|
| 1 | Paid up Capital | ₹439,949,640 (87,989,928 Equity Shares of ₹5 each) |
| 2 | Total Turnover | ₹3,380.98 crores |
| 3 | Total loss after taxes | ₹140.94 crores |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company's spending on CSR for the year ended March 31, 2020 was ₹0.85 crores. |
| 5 | List of activities in which expenditure in 4 above has been incurred | <p>Livelihood creation for persons with disabilities (employment-linked training)</p> <p>Creating livelihood for women</p> <p>Promoting healthcare and education</p> <p>Empowering women employment</p> <p>Enhancing vocation skills for women</p> <p>The details above CSR activities are provided in Principle 8 – Inclusive Growth and Equitable Development and as Annexure to the Directors' Report.</p> |

Section C - Other Details

| | | |
|---|--|--|
| 1 | Does the Company have any Subsidiary Companies? | The Company has five wholly-owned subsidiaries. The details of these subsidiaries form part of the Annexure to the Directors' Report i.e. 'Form No. MGT-9 - Extract of Annual Return'. |
| 2 | Do the Subsidiary Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | No |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | The Company has not mandated any vendors, suppliers, business partners etc. to participate in the BR initiatives of the Company. However, they are encouraged to adopt such initiatives and practices and follow the concept of being responsible business entities. |

Section D - BR Information

1 Details of Director responsible for BR

(a) Details of the Director responsible for implementation of the BR policies

| | | |
|---|-------------|---|
| 1 | DIN | 08124971 |
| 2 | Name | Mr. Rajiv Suri |
| 3 | Designation | Managing Director and Chief Executive Officer |

(b) Details of the BR head

| | | |
|---|------------------|---|
| 1 | DIN | 08124971 |
| 2 | Name | Mr. Rajiv Suri |
| 3 | Designation | Managing Director and Chief Executive Officer |
| 4 | Telephone number | 022-42497000 |
| 5 | e-mail id | investor@shoppersstop.com |

Business Responsibility Report (Contd.)

2 Principle-wise (as per NVGs) BR policies:

P1: Ethics, Transparency and Accountability

P2: Product Responsibility

P3: Wellbeing of Employees

P4: Responsiveness to Stakeholders

P5: Human Rights

P6: Environmental Responsibility

P7: Public Policy Advocacy

P8: Inclusive Growth and Equitable Development

P9: Engagement with Customers

(a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|--|----|----|----|----|----|----|----|----|
| 1 | Do you have policies for | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2 | Has the policy been formulated in consultation with the relevant stakeholders? Note ¹ | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 3 | Does the policy conform to any national/international standards? If yes, specify. | The spirit and content of the Code of Conduct and the applicable laws are captured in the policies framed by the Company. | | | | | | | | |
| 4 | Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Policies mandated under the Companies Act, 2013 (the Act) and the Listing Regulations are approved by the Board and is signed by the Managing Director & Chief Executive Officer. Other policies are approved by the Managing Director & Chief Executive Officer/ Functional Heads of the Company, as appropriate from time to time. | | | | | | | | |
| 5 | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policies? Note ² | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 6 | Indicate the link for the policies to be viewed online? | Policies mandated to be displayed on website of the Company as per the Act and Listing Regulations are displayed at https://corporate.shoppersstop.com/Investors/Policies.aspx and all other policies are displayed on intranet platform 'Spandhan' | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? Note ¹ | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 8 | Does the Company have in-house structure to implement the policies? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policies to address stakeholders' grievances related to the policies? | Y | Y | Y | Y | Y | - | - | - | Y |
| 10 | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Note ³ | Y | Y | Y | Y | Y | Y | - | Y | Y |

Note 1: There have been consultations with all stakeholders wherever required and possible and accordingly the relevant policies have evolved over a period of time. The same has been communicated to them wherever possible.

Note 2: The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and GRC respectively. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with the requirements of the Act. The Energy Management Policy is overseen by the Maintenance Function. Resolution of all customer and other business-related issues are done by the relevant operating functions. The Nomination, Remuneration and the Corporate Governance Committee oversee the implementation of certain policies.

Note 3: The GRC function carry out independent audit/evaluation of working of these policies from time to time.

| (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) | | | | | | | | | | |
|--|---|----|----|----|----|----|----|----|----|----|
| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| 1 | The Company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| 3 | The Company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4 | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5 | It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6 | Any other reason (please specify). (While there is no specific policy outlined for this principle, the Company, through trade bodies and associations, puts forth its suggestions) | - | - | - | - | - | - | ✓ | - | - |

3 Governance related to BR

| | | |
|-----|--|---|
| (a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year | The various parameters of BR performance are assessed periodically by the Management. The Board of Directors reviews in the form of this Report. |
| (b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | The Business Responsibility Report being published for the FY 2019-20 by the Company is available on the website of the Company at www.shoppersstop.com |

Section E - Principle-Wise Performance

Principle 1: Ethics, Transparency and Accountability

WE AIM TO CONDUCT AND GOVERN OUR BUSINESS WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY. ALL STAKEHOLDERS WHO WORK WITH THE COMPANY ARE EXPECTED TO ADHERE TO THESE PRINCIPLES.

Shoppers Stop abides by the principles of ethics, transparency and accountability in every aspect of its business, across stores, offices and distribution centres. This has played a central role in establishing that the Company has a professionally managed and widely respected brand.

Key supporting policies

- **Unified Code of Conduct framework** formalises our governance practices, articulating the principles and policies that ensure financial, business and workplace integrity. We are nurturing a work environment that is conducive for the growth of all stakeholders.
- **Whistle Blower Policy** serves as a platform for the Board of Directors as well as employees to bring to light a breach of conduct or any potential concern over unethical behaviour and actual or suspected fraud and violation. The Policy entails a transparent approach, with safeguards in place to protect the victimisation of those who raise concerns. An external agency is appointed to receive and monitor complaints through a direct helpline as well as a post box, which protects the divulgence of the whistle blower's identity.

We have not received any complaints or concerns under this policy, in the year under review.

- Code of Practices and Procedures facilitates fair disclosure of Unpublished Price Sensitive Information (UPSI) and Code of Internal Procedures and Conduct regulates, monitors and reports on insider trading activities in the shares of the Company. These practices ensure timely compliance towards disclosures and fulfil regulatory requirements while instilling a sense of responsibility within pertinent stakeholders.

In addition, we have in place dedicated resources and mechanisms to respond to concerns/complaints raised by stakeholders. There are dedicated resources to respond to these stakeholder complaints within a time-bound manner. We received three complaints/communications from the shareholders during the year under review, which have been resolved satisfactorily.

Principle 2: Product Responsibility

WE STRONGLY BELIEVE THAT 'WE ARE RESPONSIBLE FOR WHAT WE SELL'. GENUINE PRODUCT AND QUALITY ASSURANCE IS OUR PROMISE TO OUR CUSTOMERS WHO SHOP WITH US IN-STORE OR ONLINE.

As a multi-brand retail company, Shoppers Stop curates a portfolio of fashion and lifestyle products from brand and manufacturing partners. We are committed to continuously raising the bar in sustainable product and service supply chain to be a socially responsible Company.

- **Sourcing:** We have stated standards and robust practices, procedures and policy to source merchandise on a sustainable basis. We also encourage and empower small and medium scale businesses by sourcing our private label merchandise through them and supporting their technological and financial capability enhancement.

Business Responsibility Report (Contd.)

- **Vendor partner selection:** We follow stringent norms to select and procure vendor partners. Further, we encourage vendors/manufacturing partners to abide by and improve upon applicable environmental health and safety standards.
- **Vendor partner engagement:** Shoppers Stop continuously engages with vendor partners to surpass agreed benchmarks on better design, product performance and aesthetics as well as leverage best-in-class technology infrastructure and platforms.
- Aside from this, we formally engage with our vendor partners through an annual partnership forum 'Partnership for Progress'.
- **Supply chain:** At every step along our supply chain, we seek to maximise the reuse and recycle of packaging material, while disposing electronic waste through authorised agencies.
- **Products:** HomeStop, our retail format, promotes and celebrates sustainability through its organic, recyclable and environment-friendly offerings.
- **Customers:** We also have a comprehensive return policy that enables our customers to return products to our stores. On both customer and vendor side, we have an effective mechanism to track stakeholder feedback, Net Promoter Score (NPS) and Partner Satisfaction Index (PSI) respectively.

Read more in the Management Discussion Analysis on Page 37 for the COVID-19 perspective on supply chain imperatives.

PRINCIPLE 3: WELLBEING OF EMPLOYEES

WE NURTURE THE HOLISTIC GROWTH AND DEVELOPMENT OF OUR PEOPLE, OFFERING EQUAL OPPORTUNITY FOR EVERY EMPLOYEE.

Shoppers Stop is constantly striving to foster a healthy work environment that draws its strength from gender as well as cultural diversity. We have framed various standards and practices to support the overall health, safety, and wellbeing of associates and ensure that workplaces are free from discrimination and harassment, with equal opportunity for everyone.

Capability building

At the heart of all we do is a relentless pursuit of exemplary shopping experiences for our customers. The investments we make in upskilling and reskilling our people are key pivots in fulfilling this aspiration and enabling us to respond quickly to an ever-changing retail environment.

- **Competency framework:** We revised our competency framework this year, to orient our employees, teams and managers towards finer aspects of agility and digital transformation. The new framework has nine dimensions that are based on the experience gained by internal and external experts. Going forward, agile and digital methods

will be placed on the same level as existing ones and will be used wherever they are appropriate.

- **Collaboration with City & Guilds:** Staying abreast with customer trends and evolving preferences is a business imperative for us. Thus, we partnered with City & Guilds (UK) which offers various skill certification courses in India.
 - **Induction course:** All our associates mandatorily undergo induction training, comprising 96 hours of classroom and practical training immediately after their joining.
 - **Advanced course:** Associates in specific categories and departments undergo 56 hours of classroom training, after completing 4-6 months with the Company.
- **Internal talent pipeline:** We groom our teams and provide them with an array of learning and professional growth opportunities, which have enabled us to fill more than 60% positions internally.

o Front-end associates

- **Baby Kangaroo** programme is intended towards our large base of front-end associates, nurturing them as future managers. This comprises a nationwide assessment centre of all front-end associates, who have completed two years with the Company.

More than 1,200 associates undergo these assessments twice a year. Various scientific tools like online tests, group discussions, role plays, in-basket exercises and competency interviews are conducted by internal assessors to select the best from the talent pool.

- **Managerial and Supervisory Training (M.A.S.T.)** programme is intended towards the associates that clear the evaluation held at the end of Baby Kangaroo. They become part of the Potential Development Centre and undergo 34 days of training at the Services Office. This is followed up by a nine-month on-the-job training, including a shadow stint with the tenured Department Manager at the store.

o Mid-management

- **Learn Excel Achieve and Perform programme (L.E.A.P.)** programme is intended towards those aspiring to be Retail Operations Managers. It comprises 40 hours of classroom training and simulation learning, including sessions with internal as well as external speakers. At the end of the programme, each participant receives a certificate and are relocated to a new store as effective Retail Operations Managers.

- **Leadership Excellence Accreditation Development (L.E.A.D.)** programme is mandatory for all the Retail Operations Managers who have cleared the assessment. They undergo a 56-hour training

programme, which comprises internal as well as external speakers.

- **Personal Shoppers training** programme is intended towards a section of employees who are selected after a thorough set of assessments. A Personal Shopper's key responsibility is to provide expert advice and extend the highest level of customized and personalised customer service. They have to exhibit advanced knowledge in products and trends and delight customers with high standards in service. The training thus includes specialised topics, such as body shape analysis and recommendations, personal colour analysis and recommendations, face shape analysis and recommendations, grooming based on body types and personal colouring, responsibilities, telephone etiquette, among others. For this, we have partnered with Times Professional, an award-winning professional and vocational learning sub-brand of Times Professional Learning (the education initiative from the Times of India Group, India's largest and most diversified media conglomerate). The trainers are certified image consultants who also train corporates, beauty pageants and high net worth individuals. We have trained more than 300 Personal Shoppers, who help customers make the right choices on the shop floor.
- We arrange series of leadership talks, wherein celebrity authors and eminent personalities share their thoughts and ideologies on particular subjects with our associates and relate them to the inherent values at Shoppers Stop. Some of the author includes India's celebrity nutrition and exercise science expert, Ms. Rujuta Divekar and one of the most in-demand customer experience and marketing keynote speakers, Mr. David Avrin.
- **Learning Planet** is our go-to online learning platform for all product and policy training as well as functional and behavioural initiatives. We acquire young talent and train them in technical, functional or management matters. As part of our digitalisation process, we have launched software to streamline our recruitment process.
- **Associate Growth Opportunity Map:** Shoppers Stop is wholeheartedly invested in developing its associates in their chosen streams as well as encourages cross functional movements with appropriate trainings/qualifications based on the associate's ambition. While eligibility for promotions and lateral movements has been well defined for several years, we tried to crystallise the entire upward and lateral movement opportunity process into clear and concise opportunity maps – allowing the associate to quickly gauge their eligibility and requirements to move into various roles.

Prevention of Sexual Harassment (PoSH)

In line with the statutory requirements, each of our units and services office incorporates a PoSH Committee to safeguard employees. The PoSH Internal Complaints Committee (ICC) attends a two-day certification programme on the procedures and documentation of PoSH cases.

On the other hand, employees, including housekeeping, security, and other contractual staff, undergo PoSH training. Awareness sessions are conducted through e-learning platforms and classroom training to empower employees across all groups to seek help when needed.

We encourage stakeholders to report their concerns and the PoSH Committee takes a detailed review, adopting corrective actions to promptly resolve the same. To maintain anonymity, a dedicated helpline number has been made available wherein direct employees as well as third-party staff members can voice their concerns without disclosing their identity. We received 22 complaints in the year, and all have been resolved.

Golden Mirror Awards

Golden Mirror Awards provide a standard platform of recognition for all our associates across stores and offices. Our award categories try to cover all unique operations and support roles and the parameters are strongly aligned to the associate's goals.

Other key highlights

- Shoppers Stop was conferred the Best HR initiative award by TRRAIN and honoured by the Retailers Association's Skill Council of India for their project on RPL – Recognition of Prior Learning at the Retailers Association of India annual event
- Shoppers Stop won the India's Most Admired Retailer of the Year award in the IMAGES Retail Awards event under the Category of Customer Experience for the Personal Shoppers service
- Shopper Stop won the following awards at the TISS CLO Summit
 - Bronze award for L&D team of the year
 - Gold award for Best Customer Service program of the year

COVID-19 perspective: Employee wellness

Faced with a pandemic that was characterised by both unfamiliarity and uncertainty, Shoppers Stop was quick to respond through its precautionary measures, stringently followed throughout all its stores and offices. We went the extra mile to meet and exceed the guidelines laid down by the WHO, state and central government authorities, to prevent exposure to the virus and ensure the safety of our employees.

We have enabled our teams to work remotely, while establishing strict social distancing norms and enforcing

Business Responsibility Report (Contd.)

mandatory health check-ups for those resuming work. We are sanitising all our spaces periodically and implementing all necessary precautions, so that we have can provide a safe environment for both employees and customers.

We are making extensive use of technology and social media platforms to engage and communicate with employees.

Senior leadership often speak at virtual town-halls, to boost employee morale. Further, during the lockdown, we shared a significant amount of training content with employees via the TRRAIN App as well as our Learning Management System (LMS).

| 1 | Total number of employees | 7,498 | | | | | | | | | | | | |
|---|--|--|----------|--|---|---|---|------|-------------------|----|---|---------------------------|---|------|
| 2 | Total number of employees hired on temporary/contractual/casual basis | 2,070 | | | | | | | | | | | | |
| 3 | Number of permanent women employees | 2,187 | | | | | | | | | | | | |
| 4 | Number of permanent employees with disabilities | 33 | | | | | | | | | | | | |
| 5 | Do you have an employee association that is recognised by management? | No | | | | | | | | | | | | |
| 6 | What percentage of your permanent employees are members of this recognised employee association? | Not Applicable | | | | | | | | | | | | |
| 7 | No. of complaints related to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | <table border="1"> <thead> <tr> <th>Category</th> <th>No. of complaints received during the year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>Child labour/forced labour/involuntary labour</td> <td>0</td> <td>N.A.</td> </tr> <tr> <td>Sexual Harassment</td> <td>22</td> <td>0</td> </tr> <tr> <td>Discriminatory employment</td> <td>0</td> <td>N.A.</td> </tr> </tbody> </table> | Category | No. of complaints received during the year | No. of complaints pending as on end of the financial year | Child labour/forced labour/involuntary labour | 0 | N.A. | Sexual Harassment | 22 | 0 | Discriminatory employment | 0 | N.A. |
| Category | No. of complaints received during the year | No. of complaints pending as on end of the financial year | | | | | | | | | | | | |
| Child labour/forced labour/involuntary labour | 0 | N.A. | | | | | | | | | | | | |
| Sexual Harassment | 22 | 0 | | | | | | | | | | | | |
| Discriminatory employment | 0 | N.A. | | | | | | | | | | | | |
| 8 | What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? | 98% | | | | | | | | | | | | |

PRINCIPLE 4: RESPONSIVENESS TO STAKEHOLDERS

WE RESPECT THE INTERESTS OF AND ARE RESPONSIVE TOWARDS ALL STAKEHOLDERS.

Shoppers Stop has identified its stakeholders and ensures periodic and effective communication with them. Key categories of internal and external stakeholders comprise customers, vendors and suppliers, employees, shareholders, investors, government and regulatory authorities and communities at large. We regularly interact with these stakeholders. We have well-established, adequate grievance redressal systems for customers, employees and shareholders. We disclose all relevant information about our products, business and financial performance and other statutory information on our website and other media communications to ensure effective and continuous stakeholder engagement from time to time.

Special initiatives taken by the Company to engage with the marginalised stakeholders are outlined in Principle 8, as part of Company's CSR initiatives and in CSR Report - the Annexure II to the Directors' Report.

PRINCIPLE 5: HUMAN RIGHTS

WE UPHOLD, PROTECT AND ADVOCATE HUMAN RIGHTS IN EVERY SPHERE OF OUR BUSINESS.

Human rights are a non-negotiable priority for Shoppers Stop. Our Unified Code of Conduct, which extends to all

employees, business partners and third-party contractors, clearly articulates our values promoting utmost respect for human rights. We adhere to all statutes that embody the principles of human rights, such as prevention of child labour, empowerment of women, civil liberties, non-discrimination etc. We proactively take corrective measures to mitigate any breach in the above-mentioned matters. We did not receive any complaints related to human rights violation during the year under review.

PRINCIPLE 6: ENVIRONMENTAL RESPONSIBILITY

WE RESPECT AND PROTECT THE ENVIRONMENT. WE ARE SENSITIVE TO OPTIMISING OUR RESOURCE FOOTPRINT AND MONITORING OUR BUSINESS ON SUSTAINABILITY PARAMETERS.

Shoppers Stop consistently identifies and assesses potential environmental risks. Our Energy Management Policy applies to all business units, employees and contractors in service to the business of the Company. It is built on the principles of the 3R's - Reduce, Reuse and Recycle. We remain committed to optimising energy consumption, reducing operating costs, minimising threats to business continuity and appealing to consumers with sustainable brands; thereby increasing shareholder value.

Our in-house intranet network, Think Green, facilitates insightful discussions on environmental issues between employees.

Some of the green initiatives that we undertook in the year are:

- LED lighting and VFD installations.
- Proposed and planned IOT based Automation for energy optimisation at stores.
- Audited stores for extra fixed load and reduced the fixed power load in identified 4 stores, which resulted in saving of 767 KVA demand load.
- Generated 42K renewable electricity units from earlier installed solar plant in one store.
- Harvested rainwater ~60KL in one of our Hyderabad stores.
- Revamped, reused and refurbished floor fixtures and used environment-friendly alternatives wherever possible, in line with best-in-class store planning and maintenance practices.

PRINCIPLE 7: PUBLIC POLICY ADVOCACY

WE MEANINGFULLY ENGAGE WITH INDUSTRY BODIES TO ENSURE A CONTINUOUS AND RESPONSIBLE DIALOGUE OVER RELEVANT MATTERS.

Shoppers Stop generally conveys its policy positions through its membership with Retailers Association of India (RAI). A non-profit entity, RAI acts as effective retailer's voice and works towards overall industry development. We also hold memberships of other industry associations such as the Clothing Manufactures Association of India (CMAI), Confederation of Indian Industry (CII) and

CSR spends in FY20

| Programme impact area | CSR project or activity identified | Location | (₹ in crores) |
|----------------------------------|--|----------------------|---------------|
| | | | Amount |
| Employment | Creating livelihood opportunities for persons with disabilities (Employment linked training) through PANKH - Wings of Destiny initiative | Pan India | 0.31 |
| Women empowerment and employment | Rebuilding lives of acid attack survivors and livelihood creation for women from marginalised background | West and North India | 0.10 |
| Environment and sustainability | Promoting sustainable fashion through reuse, recycle and reduce with Goonj and Sustain Plus Shine Foundation | Pan India | 0.41 |
| Environment and recycling | Promoting sustainable environment through reuse, recycle and reduce of plastic waste | Mumbai | 0.03 |

Employment and skilling

We partnered with Trust for Retailers and Retail Associates of India (TRRAIN) to support training programmes that help sensitise the differently-abled and develop their life skills, English language proficiency and client-facing specific skills required in the retail segment, under their initiative 'PANKH' - Wings of Destiny.

We created opportunities for earning a livelihood for 210 such people and promoted inclusive growth within the retail industry.

Federation of Indian Chambers of Commerce & Industry (FICCI). Internationally, we are a part - and the only Indian member - of Intercontinental Group of Department Stores (IGDS). IGDS is the largest association of department stores the world over.

While we do not have a stated Policy on Advocacy, we actively participate in various seminars, conferences and other forums on industry issues and policy matters that impact the interest of our countless stakeholders.

PRINCIPLE 8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

OUR AIM IS TO MAINTAIN A SYMBIOTIC RELATIONSHIP WITH THE WIDE NETWORK OF CUSTOMERS, BRAND PARTNERS AND EMPLOYEES TO OPTIMISE OUR STRENGTH TO BETTER SERVE THE COMMUNITIES IN WHICH WE OPERATE.

Inclusive growth is critical to enhancing our business resilience. Shoppers Stop's CSR programmes are aimed to address some of the important challenges faced in the areas of employability generation and skilling, development and empowerment, livelihood generation, health, sanitation, environment and sustainable initiatives among others.

We follow a stringent governance process to review each of our CSR initiatives and assess their progress and impact on the community every quarter through our CSR Committee.

₹0.85 crores were spent towards our CSR initiatives for FY20 in collaboration with external implementing agencies - not-for-profit organisations.

Women empowerment

In line with the 'Dignity for Women' theme, we have mapped out two major initiatives:

- Generating livelihoods
- Menstrual health and awareness

Recycle and upcycle of old clothes

Under this programme, customers were encouraged to drop in their old/used clothes at a Shoppers Stop store. These clothes are segregated and the ones in good condition are given away to marginalised families. Remaining are upcycled to be made into different products including

Business Responsibility Report (Contd.)

jholas, bags, some made into sanitary napkins. This process employs women from marginalised background and helps in providing a livelihood to them. The napkins are distributed free of cost to women who have no access to menstrual hygiene. Every kilogram of recycled clothes generates employment for two women.

Rebuilding lives of acid attack survivors

This programme aims to help acid attack survivors with medical expenses and treatments. It further ensures skilling them in various courses for employment and wherever necessary helps in educating their children.

Environment and sustainability

We collaborated with non-profit organisation, to conduct the #FashionForGood campaign, encouraging individuals to donate their old and unused clothes at any of the Shoppers Stop stores round the year. These were then segregated into two piles: one was donated to those in need and the other was upcycled to be made into shopping jholas, bags and sanitary napkins, among others.

Health, water and sanitation

Our pan-India blood donation drive, Ayushman Ho was held on the Foundation Day – October 27, across all stores. This united our associates at the Services Office and across all stores to come forward for the common cause of 'Saving a life'. A total of 1,866 units of blood was collected on the day.

PRINCIPLE 9: ENGAGEMENT WITH CUSTOMERS

WE AIM TO PROVIDE BEST VALUE IN TERMS OF PRODUCTS AND SERVICES AND ADOPT BEST PROCESSES FOR CUSTOMERS, THEREBY MATCHING GLOBAL STANDARDS OF PERFORMANCE.

We are focused on providing an enhanced shopping experiences to our diverse network of customers, who shop with us through multiple media. To empower them to make their purchase decision, we display all the requisite information on product labels as per the guidelines. We keep our ears to the ground to understand evolving customer needs and collect feedback on their shopping experience through the rollout of our periodic surveys via formal and informal mechanisms. This also helps us to understand consumer satisfaction levels and latest trends.

Customer Relationship Management (CRM)

Every customer journey is mapped with us on the system so as to resolve any queries or comments. As a customer starts their journey on the order life cycle, transactional emails and SMSs are sent to them at every stage: order placed, billed, product couriered and received. This is also tracked as the customer reaches the contact centre via a call/email. In case he wishes to contact us on website, he can do so by filling in a feedback form. Every time the customer connects with us, a case or ticket gets created in our CRM, which is a function of MS dynamics.

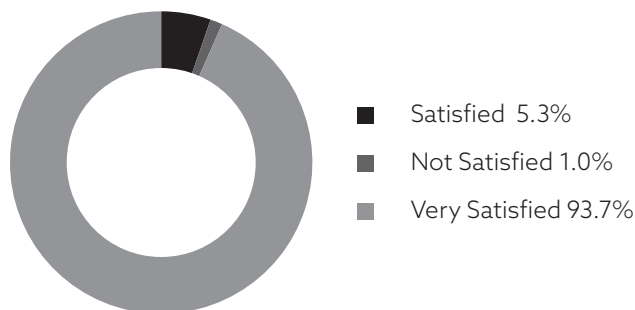
We address 70% queries received via emails and calls, through first contact resolution and 75% of queries are resolved within three days.

Another way of reaching the Company is via the official social media handles including Twitter, Instagram, Facebook, via tie-ups with Amazon, Play Store (iOS and Android) and Consumer Forum and Consumer Complaints. All these channels are monitored regularly, and all queries are acknowledged, responded to and tickets created.

Our award winning Personal Shoppers service assists our customers to select the best for themselves. Our Personal Shoppers service is available through prior appointments as well as walk-ins. Taking this a notch up, our Personal Shoppers also connect with the customers via video calls. At the end of the interaction, customers are encouraged and requested to rate their experience and this helps us in improving the programme. We have more than 300 Personal Shoppers across our stores.

For a customer centric company as ours, feedback is of utmost importance. Delivery CSAT feedback is taken from customers on email; shopping CSAT feedback also comes as a pop-up on the website or app where a customer can rate their experience and share comments. We recorded an average CSAT score of 93% in the year.

YTD 19-20 CSAT Personal Shoppers



Social media reach

To reach our young audience, apart from our Shoppers Stop handles on social media, we also launched a specific Shoppers Stop beauty handle on Instagram to educate them through engaging content. The social media channels help us with a two-way dialogue with our customers to help resolve their queries, simplify product return and handle other issues as well as provide product information and demos to help customers make an informed purchase decision – all within a quick turnaround time of 24-48 hours on a case-to-case basis. Direct unbiased feedback from the customers have gone a long way in upgrading business operational practices.

First Citizen

We constantly touch base with our ~7 million First Citizen members through SMS, emails and the app. First Citizens have exclusive privileges, like early access to sales and discounts, special store return policies, direct access to

store unit heads, access to Personal Shoppers without prior appointments, among others.

With an aim to delight our First Citizen members, we proactively celebrate their birthdays, anniversaries and special occasions with them in-store or with prior permission a team goes to their home to celebrate the special occasion. We also invite our loyal members and their families periodically for a 'Meet & Dine' with a member from our Leadership team. To create memorable experiences for our customers and social media fans, we invite them for an exclusive 'Meet & Greet' sessions with celebrities in-store over a new product, brand, service or store launch.

Complaint Resolution

As on March 31, 2020, there are 739 (online and offline) customer complaints pending, which are being meticulously attended to, to redress the grievances. Further, the Company is defending nineteen ongoing consumer cases as well. There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour. However, dissatisfied customers of the Company generally file their cases in the consumer protection forums for alleged deficiency in expected level of service by the Company, in the normal course of business, which the Company defends appropriately.

Independent Auditor's Certificate

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Shoppers Stop Limited
Umang Tower,
5th Floor, Mindspace,
Off Link Road, Malad (West),
Mumbai - 400 064

1. The Corporate Governance Report prepared by Shoppers Stop Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held between April 1, 2019 to March 31, 2020:
 - (a) Board of Directors Meeting;
 - (b) Audit and Risk Management Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination, Remuneration & Corporate Governance Committee ;
 - (e) Stakeholders' grievance Committee / Stakeholders Relationship Committee ;
 - (f) Corporate Social Responsibility Committee
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our

scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the

Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership Number: 36738

UDIN: 20036738AAAADA9529

Place of Signature: Mumbai

Date: June 15, 2020

Corporate Governance Report

The Board of Directors ("the Board") of Shoppers Stop Limited ("the Company" or "Your Company") present herewith report on the Corporate Governance for the year ended March 31, 2020 ("FY20" or "the year under review"), enumerating the current Corporate Governance systems and processes at the Company, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). This report on Corporate Governance is divided into the following parts:

- A. Your Company's philosophy on Code of Corporate Governance;
- B. The Board of Directors;
- C. The Committees of the Board;
- D. General Body Meetings;
- E. Related Party Transactions;
- F. Other Disclosures / Compliances / Certifications;
- G. Means of Communication; and
- H. General Shareholder Information

A. Your Company's philosophy on Code of Corporate Governance

Your Company remains committed to continuously adopt and adhere to the good corporate governance practices, to ensure the ultimate goal of making your Company a value driven organisation. Your Company's philosophy on Corporate Governance is to:

- (i) Ensure adequate control systems to enable the Board to efficiently conduct the business and discharge its responsibilities towards shareholders;
- (ii) Ensure that the decision-making process is fair and transparent;
- (iii) Ensure fullest involvement and commitment of the Management for maximisation of shareholders' value;
- (iv) Imbibe the corporate values in the associates and encourage them in their conduct; and
- (v) Encourage to follow the globally recognised corporate governance practices.

Corporate Governance is witnessing far reaching structural changes, basis the various steps taken by the Government from time to time. Your Company confirms compliance to the Corporate Governance requirements prescribed under the applicable law.

Your Company also believes that good Corporate Governance encompasses not only regulatory and legal requirements. The role of corporate laws, though essential, is only complementary and supplementary,

whereas Corporate Governance extends beyond the realms of such laws. Your Company strives to comply with both the "spirit and letter" of each such law and hence, it makes conscious efforts to institutionalise good practices and believe that it shall go beyond adherence to the regulatory framework, in order to enhance stakeholder's value.

B. The Board of Directors ("the Board")

An independent and well-informed Board goes a long way in protecting the Stakeholders' interest and simultaneously maximising long-term corporate values. Various Committees of the Board handling specific responsibilities mentioned under the applicable laws empower the functioning of the Board through flow of information amongst each other and by delivering a focused approach and expedient resolution of diverse matters. The Board along with its Committees provides leadership and guidance to the Senior Management with a strategic direction and thrust to the operations of the Company.

Your Company has an appropriate blend of Directors to maintain its diversity and independence and has strong Board with optimum combination of Non-Executive Directors, Non-Executive Independent Directors including a Woman Director and an Executive Director. The Company has a Non-Executive Chairman and number of Independent Directors are more than half of the total strength of the Board of Directors. The day to day management of the Company is entrusted with the senior management personnel and is headed by Managing Director & Chief Executive Officer, functioning under the overall supervision, direction and control of the Board.

The composition of the Board, during the year under review, was in conformity with the provisions of the Companies Act, 2013 ("the Act"), as amended and the Listing Regulations.

The key decisions are taken after detailed deliberations and discussions by the Board and is ensured that the relevant information prescribed to be provided to the Board, under the Listing Regulations, is presented to the Board. The Board of Directors of the Company on a quarterly basis, reviews the compliance reports pertaining to the laws applicable to the Company.

In terms of the provisions of Section 184 of the Act and Regulation 26 of the Listing Regulations, the Directors present necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this Report, none of the Directors of your Company:

Corporate Governance Report (Contd.)

• Attendance of the Board Members

During the year under review, the Board met 4 (four) times i.e. on April 30, 2019, July 30, 2019, October 23, 2019, and January 31, 2020. The composition of the Board, the number of directorship, and committee chairmanship/membership held by them in other public companies, attendance at the said Board meetings and at 22nd Annual General Meeting ("AGM") held, during the year under review and their shareholding as on March 31, 2020, are as given below:

| Name of Directors | DIN | Category | Attendance particulars | | No. of Directorships & Committee Memberships /Chairmanships (Excluding Shoppers Stop Ltd) | | | No. of Equity Shares of ₹5 each |
|---------------------------------|----------|--|------------------------|--------------------------------|---|---|---|---------------------------------|
| | | | Board Meetings | Last AGM held on July 30, 2019 | Directorships ¹ | Committee Membership ^{1&2} | Committee Chairmanship ^{1&2} | |
| Mr. B. S. Nagesh ³ | 00027595 | Chairman of the Board & Non-Executive Director | 4 of 4 | Yes | 3 | 3 | 0 | 582,685 |
| Mr. Ravi C. Raheja ⁴ | 00028044 | Promoter & Non-Executive Director | 4 of 4 | Yes | 4 | 5 | 0 | 1,230,000 |
| Mr. Neel C. Raheja ⁴ | 00029010 | Promoter & Non-Executive Director | 3 of 4 | Yes | 4 | 4 | 0 | 1,230,000 |
| Mr. Rajiv Suri | 08124971 | Executive Director (Managing Director & CEO) | 4 of 4 | Yes | 1 | 1 | 0 | 0 |
| Prof. Nitin Sanghavi | 00863107 | Independent & Non-Executive Director | 4 of 4 | Yes | 0 | 0 | 0 | 0 |
| Mr. Deepak Ghaisas ⁵ | 00001811 | Independent & Non-Executive Director | 4 of 4 | Yes | 2 | 1 | 1 | 7,750 |
| Mr. Nirvik Singh | 01570572 | Independent & Non-Executive Director | 4 of 4 | No | 1 | 1 | 0 | 0 |
| Mr. Manish Chokhani | 00204011 | Independent & Non-Executive Director | 3 of 4 | Yes | 4 | 4 | 0 | 0 |
| Ms. Ameera Shah ⁵ | 00208095 | Independent & Non-Executive Director | 3 of 4 | Yes | 3 | 5 | 0 | 4,050 |
| Mr. Robert Bready | 06842835 | Independent & Non-Executive Director | 3 of 4 | Yes | 0 | 0 | 0 | 0 |

Notes:

1. The other Directorships and Chairmanships/Memberships of committees held in Foreign Companies, Private Limited Companies and Companies incorporated u/s 8 of the Act (u/s 25 of erstwhile Companies Act, 1956) are excluded.
2. As per the Listing Regulations, the Chairmanship and Membership of Audit Committee and Stakeholders Relationship Committee alone are considered.
3. Off the number of equity shares held by Mr. B. S. Nagesh, 15,000 shares are held by him jointly with his relative, as a second holder.
4. Mr. Ravi C. Raheja and Mr. Neel C. Raheja are related to each other as brothers and both are also promoters of the Company. Apart from these two directors, no other Directors of the Company are inter-related to each other.
5. All equity shares are held jointly with their relative, as a second holder.

Mr. Ravi C. Raheja retires by rotation at the ensuing 23rd Annual General Meeting of the Company ("AGM") and being eligible has offered himself for re-appointment. Details thereof form part of the Notice convening the said AGM.

The profiles of the Directors of your Company are available on the Company's corporate website at <https://corporate.shoppersstop.com/corporate/board-of-directors-new.aspx>

- **Other directorship details of the Board Members**

There are 5 (five) Board members, who are also on the Board of other companies, whose equity shares are listed on Stock Exchanges in India. The details thereof as on March 31, 2020 are, as under:

| Name of the Directors | Name of other listed entities in which they hold Directorship | Category of directorship |
|-----------------------|--|---|
| Mr. B. S. Nagesh | Marico Limited Kaya Limited | Independent & Non-Executive Director |
| Mr. Ravi C. Raheja | Chalet Hotels Limited | Promoter & Non-Executive Director |
| Mr. Manish Chokhani | Zee Entertainment Enterprises Limited Westlife Development Limited | Independent & Non-Executive Director |
| Ms. Ameera Shah | Kaya Limited Torrent Pharmaceuticals Limited Metropolis Healthcare Limited | Independent & Non-Executive Director Managing Director |

- **Board meeting process**

The Board meets at least once in every calendar quarter and 4 times in a year with a maximum time gap of not more than 120 (one hundred and twenty) days between two consecutive meetings. Dates for the Board meetings are decided well in advance and communicated to the Directors. Additional Board meetings are held as and when deemed necessary. In case of exigencies or urgency of matters, resolutions may be passed by circulation, for such matters as permitted by law. Such circular resolution(s) are noted at the subsequent Board meeting. The Managing Director and CEO apprise the Board, at its meeting about the overall performance of the Company with presentations on business operations on a regular basis. The members of Senior Management are invited at the Board meetings to provide necessary insights into the performance of the Company and for discussing corporate strategies with the Board members.

In order to support go green initiatives and sustainability, reduce the paper consumption and steps towards adopting newer technology, the Company uses a web based digital Board Application

for disseminating, *inter-alia*, the Notices, agenda papers, relevant background papers, circular resolutions, minutes for Board and Committee meetings. The Directors can access them for the Board and Committee meetings through iPad/ web. In the exceptional circumstances, few documents are tabled at the Meeting, with the approval of the Board of Directors.

- **Separate meeting of the Independent Directors**

During the year under review, the Independent Directors met once on April 30, 2019, without the presence of Non-Independent Directors and Management representatives, *inter-alia*, to discuss the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board, that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the said meeting.

- **Familiarisation programme**

Your Company has designed a familiarisation programme for its Independent Directors which also extends to other Non-Executive Directors of the Company. The said programme is imparted at the time of appointment on the Board, vide periodic Board and Committee meets and as and when required, from time to time. It aims to provide insights into the Company to enable them to understand the nature of the retail industry, business model in depth, functionalities, processes & policies of the Company etc., and also seeks to update them on their roles, responsibilities, rights and duties as a Director under the Act, the Listing Regulations and other applicable statutes. On appointment, the concerned Independent Director is issued letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected commitments. He/she is also taken through a formal induction program by the Managing Director & CEO of the Company.

The Presentations are regularly made to the Board, Audit and Risk Management Committee and Nomination, Remuneration & Corporate Governance Committee on various relevant matters, where Directors interact with the respective senior management officials. These Presentations, *inter-alia*, include Company's strategy, business model, operations, markets, products, financial matters including performance, risk management framework, annual budget & control process and such other areas as may arise, from time to time. Besides, these, the Independent Directors and Company's senior management officials interact as well, with each

Corporate Governance Report (Contd.)

other to get insight on the business developments, regulatory changes, competition, strategy, etc. Pursuant to Regulation 46 of the Listing Regulations, the details of the familiarization programme imparted to the Directors are available on the Company's corporate website at <https://corporate.shoppersstop.com/Investors/Training.aspx>

C. The Committees of the Board ("the Committees")

The Committees plays a crucial role in the overall management of day to day affairs and the governance structure of the Company. They have been constituted to deal with specific areas and activities which concern the Company and requires a closer review. The Committees comprise of a combination of Executive, Non-Executive and Independent Directors, as requisite, to discharge various functions, duties and responsibilities cast upon them under the various laws, statutes, rules and regulations applicable to the Company, from time to time. The Board is responsible for constituting, assigning and fixing the terms of reference of the Committees in line with the regulatory requirements. The Committees meets at regular intervals and take necessary steps to perform its duties entrusted by the Board. There is seamless flow of information between the Board and its committees, as the Committees report their recommendations and opinions to the Board, which in turn supervises the execution of respective responsibilities of the Committees.

The proceedings of the Committee meetings are documented in form of draft minutes and circulated to the Members of the respective Committees for their comments/confirmation. On confirmation, the minutes are signed by the Chairperson of the respective Committees. The Board also takes note of the minutes of the meetings of these Committees. The following statutory Committees have been constituted by the Board and were in force, during the year under review:

1. Audit and Risk Management Committee;
2. Nomination, Remuneration and Corporate Governance Committee;
3. Stakeholders Relationship Committee; and
4. Corporate Social Responsibility Committee.

1. Audit and Risk Management Committee

In line with Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Act and Rules framed thereunder, your Company has constituted the Audit Committee. Further, as required under Regulation 21 of the Listing Regulations as to constitution of Risk Management Committee, the Board has decided and delegated Audit Committee

with the risk assessment, its review and monitoring and in turn, termed the Committee as the Audit and Risk Management Committee (ARMC).

ARMC comprise of 5 (five) Non-Executive Directors with 4 (four) being Independent Directors. All ARMC members are financially literate. ARMC met 4 (four) times, during the year under review i.e. on April 30, 2019, July 30, 2019, October 23, 2019, and January 30, 2020. The Composition of ARMC along with the details of the meetings held and attended by the members, are as follows:

| Name of the Director | Nature of Membership | Designation | No. of meetings attended |
|----------------------|----------------------|------------------------|--------------------------|
| Mr. Deepak Ghaisas | Chairman | Independent Director | 4 of 4 |
| Mr. Ravi C. Raheja | Member | Non-Executive Director | 4 of 4 |
| Prof. Nitin Sanghavi | Member | Independent Director | 4 of 4 |
| Mr. Manish Chokhani | Member | Independent Director | 2 of 4 |
| Ms. Ameera Shah* | Member | Independent Director | 1 of 3 |

* Appointed w.e.f. April 30, 2019.

The Managing Director & Chief Executive Officer and Chief Financial Officer are the permanent invitees to ARMC Meetings. The Company Secretary acts as Secretary to the Committee. ARMC invites such other official(s) / executive(s), as it may consider appropriate to be present at the meeting(s). The representatives of the Internal Auditors and Statutory Auditors are also present at ARMC Meetings. The Chairman of ARMC was present at 22nd Annual General Meeting of the Company held on July 30, 2019.

Role / terms of reference of ARMC, *inter-alia*, articulates its role, responsibility and powers as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by them;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the

board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds;
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with Related Parties & granting of omnibus approvals based on the criteria / mechanism thereof approved by the Board, for related party transactions of repetitive nature as well as for unforeseen transactions, in accordance with the Act and the Listing Regulations;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or

a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To review the payment of creditors and dividend to shareholders and ensure that commitments are adhered to;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiaries, in terms of Listing Regulations;
21. To undertake specific duties as may be prescribed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws and/or carrying out any other function as may be decided & delegated by the Board of Directors.

2. Nomination, Remuneration & Corporate Governance Committee (NRCGC)

The composition and role of NRCGC are in line with the Regulation 19 read with Part D of Schedule II of the Listing Regulations, Section 178 of the Act and Rules framed thereunder. NRCGC comprise of 4 (four) Non-Executive Directors with 3 (three) being Independent Directors. NRCGC met 4 (four) time, during the year under review i.e. on April 30, 2019, July 30, 2019, October 23, 2019, and January 31, 2020. The Composition of NRCGC with the details of the meetings held and attended by the members, are as follows:

| Name of the Director | Nature of Membership | Designation | No. of meetings attended |
|----------------------|----------------------|------------------------|--------------------------|
| Mr. Nirvik Singh | Chairman | Independent Director | 4 of 4 |
| Prof. Nitin Sanghavi | Member | Independent Director | 4 of 4 |
| Mr. Neel C. Raheja | Member | Non-Executive Director | 3 of 4 |
| Ms. Ameera Shah* | Member | Independent Director | 2 of 3 |

* Appointed w.e.f. April 30, 2019.

The Managing Director and Chief Executive Officer is the permanent invitee to NRCGC Meetings. The Chief Human Resource Officer of the Company acts as Secretary to NRCGC.

Corporate Governance Report (Contd.)

Role / terms of reference of NRCGC, *inter-alia*, articulates its role, responsibility and powers as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and senior management i.e. the officers/personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director (including chief executive officer, in case he is not part of the board) and shall specifically include company secretary and chief financial officer.
2. In formulating the aforesaid policy, following needs to be considered.
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
3. Formulation of the criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
6. To determine and recommend to the board of directors extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Recommend to the board of directors, all remuneration, in whatever form, payable to Directors & senior management;
8. Grant of Employee Stock Options to eligible employees and allotment of equity shares on account of exercise of vested ESOPs and to attend incidental and ancillary matter thereto from time to time;
9. To undertake specific duties as may be prescribed by the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws and or as may be prescribed by the Board of Directors of the Company, from time to time.

NRCGC acts as the Compensation Committee for the purpose of administration and superintendence of Shoppers Stop Employee Stock Option Scheme - 2008, implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

- **Policy on Nomination, Remuneration, Board Diversity, Evaluation and Succession**

In terms of applicable provisions of the Act and the Listing Regulations, the Board of Directors of your Company has framed and adopted a policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company, which, *inter-alia*, includes Board Diversity, process of performance evaluation of Directors, KMPs, and SMPs of the Company, criteria for determining qualifications, positive attributes, independence of a Director and other related matters. The remuneration paid to Directors, KMPs and SMPs of the Company are as per the terms laid down in this Policy. The salient features of the said Policy is outlined hereunder. The policy is also available on the Company's corporate website at https://corporate.shoppersstop.com/uploaded_files/73dd437-6fda.pdf

Salient features of the Policy:

- Selection, appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- Remuneration to the Directors, Key Managerial Personnel and employees in Senior Management;
- Board Diversity and;
- Formulation of criteria for evaluation of individual Directors, Chairperson of the Board, the Board as a whole, the Committees of the Board and the employees in Senior Management.

- **Criteria for making payment of Commission to Non-Executive Directors**

NRCGC and the Board had decided that the criteria for payment of commission to Non-Executive Directors would be on the basis of collective performance of both self and the Company and not only on individual performance basis. However, the Chairman of ARMC & Chairman of NRCGC would be paid an additional amount as commission, for the year under review.

NRCGC opined and Board has approved that those Independent Directors, who possesses the requisite qualification and impart training / advisory services to the senior management of the Company, would be compensated with professional fees, being services rendered by them are of professional nature. Non-Executive Directors are not entitled to any stock options of the Company.

At the 19th (nineteenth) Annual General Meeting of the Company held on July 29, 2016, the Members had approved the payment of remuneration to the Non-Executive Directors by way of commission, in aggregate, not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of the Act.

- **Remuneration to Non-Executive Directors (NEDs)**

Remuneration payable to NEDs, as under, for the year under review, is within the limit approved by the Shareholders.

| Name of Non-Executive Directors | ₹ in crores) | | |
|-----------------------------------|-------------------------|---------------------------|-------------|
| | Commission ¹ | Sitting Fees ² | Total |
| Mr. Ravi C. Raheja | 0.03 | 0.07 | 0.10 |
| Mr. Neel C. Raheja | 0.03 | 0.04 | 0.07 |
| Prof. Nitin Sanghavi ³ | 0.03 | 0.08 | 0.11 |
| Mr. Deepak Ghaisas | 0.06 | 0.06 | 0.12 |
| Mr. Nirvik Singh ³ | 0.06 | 0.06 | 0.12 |
| Mr. Manish Chokhani | 0.03 | 0.04 | 0.07 |
| Ms. Ameera Shah | 0.03 | 0.05 | 0.08 |
| Mr. Robert Bready ³ | 0.03 | 0.04 | 0.07 |
| Mr. B. S. Nagesh | 0.03 | 0.04 | 0.07 |
| Total | 0.33 | 0.48 | 0.81 |

Notes:

1. The Commission to Non-Executive Directors will be paid after the financial statements are approved by the Members at the ensuing 23rd Annual General Meeting, scheduled to be held on August 13, 2020.
2. A sitting fees of ₹1 lac is paid to the Directors for attending each meeting of the Board, ₹0.50 lac for attending each meeting of the Audit & Risk Management Committee and the Nomination, Remuneration & Corporate Governance Committee and ₹0.25 lac for attending each

meeting of the Corporate Social Responsibility Committee. There is no sitting fees payable for attending the meeting(s) of Stakeholders Relationship Committee. The sitting fees paid to the Non-Executive Directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act.

3. An amount of ₹0.03 crores to Prof. Nitin Sanghavi, ₹0.03 crores to Mr. Nirvik Singh and ₹0.0225 crores to Mr. Robert Bready, is payable for providing training and advisory services to the Senior Management of the Company. It will be paid after the financial statements are approved by the shareholders at the aforementioned Annual General Meeting.

- **Pecuniary relationship with the Non-Executive Directors**

There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the sitting fees for attending meetings of the Board / Committees thereof and commission payable to them.

- **Remuneration and ESOPs to Mr. Rajiv Suri - Managing Director & CEO of the Company**

Remuneration paid to Mr. Rajiv Suri, during the year under review is as under:

| | ₹ in crores) |
|--------------------------|--------------|
| Salary [#] | 6.69 |
| Perquisites [*] | 0.00 |
| Total | 6.69 |

[#]The salary excludes ₹0.13 crores of provident fund contribution and includes ₹2.14 crores of Performance linked bonus (January 9, 2018 to March 31, 2019), which was provided in Books for FY19 and paid during the year under review. Such incentive is linked to the performance of the Company and of the Managing Director and is based on various qualitative and quantitative performance criterion.

^{*}The value of perquisites is ₹0.66 Lacs.

- **Service Contract, Severance Fees and Notice Period:**

Mr. Rajiv Suri was appointed as a Managing Director & CEO of the Company for a period of 3 years w.e.f. June 8, 2018, by the Board and Members of the Company at their meetings held on June 8, 2018 and July 27, 2018, respectively. The Ministry of Corporate Affairs, Government of India, had approved his appointment as the Managing Director of the Company under clause (e) Part I of Schedule V of the Act. There is no separate provision for payment of any severance fees to the Managing Director. There is a notice period of 3 (three) months from either side.

Corporate Governance Report (Contd.)

Under Shoppers Stop Employee Stock Option Scheme 2008:

| Scheme | Date of Grant | Options Granted | Options vested and exercised | Grant price per stock option (₹) | Vesting period | Exercise Period |
|--|----------------|-----------------|------------------------------|----------------------------------|----------------|-----------------|
| Employee Stock Option Scheme 2008 - IX | June 8, 2018 | 9,191 | - | 544 | 3 years | 2 years |
| Employee Stock Option Scheme 2008 - XIII | April 30, 2019 | 10,684 | - | 468 | 2 years | 2 years |

• Board Evaluation

In compliance with the relevant provisions of the Act read with the Rules made thereunder, the Listing Regulations and the Policy made in this regard, your Company has devised a framework for performance evaluation of the Board as a whole, its specified statutory Committees, the Chairman of the Board and the individual directors.

For the year under review, the Board carried out the performance evaluation of the Board as a whole, its specified statutory Committees, the Chairman of the Board and the individual directors. The exercise was carried out through a structured questionnaire covering various aspects, as under:

- **For evaluation of Board as a whole:** Evaluation of functioning of the Board based on board composition, its functions viz: guidance on corporate strategy, budgets, investor grievances, effectiveness of governance practices, CSR initiatives, risk management etc., its relation with the Management and board meetings and procedures.
- **For evaluation of Committees of the Board:** Evaluation of functioning of the Committees based on its composition, adherence to its terms of reference, participation at the meetings, independence of the Committee, its recommendations to the Board and Committee meetings and procedures.
- **For evaluation of individual Director including Independent Directors:** Based on their understating and knowledge of the Company, commitment to Board and concerned committee(s), adherence to code of conduct, possession of sufficient skills, expertise etc., demonstration of level of integrity etc. and additionally, for independent directors, fulfilment of the independence criteria as specified in the Act and the SEBI Regulations, their independence from the Management, adherence to code of conduct for them etc.
- **For evaluation of Chairman of the Board:** Based on his effective connect with MD & CEO / CFO and other senior management, efficient and effective leadership, encouragement on active participation and sharing of opinion by other Board members, demonstration of high-test level of integrity etc.

The Board of Directors expressed their satisfaction towards the process followed by the Company for performance evaluation of the Directors, Board as a whole, its Committees and the Chairman of the Board.

Outcome of the evaluation

The Board of your Company was satisfied with the functioning of the Board and its Committees. The Committees are functioning well and besides the Committee's terms of reference, as mandated by law and important issues are brought up and discussed in the Committee meetings. The Board was also satisfied with the contribution of directors, in their respective capacities, which reflects the overall engagement of the individual directors.

3. Stakeholders' grievance Committee / Stakeholders Relationship Committee (SRC)

In line with the Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, your Company has constituted SRC. The Company Secretary & Compliance Officer of the Company acts as the secretary to SRC.

SRC comprise of 4 (four) Non-Executive Directors with 1 (one) being an Independent Director. SRC met once, during the year under review i.e. on January 30, 2020. The Composition of SRC along with the details of the meeting held and attended by the members, are as follows:

| Name of the Director | Nature of Membership | Designation | No. of meetings attended |
|----------------------|----------------------|------------------------|--------------------------|
| Mr. Ravi C. Raheja | Chairman | Non-Executive Director | 1 of 1 |
| Mr. Neel C. Raheja | Member | Non-Executive Director | 0 of 1 |
| Mr. B. S. Nagesh | Member | Non-Executive Director | 1 of 1 |
| Mr. Deepak Ghaisas | Member | Independent Director | 1 of 1 |

The Chairman of SRC was present at 22nd Annual General Meeting of the Company held on July 30, 2019. There was no change in the composition of SRC, during the year under review.

The primary objective of SRC is to specifically look into various aspects of interest of the shareholders,

debenture holders and other security holders. Role / terms of reference of SRC, *inter-alia*, include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. To undertake specific duties as may be prescribed by the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws and/or carrying out any other function as may be decided & delegated by the Board of Directors.

- **Report of Investor complaints and certifications**

During the year under review, your Company received 3 complaints, which were attended and resolved to the satisfaction of the shareholders. No grievances were pending at the end of the year. The Company has not received any complaint during the year under review from SEBI - SCORES, a web based centralized grievance redressal system of SEBI.

Pursuant to Regulation 40 of the Listing Regulations, your Company obtained half-yearly compliance certificate, from a Company Secretary in Practice confirming issue of certificates for transfer, subdivision, consolidation etc., if any, within prescribed time limit and submit a copy thereof to the Stock Exchanges. No request for transfer and dematerialization were received and pending for approval as on March 31, 2020. Further, the compliance certificate under Regulation 7 of the Listing Regulations confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Transfer Agent is also submitted to the Stock Exchanges, on a half yearly basis.

4. Corporate Social Responsibility Committee (CSRC)

In accordance with the provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder, the Board has constituted CSRC.

CSRC comprises of 3 (three) Directors with a combination of a Non-Independent-Non-executive Director, an Executive Director and an Independent Director. CSRC met 4 (four) times, during the year under review i.e. on April 30, 2019, July 30, 2019, October 23, 2019 and January 31, 2020. The Composition of CSRC along with the details of the meetings held and attended by the members, are as follows:

| Name of the Director | Nature of Membership | Designation | No. of meetings attended |
|----------------------|----------------------|------------------------|--------------------------|
| Ms. Ameera Shah* | Chairperson | Independent Director | 1 of 1 |
| Mr. Ravi C. Raheja# | Chairman | Non-Executive Director | 4 of 4 |
| Mr. Rajiv Suri | Member | Executive Director | 4 of 4 |
| Mr. Robert Bready | Member | Independent Director | 3 of 4 |

* Resigned as the member and Chairperson w.e.f. April 30, 2019.

Elevated from Member to Chairman w.e.f. April 30, 2019.

- **Policy on Corporate Social Responsibility (CSR)**

In terms of the applicable provisions of Act and the rules framed thereunder, the Board of Directors of your Company has framed and adopted a policy on CSR, which, *inter-alia*, regulates and monitor, your Company's CSR budget, activities / projects / initiatives and contributions thereof, from time to time. The salient features of the said Policy is outlined hereunder. The policy is also available on the Company's corporate website at https://corporate.shoppersstop.com/uploaded_files/8ce6acb-b55a.pdf

Salient features of the CSR Policy:

- CSR philosophy and objective;
- Projects for / initiatives towards CSR contributions;
- Governance and responsibility: At Management, CSR Committee and at Board level and;
- Mechanisms over CSR budget and expenditure.

Corporate Governance Report (Contd.)

D. General Body Meetings

- Details of the past three Annual General Meetings, are as under:

| AGM for Financial Year ended | Date & Time | Nature of special resolution(s) passed | Venue |
|------------------------------|----------------------------|---|---|
| 2018-2019 | July 30, 2019 at 3:30 p.m. | Re-appointment of Mr. Nirvik Singh, Mr. Deepak Ghaisas, Mr. Nitin Sanghavi and Mr. Manish Chokhani, for their second term as an Independent Directors of the Company. | Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 |
| 2017-2018 | July 27, 2018 at 3:30 p.m. | Appointment of Mr. Rajiv Suri as the Managing Director of the Company. | |
| 2016-2017 | July 28, 2017 at 3:30 p.m. | None | |

- Further, during the year under review, no approval of the Members was sought through postal ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through Postal Ballot.

E. Related Party Transactions

The Company has formulated a Related Party Transaction Policy including therein the materiality of related party transaction and determination of material subsidiaries, which is available on the corporate website of the Company at https://corporate.shoppersstop.com/uploaded_files/614043c-71cd.pdf

During the year under review, all related party transactions were on arm's length basis and in the ordinary course of business. These Related Party Transactions have been approved by the Audit Committee and noted by the Board of Directors. There were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

F. Other Disclosures / Compliances / Certifications

• Disclosure from Senior Management

The Company has received a confirmation from all the senior management personnel of the Company disclosing that they do not have any material, financial and commercial transactions to disclose and there is no potential conflict with the interest of the Company at large, for the year under review.

• Compliance Report on Corporate Governance:

The Company submits on quarterly basis a compliance report on corporate governance in the format prescribed by the Securities and Exchange Board of India, within the statutory period, from the close of the quarter with the Stock Exchanges. The said report is placed before the Board every quarter at its subsequent meeting, for its noting and comments/observations/advice, if any.

• Website

All the information and disclosures required to be disseminated pursuant to the Listing Regulations

and the Act are being posted at Company's corporate website at www.shoppersstop.com.

• Disclosure of Accounting Treatment

The Financial Statements of the Company comply with the Accounting Standards referred to in the Act.

• Details of non-compliance on matters relating to Capital Market

Equity shares of the Company are listed and traded on BSE Limited and National Stock Exchange of India Limited w.e.f. May 23, 2005. The Company has complied with the Rules, Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) and Stock Exchange as applicable to the Company, from time to time. During the last three years, there were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI and/or any other statutory authorities on matters relating to capital market.

• Disclosure of commodity price risks and commodity hedging activities

The Company does not deal in commodities and hence disclosure with regard to commodity price risks and commodity hedging activities was not applicable to the Company, for the year under review.

• Code of Conduct for Prevention of Insider Trading Practices

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time ("the SEBI Regulations"), the Board has formulated its own code termed as 'Shoppers Stop Limited's Insider Trading Code' and 'Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSII), for Regulating, Monitoring and Reporting Trading by Designated Persons.

The Code defines the Designated Persons basis their cadre and functional role in the Company. This definition is based on their privy to and / or

possession of and / or access to UPSI, they may be expected to have relating to the Company and/ or its securities.

Further, the SEBI Regulations mandates every listed company to have an adequate and effective system of internal controls in place to ensure compliance with the SEBI Regulations to prevent insider trading. Accordingly, to cater to this requirement, your Company has licensed a software with requisite audit trail and time stamping to ensure non- tampering with it, which is used for multipurpose viz: repository of database of Designated Persons, database of UPSI recipient, tracking of trading and compliance thereof by Designated Persons and their immediate relatives etc.

- **Code of Conduct for all Board members and senior management personnel**

The Company has adopted the Code of Conduct for its Board members and senior management personnel of the Company. This Code is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance to the Code of Conduct. A declaration to this effect, duly signed by the Managing Director and CEO of the Company forms part of this Annual Report.

- **Code of Conduct and Ethics for Independent Directors**

The Company has adopted the Code of Conduct and Ethics for its Independent Directors. All Independent Directors have confirmed compliance to the said Code.

- **Proceeds from preferential allotment or qualified institutions placement**

The Company has not raised any amount from preferential allotment or qualified institutional placement, etc. during the year under review.

- **Compliance with Discretionary Requirements**

The following non-mandatory requirements as provided under Regulation 27 (1) of the Listing Regulations read with Part E of Schedule II thereto, to the extent they have been adopted are as under:

Non-Executive Chairman's Office: The Company has Non-Executive Non Independent Chairman and his position is distinct from the office of the Managing Director and CEO. The Chairman's office is maintained by the Chairman himself.

Shareholders Rights: The Company has not adopted the practice of sending, half-yearly declaration of financial performance including summary of the significant events in last six-

months, to shareholders. The quarterly financial results are approved by the Board based on the recommendation made by the Audit & Risk Management Committee and thereafter are disseminated to Stock Exchanges, public at large and updated on the website of the Company.

Modified Opinion in Auditors Report: The Company's financial statements for the year ended March 31, 2020 do not contain any modified audit opinion.

Reporting of Internal Auditor: In accordance with the provisions of Section 138 of the Act, the Company has appointed the Internal Auditors who directly reports to the Audit & Risk Management Committee. The Head - Governance, Risk & Compliance co-ordinates with Internal Auditors and their quarterly internal audit reports are presented to the Audit & Risk Management Committee, which in turn reviews and suggests necessary steps & action.

- **Reports explained in detail in the Board's Report**

- Risk Management

- Whistle Blower Policy/Vigil Mechanism

- **Management Discussion and Analysis**

Management Discussion and Analysis is provided as separate section in the Annual Report.

- **Certificate from Practicing Company Secretary**

Kaushal Dalal & Associates, Practicing Company Secretaries, have issued certificate pursuant to the provisions of the Listing Regulations, certifying that as on March 31, 2020, none of the directors of the Company have been debarred or disqualified from being appointed/re-appointed or continuing as directors of the Company, by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority(ies).

- **Recommendations of the Committees of the Board**

There was no instance during the financial year, where the Board of Directors of the Company has not accepted any recommendations of its Committees.

- **Fees to Statutory Auditor and its affiliates**

During the year under review, ₹0.95 crores were paid / provided as fees for all the services availed by the Company and its subsidiaries, on a consolidated basis, to S R B C & CO LLP, Statutory Auditors and all entities in the network firm/network entity of which S R B C & CO LLP is a part.

Corporate Governance Report (Contd.)

- **Prevention of Sexual Harassment (PoSH)**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("PoSH Act") and Rules made thereunder, your Company has adopted a policy for prevention of sexual harassment at work place, which, *inter-alia*, provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year under review, 22 cases were received and all the cases have been resolved in accordance with the PoSH Act. The Company has an Internal Complaints Committee (ICC) which is responsible for redressal of these complaints and follows the guidelines as stipulated in the policy. There are trainings being conducted for sensitising all the Customer Care Associates on PoSH.

- **CEO and CFO Certification**

The CEO and the CFO of the Company have jointly issued certificate, pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying, *inter-alia*, that the financial statement for the year under review, do not contain any materially untrue statement and these statements represents a true and fair view of the Company's affairs. The said certificate forms part of this Annual Report.

G. Means of Communication

- The quarterly and annual financial results for the Company and consolidated financial results for the subsidiaries are published in newspapers within 48 hours of the Board Meeting, generally in Free Press Journal and Navshakti and the same are also posted on the Company's website immediately.
- At the end of each quarter, the Company arranges a conference call with the analysts in order to clarify their doubts and queries as regards quarterly financial performance. The transcript, thereof is posted on the Company's website.
- The Quarterly and annual financial Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites.

H. General Shareholders Information

Annual General Meeting : Thursday, August 13, 2020 at 4 p.m. through Video Conferencing facility

Financial Calendar : April 1, 2019 to March 31, 2020

Listing on the Stock Exchanges:

| | |
|---|---|
| BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Stock Code : 532638 | National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. Symbol : SHOPERSTOP |
|---|---|

The requisite Listing Fees for the Financial Year 2020-21 has been paid to both the above Stock Exchanges where the equity shares of the Company are listed.

- **Transfer of Unclaimed Dividend to Investor education and protection fund (IEPF)**

Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") stipulates transfer of dividend that has remained unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also stipulate transfer of shares in respect whereof the dividend has not been paid or claimed for a period of seven consecutive years or more to the demat account of the IEPF Authority.

Accordingly, during FY20, your Company, has transferred unpaid & unclaimed dividend declared for the Financial Year 2011-12 to IEPF. The details of future transfer to IEPF Authority of unclaimed / unpaid dividends and the corresponding shares, is available on the Company's corporate website at <https://corporate.shoppersstop.com/Investors/UnclaimedDividendN.aspx>

- **Transfer of shares to IEPF**

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven consecutive years to IEPF. Accordingly, your Company transferred 246 Equity shares to the demat account of IEPF Authority, during FY20. The details of these shares are available on the corporate website under "Investors Section" at <https://corporate.shoppersstop.com/Investors/UnclaimedDividendN.aspx>.

Members may note that both unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing thereon, if any, can be claimed back from IEPF in accordance with the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

- **Demat suspense account for unclaimed shares**

There are 2 shareholders, holding 100 equity shares of ₹5/- each (post sub-division) allotted in Initial Public Offering of 2005, lying in the escrow account due to non-availability of their correct particulars. Despite

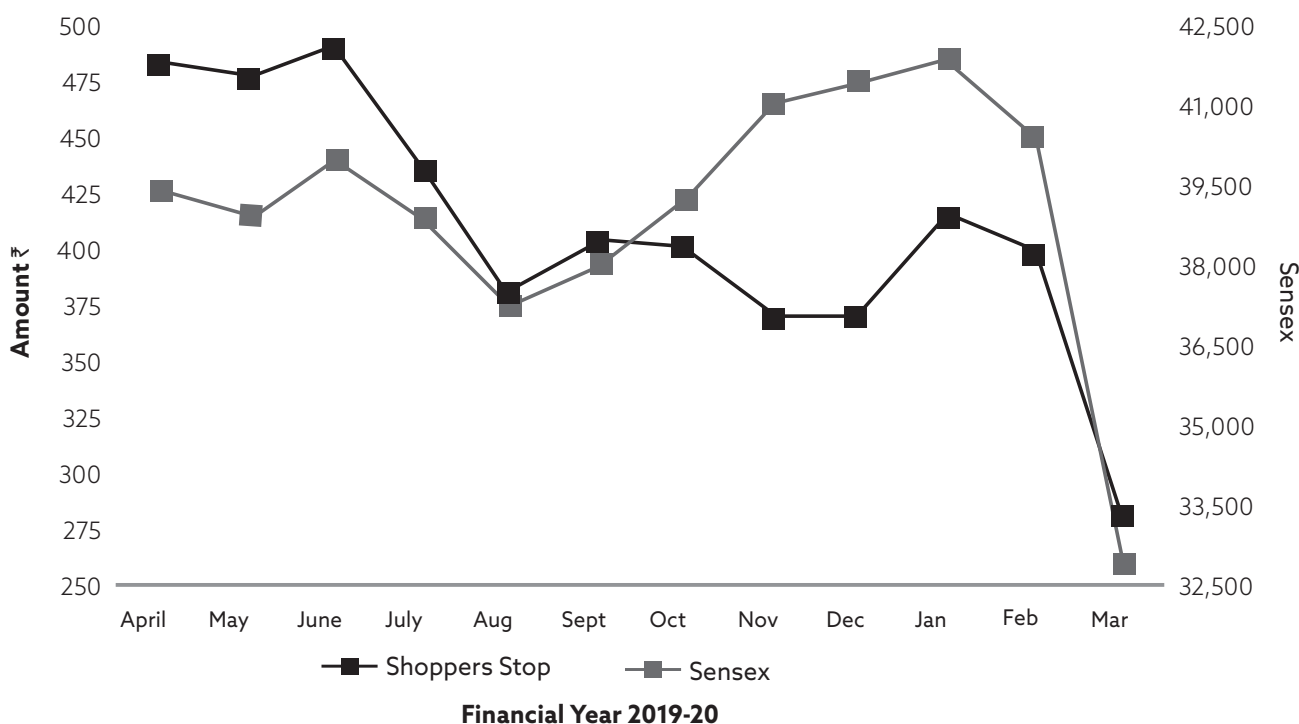
various reminders to them by KFin Technologies Private Limited, Registrar and Share Transfer Agent of the Company, no response has been received. As a result, the said unclaimed shares continue to be credited to 'Shoppers Stop Ltd - Unclaimed Shares Demat Suspense Account'. Such shareholders may approach the Company with their correct particulars and proof of their identity for crediting requisite shares from the Company's Demat Suspense Account to their individual Demat Account. During the year under review no such shareholders have approached the Company and consequently, no equity shares were transferred from the Suspense account to any of the shareholders account. The voting rights on these shares continue to remain frozen till the rightful shareholder claims such shares.

- Stock Market Data for the period - April 1, 2019 to March 31, 2020**

Share price performance in comparison on BSE Limited:

| Month (Financial Year 2019-20) | BSE | | Sensex | | No. of Shares transacted |
|-----------------------------------|----------|---------|-----------|-----------|-----------------------------|
| | High (₹) | Low (₹) | High | Low | |
| April | 510.00 | 432.25 | 39,487.45 | 38,460.25 | 1,685,386 |
| May | 491.00 | 438.95 | 40,124.96 | 36,956.10 | 19,035 |
| June | 488.95 | 467.00 | 40,312.07 | 38,870.96 | 7,228 |
| July | 510.20 | 341.70 | 40,032.41 | 37,128.26 | 275,990 |
| August | 407.25 | 338.60 | 37,807.55 | 36,102.35 | 10,151 |
| September | 430.00 | 358.95 | 39,441.12 | 35,987.80 | 20,652 |
| October | 430.00 | 357.95 | 40,392.22 | 37,415.83 | 15,402 |
| November | 385.95 | 339.00 | 41,163.79 | 40,014.23 | 6,343 |
| December | 383.10 | 339.95 | 41,809.96 | 40,135.37 | 20,868 |
| January | 446.60 | 363.30 | 42,273.87 | 40,476.55 | 863,682 |
| February | 416.75 | 363.00 | 41,709.30 | 38,219.97 | 92,989 |
| March | 384.40 | 171.95 | 39,083.17 | 25,638.90 | 41,682 |

Shoppers Stop Price Movement Chart - BSE

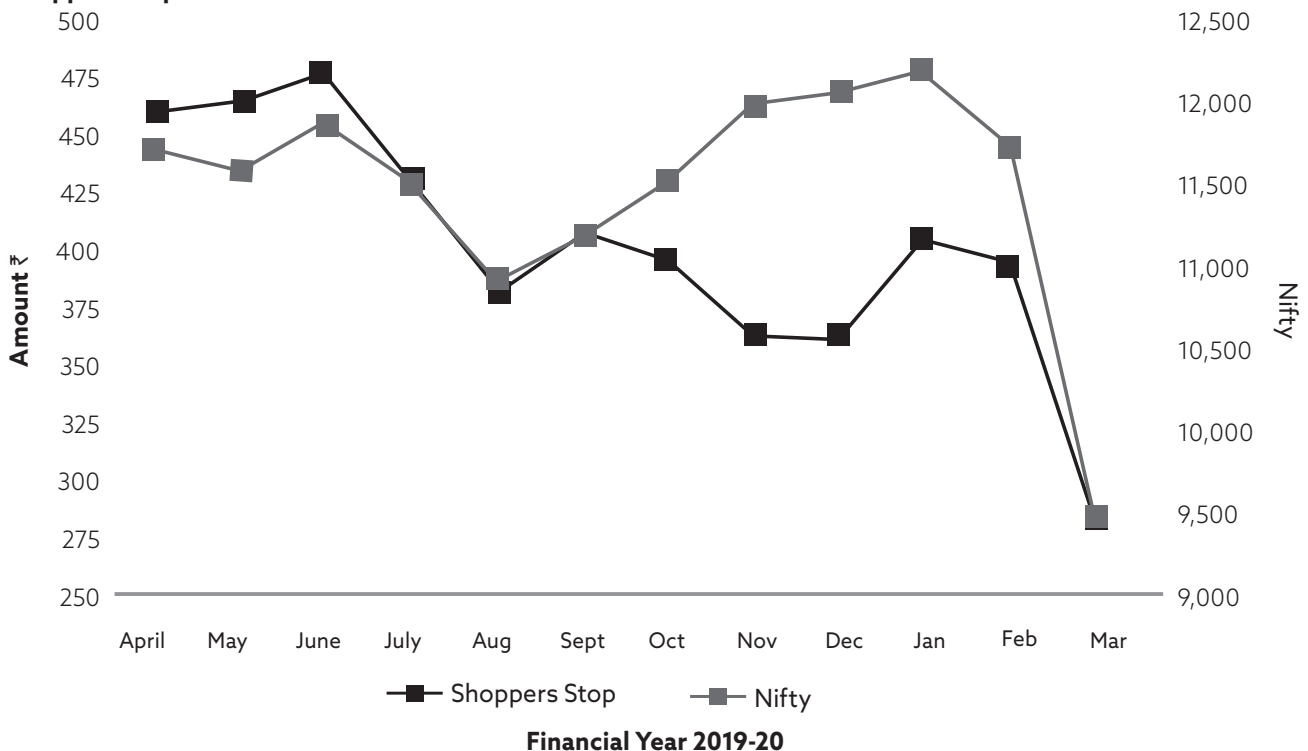


Corporate Governance Report (Contd.)

Share price performance in comparison on National Stock Exchange of India Limited (NSE):

| Month (Financial Year 2019-20) | NSE | | Nifty | | No. of Shares transacted |
|-----------------------------------|----------|---------|-----------|-----------|-----------------------------|
| | High (₹) | Low (₹) | High | Low | |
| April | 489.50 | 430.10 | 11,856.15 | 11,549.10 | 2,383,231 |
| May | 493.50 | 439.30 | 12,041.15 | 11,108.30 | 996,849 |
| June | 489.00 | 466.05 | 12,103.05 | 11,625.10 | 488,162 |
| July | 509.95 | 351.00 | 11,981.75 | 10,999.40 | 994,056 |
| August | 421.35 | 339.00 | 11,181.45 | 10,637.15 | 390,866 |
| September | 430.00 | 382.85 | 11,694.85 | 10,670.25 | 527,393 |
| October | 430.00 | 361.65 | 11,945.00 | 11,090.15 | 195,055 |
| November | 386.95 | 338.00 | 12,158.80 | 11,802.65 | 571,725 |
| December | 383.00 | 338.05 | 12,293.90 | 11,832.30 | 474,398 |
| January | 447.50 | 361.60 | 12,430.50 | 11,929.60 | 2,082,685 |
| February | 417.70 | 366.85 | 12,246.70 | 11,175.05 | 1,138,304 |
| March | 384.95 | 174.15 | 11,433.00 | 7,511.10 | 4,120,898 |

Shoppers Stop Price Movement Chart - NSE



- Shareholding Pattern:**

Distribution of Shareholding as on March 31, 2020 and March 31, 2019:

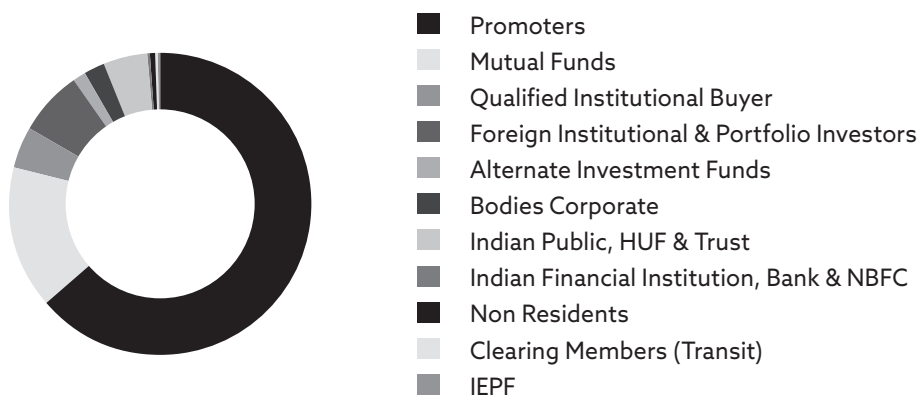
| Shareholding of Nominal Value ₹ | As on March 31, 2020 | | | | As on March 31, 2019 | | | |
|---------------------------------------|--------------------------------|---------------|--------------------|---------------|--------------------------------|---------------|--------------------|---------------|
| | Shareholders | | | | Shareholders | | | |
| | Number of share- holders | % | ₹ | % | Number of share- holders | % | ₹ | % |
| Upto 5000 | 16,521 | 97.07 | 10,203,605 | 2.32 | 12,651 | 97.10 | 4,686,435 | 1.07 |
| 5001-10000 | 213 | 1.25 | 1,473,170 | 0.33 | 117 | 0.90 | 862,300 | 0.20 |
| 10001-20000 | 117 | 0.69 | 1,695,475 | 0.39 | 87 | 0.67 | 1,273,040 | 0.29 |
| 20001-30000 | 41 | 0.24 | 1,002,300 | 0.23 | 42 | 0.32 | 1,036,465 | 0.24 |
| 30001-40000 | 13 | 0.08 | 461,875 | 0.11 | 14 | 0.11 | 485,805 | 0.11 |
| 40001-50000 | 12 | 0.07 | 533,490 | 0.12 | 16 | 0.12 | 726,660 | 0.17 |
| 50001-100000 | 20 | 0.12 | 1,650,260 | 0.38 | 23 | 0.18 | 1,907,605 | 0.43 |
| 100001 & above | 83 | 0.49 | 422,929,465 | 96.13 | 79 | 0.61 | 428,971,330 | 97.50 |
| Total | 17,020 | 100.00 | 439,949,640 | 100.00 | 13,029 | 100.00 | 439,949,640 | 100.00 |

The categories of shareholdings as on March 31, 2020 and March 31, 2019:

| Category | As on March 31, 2020 | | As on March 31, 2019 | |
|---|----------------------|---------------|----------------------|---------------|
| | No. of Shares Held | % | No. of Shares Held | % |
| Promoters | 56,189,674 | 63.86 | 56,029,674 | 63.68 |
| Mutual Funds | 13,510,261 | 15.35 | 12,551,399 | 14.26 |
| Qualified Institutional Buyer # | 4,053,216 | 4.61 | - | - |
| Foreign Institutional & Portfolio Investors | 6,125,803 | 6.96 | 9,139,943 | 10.39 |
| Alternate Investment Funds | 1,002,046 | 1.14 | 188,241 | 0.21 |
| Bodies Corporate # | 2,088,910 | 2.37 | 6,828,060 | 7.76 |
| Indian Public, HUF & Trust | 4,184,044 | 4.76 | 3,087,407 | 3.51 |
| Indian Financial Institution, Bank & NBFC | 44,496 | 0.05 | 59,040 | 0.07 |
| Non Residents | 447,947 | 0.51 | 90,970 | 0.10 |
| Clearing Members (Transit) | 341,691 | 0.39 | 13,600 | 0.02 |
| IEPF | 1,840 | 0.00 | 1,594 | 0.00 |
| Total | 87,989,928 | 100.00 | 87,989,928 | 100.00 |

Private insurance companies re-categorized from Bodies corporates to Qualified Institutional Buyer during FY20.

Pie chart - Shareholding Pattern as on March 31, 2020



Share Transfer System: The Company's equity shares which are in dematerialized form are transferable through the depository system. The ISIN allotted to the equity shares of ₹5/- each of the Company is INE498B01024. The requests received by the Company/ RTA for dematerialisation/ rematerialisation are disposed off expeditiously.

Dematerialisation of Shares & Liquidity: Equity shares of the Company are compulsorily traded in demat form for all Investors. As on March 31, 2020, entire share capital of the Company except 222 equity shares are being held in the dematerialised mode. The shares of the Company are regularly traded at both the Stock Exchanges where they are listed, which ensure the necessary liquidity to shareholders.

Outstanding GDRs/ADRs/Warrants: The Company has not issued any ADR or GDR or warrants or any convertible instruments which has likely impact on equity share capital.

Commodity price risk or foreign exchange risk and hedging activities:

As of now foreign currency payments for trade imports & service imports are not substantial, it has been decided not to take forward cover for foreign exchange payments. However we evaluate periodically and assess the requirement in case the forward cover to the policy accordingly. The Company does not enter into any derivative instruments for trading and speculative purposes.

Credit Ratings: During the year under review, the following credit ratings were assigned to the Company:

- India Ratings & Research Private Limited:**
 - IND A1+ for Commercial Paper of ₹25 crores.
 - IND A1+ for Short -Term Debt /Commercial Paper of ₹25 crores.
- CARE Ratings Limited:**
 - CARE AA-; Stable (Double A Minus; Outlook: Stable) for the long-term bank facilities amounting to ₹169 crores.

Corporate Governance Report (Contd.)

- CARE A1+; (A One plus) for the short-term bank facilities amounting to ₹88 crores.
- CARE AA-; Stable (Double A Minus; Outlook: Stable) for Non-Convertible Debenture issue amounting to ₹100 crores.

3. CRISIL Limited:

- CRISIL A1+ for Commercial Paper of ₹100 crores

Shareholders Service Centre & Registrar and Share Transfer Agent:

Mr. Balaji Reddy – Manager, Corporate Registry
KFin Technologies Pvt Ltd (Erstwhile Karvy Fintech Pvt Ltd)
Selenium, Tower B, Plot 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032.
Tel : (040) 6716 2222 Toll Free No: 18003454001
Fax : (040) 2342 0814
E-mail ID : einward.ris@kfintech.com; balaji.reddy@kfintech.com
Web Address: www.kfintech.com

Mr. Bharat Sanghavi - Company Secretary
Shoppers Stop Limited
Umang Tower, 5th Floor,
MindSpace, Off. Link Road,
Malad (West), Mumbai - 400 064. India.
Tel: (022) 4249 7000
E-mail ID : investor@shoppersstop.com
Web Address: www.shoppersstop.com

Store Locations:

Western Region

| | |
|---|--|
| 1. 211-D, S. V. Road, Andheri (W), Mumbai 400 058. | 15. Pacific Mall, Shankar Seth Road, Pune 411 037. |
| 2. Krushal Commercial Complex, G. M. Road, Chembur (West), Mumbai - 400 089. | 16. Opposite Alankar Talkies, Chainsukh Road, Latur - 413 512. |
| 3. Suburbia, Old Bandra Talkies, Linking Road, Bandra (West), Mumbai - 400 050. | 17. HomeStop, R City, LBS Marg, Ghatkopar (West), Mumbai - 400 086. |
| 4. Inorbit Mall, Link Road, Malad (West), Mumbai - 400 064. | 18. HomeStop, FP No. 216, TP Scheme -1, Vastrapur, Ahmedabad - 380 054. |
| 5. Dynamix Mall, Sant Dhyaneswar Marg, JVPD Scheme, Next to Chandan Cinema Hall, Vile Parle (West), Mumbai - 400 049. | 19. Metro Junction Mall, Shil Road, Kalyan - 421 306. |
| 6. Elpro City Square Mall, Chinchwad Gaon, Pimpri-Chinchwad, Maharashtra - 411 033. | 20. VR Mall, Near Magdalia Chokdi, Dumas Road, Surat - 395 007. |
| 7. HomeStop, Inorbit Mall, 2nd Floor, Link Road, Malad (West), Mumbai - 400 064. | 21. Viviana Mall, Eastern Express Highway, Thane - 400 062. |
| 8. Prozone Mall, Plot Sector - C, Chikalthana Ind. Area, Masantpur, Aurangabad, 431 210. | 22. Alembic Road, Subhanpura, Vadodara - 390 003. |
| 9. Inorbit Mall, Vashi, Navi Mumbai - 400 705. | 23. Seasons Mall, South Magarpatta City, Pune - 411 028. |
| 10. Seawoods Grand Central, Plot No. - R-1, Sector - 40, Seawoods Railway Station, Navi Mumbai - 400 706 | 24. HomeStop, First floor, Seasons Mall, South Magarpatta City, Pune - 411 028. |
| 11. Alpha G, Near Vastrapur Lake, Vastrapur, Ahmedabad - 380 054. | 25. D Y Patil Mall, 2104/15, E Ward, Kavda Naka, Kolhapur - 416 001. |
| 12. JK Square, opposite Police Training Centre, situated at Trimbak Road, Nashik - 422 002 | 26. Orion Mall, Near Panvel Bus Depot, Panvel - 410206. |
| 13. R City Mall, LBS Marg, Ghatkopar (West), Mumbai - 400 086. | 27. Unit No. GFN03 & GFS10, West End Mall, Aundh, Taluka Haveli, Pune - 411 007. |
| 14. Big India Mall, Godbunder Road, Thane West, Maharashtra- 400607 | 28. Mall De Goa, Nova Cidade Complex, Alto Porvorim, Goa - 403 521. |

Southern Region

| | |
|--|---|
| 1. Garuda Star Mall, Magrath Road, Ashok Nagar, Bengaluru - 560 025. | 15. OMR, Gopalan Signature Towers, Opp. RMZ Infinity, Old Madras Road, Bengaluru - 560 096. |
| 2. Commerce@Mantri, N.S. Palya, Bannerghatta Road, Bengaluru - 560 076. | 16. Mall of Mysore, Indira Nagar Extension, Nazarabad Mohalla, M.G. Road, Mysore - 570 010. |
| 3. Mantri Square, Sampige Road, Malleshwaram, Bengaluru - 560 003. | 17. HomeStop, Inorbit Mall, Hitech City, Cyberabad, Hyderabad - 500 081. |
| 4. Plot No. 1-11-251/1, Alladin Mansion, Begumpet, Hyderabad - 500 016. | 18. Inorbit Mall - Whitefield, EPIP Area, Whitefield, Bengaluru - 560 066. |
| 5. Harrington Road, Chetpet, Chennai - 600 031. | 19. E-City Mall, Avinash Road, Coimbatore - 641 004. |
| 6. GVK One Mall, Road No. 01, Banjara Hills, Hyderabad - 500 034. | 20. Sarath City Capital Mall, Gachibowli - Miyapur Rd, Whitefields, Hyderabad - 500 084. |
| 7. Inorbit Mall, Apiic Software Layout, Hitech City, Madhapur, Hyderabad - 500 081. | 21. Soul Space Arena, Outer Ring Road, K R Puram Hubli, Bengaluru - 560 037. |
| 8. Passenger Terminal Building, Shamshabad Airport, Rangareddy, Hyderabad - 500 409. | 22. HomeStop, Phoneix Market City, Velachery, Chennai - 600 042. |

| | |
|---|---|
| 9. Hyderabad-Next Galleria-Punjagutta Mall, Punjagutta, Hyderabad. | 23. Palladium Mall, Phoenix Market City, Velachery, Chennai, 600 042. |
| 10. HiLite Mall, Kozhikode Bypass, Kozhikode, Kerala 673 014. | 24. Manjeera, Trinity Mall, Kukatpally, Hyderabad - 500 072. |
| 11. Passenger Terminal Building, Bengaluru International Airport, Devanahalli, Bengaluru - 560 300. | 25. SRK Destiny, VIP Road, near CBM Compound, Visakhapatnam - 530 016. |
| 12. HomeStop, Raheja Point No. 17/2, Magrath Road, Bengaluru - 560 025. | 26. Royal Meenakshi Mall, Opp. Meenakshi Temple, Bannerghatta Road, Bengaluru - 560 076. |
| 13. HomeStop, Royal Meenakshi Mall, Bannergetta Road, Bengaluru - 560 076. | 27. Mangalore International Airport, Domestic Departures, Kenjar, Bajpe, Mangalore - 574 142. |
| 14. LEPL Icon Mall, Vijayawada - 520 008. | 28. Orion Mall, Rajajinagar Extension, Malleswaram West, Bangalore 560 055. |

Northern Region

| | |
|--|---|
| 1. The Metropolitan Mall, Mehrauli-Gurgaon Road, Gurgaon, Haryana - 122 002. | 19. World Trade Park, South Block, Malviya Nagar, Jaipur - 302 017. |
| 2. Shipra Mall, Shipra Suncity, 9 Vaibhav Khand, Indirapuram, Ghaziabad -201 012. | 20. Elante Mall, Industrial Area Phase - 1, Chandigarh - 160 002. |
| 3. HomeStop, Plot No. A/3, Select City Walk, District Centre, Saket, New Delhi - 110 017. | 21. OMaxe SRK Mall, Nagala Padi, Agra - 280 002. |
| 4. E-City Mall, Opp. Paryatan Bhavan, Gomti Nagar, Lucknow - 226 010. | 22. Jaipur International Airport (Departure - Level 2), Shop No. 201 New Terminal Building T-2, Jaipur - 302 011. |
| 5. Crown Mall, Chinhat, Faizabad Road, Lucknow, - 226 028. | 23. HomeStop, Elante Mall, Industrial Area Phase - 1, Chandigarh - 160 002. |
| 6. The Great India Palace, New Okhla Industrial Development Area, Noida - 201 301. | 24. Gaur Central Mall, Rajnagar, Ghaziabad - 201 002. |
| 7. Omaxe Connaught Place, Sector Beta II, Great Noida, Gautam Budh Nagar, Noida. | 25. Pavillion Mall, Old Sessions Court Road, Ludhiana - 141 001. |
| 8. Gaur City Mall, C-01B/GH-01 sector-04 Greater Noida West, Greater Noida - 201301 | 26. Shopprix Mall, Sports Good Complex, Major Dhyanchand Nagar, Hapur Bye pass, Meerut - 250 001. |
| 9. Metropolitan Mall, Press Enclave Road, District Centre Saket, Sector II, New Delhi - 110 017. | 27. IP Sagra Mall, Shastri Nagar, Sagra, Varanasi- 221002. |
| 10. Alpha One Mall, MBM Farms, Sultan Wind, Main G. T. Road, Amritsar - 143 010. | 28. Utkal Kanika Galleria, Opp. State Museum, Gautam Nagar, Bhubaneswar - 751014. |
| 11. Ambience Mall, Nelson Mandela Road, Vasant Kunj, New Delhi - 110 070. | 29. City Center Mall, Near Apollo Hospital, GS road, Guwahati - 781005. |
| 12. DB City Mall, Arera Hills, Bhopal - 462 011. | 30. Tapasya One, Golf Course Road, Sector 53, Gurugram -122 003 |
| 13. Spaze I, Tech Park, Gurgaon, Spaze Mall, Sohna Road, Gurgaon - 122 002. | 31. Man-Upasna Plaza, C-44, Sardar Patel Marg, C-Scheme, Jaipur - 302 001. |
| 14. Rohini, Sector - 10, Adjacent to Rithala Metro Station, Rohini, New Delhi -110 085. | 32. Unity One Jankpuri, Next to Janakpuri West Metro Station, New Delhi - 110 058. |
| 15. R-Cube, Monad, Shivaji Place, Rajouri Garden, New Delhi - 110027. | 33. Logix City Centre Mall, Noida City Centre Metro Station, Noida, - 201 301. |
| 16. BPK Star Building, Opp. Lig Gurudwara, A.B. Road, Indore - 452 001. | 34. Terminal 1D, Indira Gandhi International Airport, New Delhi 110 037. |
| 17. HomeStop, 2nd Floor, Fun Republic Mall, Gomti Nagar, Lucknow - 226 010. | |
| 18. MBD Neopolis Mall, Civil Lines, BMC Chowk, GT Road, Jalandar - 144 001. | |

Eastern Region

| | |
|--|---|
| 1. 10/3, Lala Lajpat Rai Sarani (Elgin Road), Kolkata - 700 020. | 6. City Centre, Siliguri Uttarayan Township, NH-31, Matigara, Siliguri - 734 010. |
| 2. City Centre, DC - 1, Sector-1, Salt Lake, Kolkata - 700 064. | 7. Vidhan Sabha Road, Mowa, Raipur - 492 005. |
| 3. South City Mall, 375, Prince Anwar Shah Road, Kolkata - 700 068. | 8. City Center 2, Rajarhat, New Town, Major Arterial Road, Action Area IID, Kolkata - 700 156. |
| 4. 164/1 Mani Square Mall, Maniktala Main Road, Kolkata-700 054. | 9. Acropolis Mall, Plot No. 1858, Rajdanga Main Road, Near Siemens Corporate Office, Kolkata - 700 107. |
| 5. Junction Mall, Mouza - Faridpur, City Centre, Durgapur - 713 216. | 10. Nucleus Mall, Circular Road, Opp East Jail Road, Ranchi, Jharkhand - 834 001. |

Chief Executive Officer's declaration - Compliance with the code of conduct for the financial year 2019-20

I hereby declare that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. This Code of Conduct is available on the Company's website. I hereby further declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended, from time to time.

Rajiv Suri

Customer Care Associate & Managing Director
and Chief Executive Officer

Place: Mumbai

Date: June 15, 2020

CEO and CFO Certification

To,
The Board of Directors
Shoppers Stop Limited
Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (West), Mumbai - 400 064.
Dear Sirs,

We hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year 2019-20 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and a fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) there were no significant changes in internal control over the financial reporting during the year;
 - (ii) there were no significant changes in accounting policies during the year; and
 - (iii) there were no instances of significant fraud of which we have become aware.

For Shoppers Stop Limited

Rajiv Suri
Customer Care Associate &
Managing Director and Chief Executive Officer

Date: June 15, 2020

Karunakaran Mohanasundaram

Customer Care Associate & Chief Financial
Officer

Income Statement - Standalone for the year ended 31st March 2020 (Non-GAAP and GAAP)

(₹ in crores)

| Particulars | Non - GAAP Financials | | | GAAP Financials | | |
|------------------------------|-----------------------|---------|----------|-----------------|---------|----------|
| | 2019-20 | 2018-19 | Gr% | 2019-20 | 2018-19 | Gr% |
| Revenue | 4,384.8 | 4,428.1 | -1.0% | 3,381.0 | 3,481.3 | -2.9% |
| Other Income | 62.8 | 61.7 | 1.8% | 33.5 | 17.9 | 87.2% |
| Total Revenue | 4,447.7 | 4,489.8 | -0.9% | 3,414.5 | 3,499.2 | -2.4% |
| Margin | 1,432.0 | 1,469.9 | -2.6% | 1,413.4 | 1,454.1 | -2.8% |
| Margin% | 32.7% | 33.2% | (50)Bps | 41.8% | 41.8% | |
| Operating Exp. | 1,311.8 | 1,267.1 | 3.5% | 863.9 | 1,200.8 | -28.1% |
| EBITDA | 182.9 | 264.5 | -30.8% | 582.9 | 271.2 | 114.9% |
| EBITDA % | 4.2% | 6.0% | (180)Bps | 17.2% | 7.8% | 950Bps |
| Depreciation | 187.2 | 135.1 | 38.6% | 439.2 | 135.1 | 225.2% |
| Finance Cost | 4.9 | 5.7 | -15.0% | 194.4 | 12.4 | 1461.5% |
| PBT | -9.1 | 123.7 | -107.4% | -50.7 | 123.7 | -141.0% |
| PBT% | -0.2% | 2.8% | (300)Bps | -1.5% | 3.6% | (510)Bps |
| Impairment of Cwd investment | 20.0 | - | | 20.0 | | |
| PBT after exceptional item | -29.1 | 123.7 | | -70.7 | 123.7 | |
| PBT after exc item % | -0.7% | 2.8% | | -2.1% | 3.6% | |
| OCI | 174.9 | 48.5 | | 177.9 | 48.5 | |
| PBT(Aft. Excp & OCI) | -204.0 | 75.2 | - | -248.5 | 75.2 | - |
| Tax | -7.9 | 44.3 | | 69.5 | 44.3 | |
| PAT | -196.1 | 31.0 | | -318.0 | 31.0 | |
| PAT% | -4.5% | 0.7% | | -9.4% | 0.9% | |

Explanation of Non-GAAP Measures

To supplement our financial results presented on a GAAP basis, we presented a table without reference to IND AS 109 (Interest Income on present value of Security Deposits), IND AS 115 Revenue Recognition (effective from April 1 2018) and IND AS 116, Accounting of Lease Rentals (effective from April 1 2019). We believe this "Non-GAAP" Financials will reflect the comparable complete and full picture of our Financials.

Our Non-GAAP in addition to Revenue on outright basis, considers Revenue of certain segment such as sales made on purchases from outright vendors on sale or return basis, consignment and concessionaire basis (though in GAAP we consider the net margin) and Lease Rent expenses as it was originally stated until March 31 2019.

Our Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial results prepared in accordance with GAAP.

Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage, evaluate our business, make operating decisions and uses in planning for and forecasting future periods. Compensation

of our executives is based in part on the performance of our business based on these non-GAAP measures.

IND AS 115 - Revenue Recognition

Under IND AS 115, the following sales are excluded and the net margin is considered as Revenue from Operations:

- Sales made under the arrangement with our vendor on Sale or Return basis
- Sales made under the arrangement of Consignment and Concessionaire

As in the past, in our Non-GAAP Statement we have considered the aggregate sales made through these operations of ₹548.55 crores for YTD Mar'20 and Cost of Goods Sold as COGS.

In addition to this, Loyalty point's expense on our Membership Card are netted out against sales in GAAP financials but grossed up in sales and shown separately as expense in Non GAAP ₹49.21 crores for YTD Mar'20. Thus there is no impact in EBITDA under both the measures.

IND AS 116 -Lease Rentals

The Ministry of Corporate Affairs (MCA) has mandated a new Accounting Standard AS 116 for accounting the

Lease Contracts. The new standard will require Lessees to recognize leases on their balance sheets, instead of "off Balance Sheet". In summary all leases to be recognized in the balance sheet as an Asset and Liability and as follows:

- The lease liability is measured at present value of minimum lease payments to be made over the lease term.
- The right to use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, if any
- Right to use is depreciated over a lease term on a straight-line basis. Interest is added on lease liabilities and actual payments are reduced from the liabilities balance.
- Operating lease expenses will be replaced by Depreciation and interest expenses.

This is not comparable to the actual lease rentals paid during the Quarter and we have excluded the effect of AS 116 from our non-GAAP operating expenses. We believe that payment of Lease Rentals Accounted as under AS 17 is more appropriate to evaluate our business performance.

While adhering to the standard, we had to accelerate the depreciation ₹.44.44 crores for YTD Mar'20 on some of the assets in line with the primarily lease period, even though the life of the asset is higher than the primary lease period.

Consequently, our EBITDA in GAAP is higher by ₹399.98 crores, Depreciation by ₹236.40 crores (including accelerated depreciation as stated above) and Interest by ₹187.84 crores.

With respect to the stores planned for foreclosure / closed store an amount of ₹15.25 crores, being excess of Right to use liability over Right to use asset has been accounted in the Profit & Loss account.

The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Asset created on account of difference in Right To Use Asset and Right To Use liability have to be reduced to align with the lower tax rate. An amount of ₹.77.45 crores has been proportionately charged to tax in this quarter in GAAP financials on this account.

IND AS 109

Interest income accounted on Present value of deposits ₹12.04 crores and rent amortized (now depreciation) on prepaid rentals ₹15.01 crores) has been negated in Non-Gap financials, as they are non-cash items.

Other than these changes, the GAAP and Non-GAAP are comparable.

Independent Auditor's Report

To the Members of
Shoppers Stop Limited

Report on the Audit of the Standalone Ind AS
Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Shoppers Stop Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2020, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company 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 standalone Ind AS financial statements.

Emphasis of Matter - COVID

We draw attention to Note 42 to the standalone 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 30 to the standalone 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 ₹ 16.60 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 standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| Allowance for Inventory obsolescence and shrinkage (as described in note 2.4 of the standalone Ind AS financial statements) <p>As at March 31, 2020, the carrying amount of inventories amounted to ₹ 1,223.92 Crores after considering allowance for Inventory obsolescence and shrinkage of ₹ 30.19 Crores. These inventories are held at the stores and distribution centres of the Company.</p> <p>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. In addition, the Company also makes specific provisions for obsolescence as per its policy.</p> | <p>Our procedures over allowance for Inventory obsolescence and shrinkage included the following:</p> <ul style="list-style-type: none">• 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. |
| Revenue recognition – Point award (Loyalty) schemes (as described in the Accounting Policies in note 2.3 to the Financial Statements) <p>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.</p> <p>We focused on this area for the estimate involved in determining the provisioning and the amounts involved are material. (₹ 39.42 Crores as at March 31, 2020).</p> | <p>Our audit procedures in respect of the Provision for liability on account of Point award (Loyalty) schemes accrued to customers included the following:</p> <ul style="list-style-type: none">• 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 20 Retail sale of Merchandise to the financial statements. |
| Impairment Evaluation of Investment in Crossword Bookstores Limited (as described in note 2.6.1 of the standalone Ind AS financial statements) <p>The Company has investment amounting to ₹ 35.06 Crores as at 31 March, 2020 in its subsidiary Crossword Bookstores Limited. This subsidiary has had continued losses, which provides an indicator for impairment in the investment. Management has used external specialists to support the recoverable amounts of its Investment based on value-in-use computation after taking into consideration potential impact of COVID 19 basis which the Company has taken impairment of ₹ 20 Crores on its subsidiary Crossword Bookstores Limited. Value of investment net of impairment is ₹ 15.06 crores.</p> <p>We focused this area because of the judgmental factors involved which led to impairment of the investment.</p> | <p>Our audit procedures in respect of impairment evaluation of Investment in Crossword Bookstores Limited included the following:</p> <ul style="list-style-type: none">• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the assessment of investment to determine whether any impairment was required;• We assess the appropriateness of the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluate the objectivity and independence of Company's specialists involved in the process;• We involved valuation expert to assist in evaluating the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used;• We evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information, historic performance, local economic developments and industry outlook;• We obtained and read the audited financial statements of the subsidiaries to determine the net worth, cash flows and other financial indicators;• We also assessed the Company's disclosures concerning this in Note 2A on significant accounting estimates and judgements and Note 4 of investments to the financial statements. |

| Key audit matters | How our audit addressed the key audit matter |
|---|--|
| <p>Implementation of Ind-AS 116 - Leases (as described in note 2.10)</p> <p>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.</p> <p>The Company has applied the Modified retrospective approach-2A given to ongoing leases as of April 1, 2019.</p> <p>The adoption of Ind AS 116 resulted in transitional impact amounting to ₹ 517.17 Crores (net of deferred tax amounting to ₹ 277.80 Crores) in retained earnings. As at March 31, 2020, the Company has ₹ 1,325.68 Crores of Right of use assets and ₹ 2,067.75 Crores of Lease liabilities.</p> <p>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.</p> | <p>Our audit procedures in respect of implementation of Ind-AS 116 included the following:</p> <ul style="list-style-type: none"> • 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. |

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

The 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 standalone 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 standalone 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 standalone 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 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 Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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,

Independent Auditor's Report (Contd.)

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 standalone 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 standalone 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 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 Company's ability 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone 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 as on March 31, 2020 taken on record by the Board of Directors, none of the directors is 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 of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 29 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SRBC & COLLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vijay Maniar**
Partner
Membership Number: 36738
UDIN : 20036738AAAACY7097
Mumbai: June 15, 2020

Annexure I

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii)(a) The Company has granted loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (iii)(b) The Company has granted loans that are re-payable on demand to three companies covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular for two companies. Further loan given in an earlier year to one of the Company has been fully provided for and no interest has been received.
- (iii)(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, employees' state insurance, goods and service tax, cess and other statutory dues applicable to it with a slight delay in few cases. The provisions relating to duty of excise are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii)(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, and cess on account of any dispute, are as follows:

** Net of amounts paid.

| Name of the statute | Nature of the dues | Amount** (₹) | Period to which the amount relates | Forum where the dispute is pending |
|--|--|---------------|--|--|
| The Income Tax Act, 1961 | TDS | 123.31 | 2011-12,2012-13, 2013-14, 2017- 18, and 2018-19 | Commissioner of Income tax (Appeals) |
| The Income Tax Act, 1961 | Disallowance u/s 14A and other matters | 21.11 | 2013-14, 2014-15,2015-16, 2016-17,2017- 18 and 2018-19 | Commissioner of Income tax (Appeals) |
| The Income Tax Act, 1961 | Short credit of TDS | 0.07 | 2012-13 | Commissioner of Income tax |
| The Income Tax Act, 1961 | Penalty on service tax | 1.89 | 2009-10 | High Court |
| Finance Act, 1994 | Service Tax | 11.20 | May 2006 to May 2007 | Appellate Authority-Tribunal Level |
| West Bengal Tax on entry of goods into Local Areas Act, 2012 | Entry tax | 0.05 | 2013-2014 | Appellate Authority-Commissioner Level |
| The Customs Act, 1962 | Duty of Customs | 0.43 | 2007-08 to 2011-12 | Appellate Authority-Tribunal Level |
| Total | | 158.05 | | |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vijay Maniar**

Partner

Membership Number: 36738

UDIN: 20036738AAAACY7097

Mumbai: June 15, 2020

Annexure II

To the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Shoppers 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")

We have audited the internal financial controls over financial reporting of Shoppers Stop Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone 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 standalone 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

standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

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

A company's internal financial control over financial reporting with reference to these standalone 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 standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the 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.

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vijay Maniar**

Partner

Membership Number: 36738

UDIN: 20036738AAAACY7097

Mumbai: June 15, 2020

Balance Sheet

as at 31st March, 2020

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|--|-------|------------------------|------------------------|
| (All amounts in ₹ crs) | | | |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 501.71 | 535.51 |
| Capital work in progress | 3B | 10.03 | 30.54 |
| Intangible assets | 3 | 50.97 | 59.33 |
| Intangible assets under development | 3B | 34.23 | 4.53 |
| Right of Use Assets | 27 | 1,325.68 | - |
| Financial Assets | | | |
| (i) Investments | 4 | 51.63 | 251.05 |
| (ii) Loans | 5 | 18.88 | 15.67 |
| (iii) Other financial assets | 6 | 78.28 | 68.63 |
| Deferred tax assets (net) | 7 | 264.08 | 32.00 |
| Other non-current assets | 8 | 79.34 | 95.51 |
| Total non-current assets | | 2,414.83 | 1,092.77 |
| Current assets | | | |
| Inventories | 9 | 1,223.92 | 1,053.55 |
| Financial assets | | | |
| (i) Investments | 4 | 154.04 | 42.45 |
| (ii) Trade Receivables | 10 | 35.08 | 44.42 |
| (iii) Cash and cash equivalents | 11 | 0.97 | 16.46 |
| (iv) Bank balances other than (iii) above | 12 | 0.28 | 0.27 |
| (v) Other financial assets | 6 | 69.87 | 62.09 |
| Other current assets | 8 | 166.11 | 163.33 |
| Total current assets | | 1,650.27 | 1,382.57 |
| Total assets | | 4,065.10 | 2,475.34 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity share capital | 13 | 44.00 | 44.00 |
| Other equity | 14 | 92.64 | 933.65 |
| Total equity | | 136.64 | 977.65 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 15 | - | - |
| (ii) Lease liability | 27 | 2,055.54 | - |
| Total non-current liabilities | | 2,055.54 | - |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 15A | 123.70 | - |
| (ii) Lease liability | 27 | 12.21 | - |
| (iii) Trade payables | 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 | | 1,493.11 | 1,248.33 |
| (iv) Other financial liabilities | 17 | 69.71 | 78.47 |
| Provisions | 18 | 10.77 | 9.34 |
| Other current liabilities | 19 | 159.83 | 155.64 |
| Total current liabilities | | 1,872.92 | 1,497.69 |
| Total liabilities | | 3,928.46 | 1,497.69 |
| Total equity and liabilities | | 4,065.10 | 2,475.34 |

The accompanying Notes 1 to 44 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 & COLLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

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

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja
Director
(DIN: 00028044)

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

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

Statement of Profit and Loss

for the year ended 31st March, 2020

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------|-------------------------------------|-------------------------------------|
| (All amounts in ₹ crs) | | | |
| Income | | | |
| Revenue from Contracts with customers | 20 | 3,380.98 | 3,481.31 |
| Other income | 21 | 33.49 | 17.89 |
| Total Income | | 3,414.47 | 3,499.20 |
| Expenses | | | |
| Purchase of Stock-in-Trade | 22a | 2,137.98 | 2,752.30 |
| Changes in Inventories of stock-in-trade | 22b | (170.37) | (725.13) |
| Employee benefits expense | 23 | 321.92 | 314.48 |
| Finance costs | 24 | 194.38 | 12.45 |
| Depreciation and amortisation expense | 3A | 439.21 | 135.07 |
| Other expenses | 25 | 542.01 | 886.34 |
| Total expenses | | 3,465.13 | 3,375.51 |
| Profit before exceptional item and tax | | (50.66) | 123.69 |
| Exceptional Item - Impairment in value of investments | 31 | 20.00 | - |
| Profit before tax | | (70.66) | 123.69 |
| Tax expense | | | |
| Current tax | 26 | 25.14 | 57.15 |
| Deferred tax | 7 | 45.14 | (12.21) |
| Income tax expenses | | 70.28 | 44.94 |
| Profit / (Loss) for the year [A] | | (140.94) | 78.75 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss : | | | |
| i) Remeasurement of employee defined benefit obligation | | 2.91 | 1.94 |
| Income tax relating to (i) above | | (0.73) | (0.68) |
| ii) Fair value in the value of investments | | 174.85 | 46.52 |
| Income tax relating to (ii) above | 26.1 | - | - |
| Total other comprehensive income [B] | | 177.03 | 47.78 |
| Total comprehensive income for the year [A] - [B] | | (317.97) | 30.97 |
| Earning per equity share | | | |
| Equity shares of face value ₹ 5 (2019 : ₹ 5 each) | 28 | | |
| Basic (₹) | | (16.02) | 8.95 |
| Diluted (₹) | | (16.02) | 8.95 |

The accompanying Notes 1 to 44 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 & COLLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

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

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja
Director
(DIN: 00028044)

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

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

Statement of Cash Flows

for the Year ended 31st March, 2020

(All amounts in ₹ crs)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Net profit after exceptional item and before tax | (70.66) | 123.69 |
| Adjustments to reconcile profit before tax to net cashflow : | | |
| Depreciation and amortisation | 439.21 | 135.07 |
| Allowance for doubtful debts / advances | 1.51 | 0.86 |
| Impairment of investments in Crossword Bookstores Ltd. | 20.00 | - |
| Share-based payment expense | 0.55 | 0.21 |
| Finance costs | 194.38 | 12.45 |
| Loss on sale of property, plant and equipment/investments | 0.55 | 0.22 |
| Loss on sale of investments | 0.01 | - |
| Gain on account of remeasurement in lease term | (15.25) | - |
| Refundable deposit considered in measurement of minimum lease payments | - | 7.45 |
| Profit from sale of mutual fund investments | (3.78) | (6.73) |
| Interest(time value) recognised on interest free lease deposit | (12.04) | (6.37) |
| Interest income | (1.66) | (4.75) |
| Operating profit before working capital changes | 552.82 | 262.10 |
| Working capital adjustment : | | |
| (Increase) / Decrease in inventories | (170.37) | (725.13) |
| Increase in trade receivables | 8.92 | (0.69) |
| Decrease / (Increase) in Financial assets (others) | (11.47) | (1.58) |
| (Increase) / Decrease in Lease deposits-net | (33.12) | (15.89) |
| (Decrease) / Increase in Short term provisions | (1.48) | (0.53) |
| Increase in Trade payables and other current liabilities | 261.31 | 741.46 |
| Cash generated from operations | 606.61 | 259.74 |
| Income taxes paid (net of refunds) | (42.22) | (56.48) |
| Net cash from operating activities (A) | 564.39 | 203.26 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | (179.53) | (112.61) |
| Proceeds from disposal of property, plant and equipment | 0.90 | 0.32 |
| Loan given to subsidiaries companies | (3.21) | (8.00) |
| Net proceeds from sale of investment in FRL | 4.56 | - |
| Purchase 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 |
| Finance Income (Interest Received) | 1.64 | 4.75 |
| Net cash used in investing activities (B) | (283.45) | (131.23) |

Statement of Cash Flows (Contd.)

for the year ended 31st March 2020

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| (All amounts in ₹ crs) | | |
| Cash flows from financing activities | | |
| Proceeds from issue of equity shares | 0.01 | 0.01 |
| Securities premium on issue of share capital | (0.00) | 1.04 |
| Dividend and dividend tax paid | (7.96) | (7.96) |
| Repayment of actual lease rentals | (180.91) | - |
| Repayment of long term borrowings | (40.00) | (39.77) |
| Finance costs paid | (194.38) | (12.40) |
| Net cash from / (used in) financing activities (C) | (423.24) | (59.08) |
| Net (Decrease) / Increase in cash and cash equivalents (A) + (B) + (C) | (142.30) | 12.95 |
| Cash and cash equivalents as at beginning of the year | 9.92 | (3.03) |
| Cash and cash equivalents as at the end of the year (Note 17) | (132.38) | 9.92 |
| | (142.30) | 12.95 |
| Note (i) | | |
| Components of cash and cash equivalents (Refer note 11.3) | | |
| Cash and Cash Equivalents | 0.97 | 16.46 |
| Add: Bank overdraft / Cash credit | (133.35) | (6.54) |
| Total cash and cash equivalents | (132.38) | 9.92 |

Note (ii)

Reconciliation between the opening and closing balances for liabilities arising from financing activities

| Particulars | Long - term borrowings | Short - term borrowings |
|--|---------------------------|----------------------------|
| 31 March, 2018 including current maturities of long term borrowings | 79.77 | - |
| Cash flow | (39.77) | - |
| Non- Cash Changes | | |
| Foreign exchange movement | - | - |
| Classified as current maturity | (40.00) | - |
| Accrual for the period | - | - |
| 31 March, 2019 including current maturities of long term borrowings | 40.00 | - |
| Cash flow | (40.00) | 123.70 |
| Non- Cash Changes | | |
| Foreign exchange movement | - | - |
| Classified as current maturity | - | - |
| Accrual for the period | - | - |
| 31 March, 2020 including current maturities of long term borrowings | - | 123.70 |

Notes:

The accompanying Notes 1 to 44 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

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

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

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Customer Care Associate &
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Mumbai: 15 June 2020

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Director
(DIN: 00028044)

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

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

Statement of Changes in Equity

for the Year ended 31st March, 2020

a. Equity share capital

| | No. of shares | (₹ in Crs) |
|---|-------------------|--------------|
| 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 (note 34) | 29,239 | 0.01 |
| Balance as on 31 March 2019 | 87,989,928 | 44.00 |
| Issue of equity shares under employee share option plan (note 34) | - | - |
| Balance as on 31 March 2020 | 87,989,928 | 44.00 |

b. Other equity

(All amounts in ₹ crs)

| Particulars: | Securities premium account | General reserve | Retained earnings | Share Options outstanding account | Total |
|--|----------------------------|-----------------|-------------------|-----------------------------------|-----------------|
| Balance as on 31 March 2018 | 654.40 | 19.09 | 235.28 | 0.62 | 909.39 |
| Profit for the year | - | - | 78.75 | - | 78.75 |
| Other comprehensive income for the year, net of income tax | - | - | (47.78) | - | (47.78) |
| Total comprehensive income for the year | - | - | 30.97 | - | 30.97 |
| Recognition of share based payments * | - | - | 0.62 | (0.62) | - |
| Arising on employee stock option scheme | - | - | - | 0.21 | 0.21 |
| Payment of dividends on equity shares | - | - | (6.60) | - | (6.60) |
| Payment of tax on dividends on equity shares | - | - | (1.36) | - | (1.36) |
| Received on issue of shares | 1.04 | - | - | - | 1.04 |
| Balance as on 31 March 2019 | 655.44 | 19.09 | 258.91 | 0.21 | 933.65 |
| Loss for the year | - | - | (140.94) | - | (140.94) |
| Other comprehensive income for the year, net of income tax | - | - | (177.03) | - | (177.03) |
| Total comprehensive income for the year | - | - | (317.97) | - | (317.97) |
| Recognition of share based payments * | - | - | - | 0.55 | 0.55 |
| Payment of dividends on equity shares | - | - | (6.60) | - | (6.60) |
| Payment of tax on dividends on equity shares | - | - | (1.36) | - | (1.36) |
| IND-AS Adjustments [#] | - | - | (515.63) | - | (515.63) |
| Balance as on 31 March 2020 | 655.44 | 19.09 | (582.65) | 0.76 | 92.64 |

* after transfers to retained earnings for options lapsed/exercised.

[#] IND-AS 116 transitional impact ₹ 517.17 crs (Refer note 27) and reversal of straightling rental provision of earlier year ₹ 1.54 crs (net of deferred tax)

The accompanying Notes 1 to 44 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

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

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(DIN: 08124971)

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

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

1. General Background

Shoppers Stop Limited ('SSL' or 'the Company') is a company limited by shares and is domiciled in India. The Company was incorporated on 16 June 1997. The Company's registered office is at Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (West) Mumbai, Maharashtra India 400064.

The Company is engaged in the business of retailing a variety of household and consumer products through departmental stores. At 31 March 2020, the Company operated through 84 such departmental stores located in different cities of India.

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 standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 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 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 Company 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 categorized 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 116, 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 Current versus non-current classification

The Company 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 Company classifies all other liabilities as non-current.

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

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

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

2.3 Revenue from contract with customer

2.3.1 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 w.e.f. 1st April 2018 adopted modified retrospective approach in line with Ind As 115, Revenue from Contracts with customers.

2.3.2 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, 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 20)

Point award schemes: The fair value of the consideration 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 fair value from the standpoint of the holder and is recognised as revenue on redemption and / or expected redemption after breakage.

2.3.3 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.

2.3.4 Other retail operating revenue: Facility management fees are recognised pro-rata over the period of the contract. Revenue from store displays and

sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted / displayed.

2.3.5 Dividend and Interest income: Dividend income from investments is recognised when the Company's right to receive payment has been established. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.4 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.

2.5 Property, Plant and Equipment and Intangible Assets

2.5.1 Property, Plant and Equipment and Intangible Assets are stated at cost less accumulated depreciation or amortization 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.

2.5.2 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) |
|--|--|--|
| A) Tangible Assets | | |
| a) Plant and Machinery Air Conditioning and other equipment | 15 | 5-17 |
| b) Electrical Installations | | Life as per below or lease term whichever is lower |
| Components | | |
| Cabling | | 5-11 |
| LED Bulbs & Non LED | | 5-7 |
| Fixtures | | |
| Electrical works | | 5-17 |
| Firefighting systems/CCTV System | | 5-17 |
| EAS Systems | | 5-17 |
| Furniture, fixtures and other fittings | 10 | 5-10 |
| Office Equipment's | 5 | 5-6 |
| Computer Servers and networks | 6 | 5-6 |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| Property, Plant and Equipment: | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 (In Years) | Estimated Useful Life (In Years) |
|--|--|---------------------------------------|
| End user devices, such as, desktops, laptops, etc. | 3 | 3 |
| Leasehold Improvements | | 5-17 or lease term whichever is lower |
| Partition Works | | 5-10 |
| Flooring & Cladding | | 5-11 |
| Flase Ceiling | | 5-11 |
| Fit out works | | 5-12 |
| Civil & Painting Works | | 5-10 |
| Other Components | | 5-10 |
| Intangible assets: | | |
| Vehicles | 8 | 8 |
| 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: 5 to 17 years or lease term whichever is lower) and Electrical Equipments as specified 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)

2.5.3 Impairment losses: At the end of each reporting period, the Company reviews the carrying amounts of the assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication of impairment loss 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 and 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.

2.5.4 Deemed cost on transition to Ind AS: The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible Assets 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.

2.6 Financial Instruments Classification:

The Company 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 Company 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 Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a 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 entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for

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(All amounts in ₹ Crores)

managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company 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 Company 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 Company'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 Company 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 Company 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 Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company 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 Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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 Company or the counterparty.

2.6.1 Investments in subsidiaries and joint ventures:

The Company has elected to account for its equity investments in subsidiaries and joint ventures under

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Ind AS 27 on Separate Financial Statements, at cost. At the end of each reporting period the Company assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary. .

2.6.2 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.

2.6.3 Financial guarantee contracts: The Company 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 Company has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Company 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.

2.6.4 Derivative instruments: The Company 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.

2.7 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.

2.7.1 Current tax: The tax currently payable is based on the taxable profit for the year and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.

The Company 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 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 in the current financial year.

2.7.2 Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases 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.

2.8 Employee benefits

2.8.1 Defined Contribution Plan: The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and ESI,

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which are recognized in the statement of profit and loss on accrual basis. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

2.8.2 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.

The Company 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 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).

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.

2.8.3 Short-term benefits: A liability is recognised for benefits accruing to employees in respect of 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 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 Company in respect of services provided by employees up to the reporting date.

2.9 Share based payment arrangements:

Equity-settled share-based payments to employees of the Company and employees of subsidiary companies 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 35. The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company 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 year. At the end of each year, the Company 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.

2.10 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, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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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 recognises 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 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 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 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.

2.11 Foreign Currency transactions

The Company's financial statements are presented in INR which is also its functional currency. Transactions in currencies other than the Company'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, construction or production of qualifying assets, as defined in Ind AS 23 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

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(All amounts in ₹ Crores)

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 comprise 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 Company's cash management..

2.15 Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the company 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 Company'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.

Impairment of equity investment in a subsidiary company

The accumulated losses of Crossword Bookstores Limited, a wholly owned subsidiary company 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. Based on the business valuation obtained by the company and Management estimate company has recorded an impairment loss during the current financial year and the same has been disclosed as exceptional items (refer note 31 for detailed disclosures)

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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 within four years from the date of grant, as per vesting schedule. The share options vest 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 34.

Taxes

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

As stated in Note 26, 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 Company recognised 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.

Deferred tax

Deferred tax is provided using the liability method on temporary difference between the tax bases of

assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 26.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

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

Useful lives of property, plant and equipment and intangible assets

The Company 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

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(All amounts in ₹ Crores)

the standpoint of the holder and revenue is deferred. The Company 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 30, the Company 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 Company 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 35.

Leases:

The Company 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

Ind AS 116 Leases - Estimating the lease term

The Company adopted Ind AS 116 using the modified retrospective -2A method of adoption, with the date

of initial application on 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. 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 Company 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 Company 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 27 and Note 40 for detail disclosures on leases.

Leases - Estimating the incremental borrowing rate

The company 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.

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3. Property, Plant and Equipment and Intangible Assets

(All amounts in ₹ Crores)

| Cost | Leasehold improvements | Air conditioning and other equipments | Furniture, fixtures and other fittings | Office Equipments | Computers | Vehicles | Total PPE | Trademarks | Software | Total Intangible assets |
|---|------------------------|---------------------------------------|--|-------------------|----------------|---------------|-----------------|---------------|----------------|-------------------------|
| As at 31 March 2018 | 245.61 | 248.82 | 243.41 | 17.36 | 67.71 | 0.66 | 823.57 | 1.22 | 103.43 | 104.65 |
| Additions | 18.18 | 16.10 | 18.55 | 2.03 | 11.41 | 0.57 | 66.84 | 0.05 | 15.79 | 15.84 |
| Reclassification | 1.27 | 0.06 | (1.16) | 0.53 | (0.59) | - | 0.11 | (0.00) | (0.11) | (0.11) |
| Disposal | (2.60) | (9.84) | (4.69) | (0.05) | (3.03) | - | (20.21) | - | - | - |
| As at 31 March 2019 | 262.46 | 255.14 | 256.11 | 19.87 | 75.50 | 1.23 | 870.31 | 1.27 | 119.11 | 120.38 |
| Additions | 54.32 | 44.23 | 65.28 | 6.95 | 9.83 | 0.16 | 180.77 | 0.10 | 10.65 | 10.75 |
| Disposal | (12.33) | (11.86) | (8.34) | (0.22) | (3.10) | (0.66) | (36.51) | - | - | - |
| As at 31 March 2020 | 304.45 | 287.51 | 313.05 | 26.60 | 82.23 | 0.73 | 1,014.57 | 1.37 | 129.76 | 131.13 |
| Depreciation and Amortisation | | | | | | | | | | |
| As at 31 March 2018 | (54.98) | (54.92) | (87.30) | (8.22) | (31.86) | (0.22) | (237.50) | (0.65) | (42.29) | (42.94) |
| Depreciation and amortisation expense for the year (Refer note iii) | (28.83) | (38.22) | (33.55) | (3.00) | (12.99) | (0.37) | (116.96) | (0.11) | (18.00) | (18.11) |
| Disposal | 2.58 | 9.66 | 4.36 | 0.05 | 3.01 | - | 19.66 | - | - | - |
| As at 31 March 2019 | (81.23) | (83.48) | (116.49) | (11.17) | (41.84) | (0.59) | (334.80) | (0.76) | (60.29) | (61.05) |
| Depreciation and amortisation expense for the year (Refer note iii) | (85.34) | (69.85) | (41.28) | (3.87) | (12.67) | (0.12) | (213.13) | (0.09) | (19.01) | (19.10) |
| Disposal | 12.05 | 11.53 | 7.93 | 0.20 | 3.05 | 0.31 | 35.07 | - | - | - |
| As at 31 March 2020 | (154.52) | (141.80) | (149.84) | (14.84) | (51.46) | (0.40) | (512.86) | (0.86) | (79.30) | (80.16) |
| Net Book Value | | | | | | | | | | |
| As at 31 March 2019 | 181.23 | 171.66 | 139.62 | 8.70 | 33.66 | 0.64 | 535.51 | 0.51 | 58.82 | 59.33 |
| As at 31 March 2020 | 149.93 | 145.71 | 163.21 | 11.76 | 30.77 | 0.33 | 501.71 | 0.51 | 50.46 | 50.97 |

Note :

- Movable assets have been pledged to secure borrowings of the Company (Refer Note 15)
- Depreciation for the year includes accelerated amounts aggregating to ₹ 52.46 Crores (2019: ₹ 32.53 Crores) on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises"
- During the year, the Company has capitalised the following expenses to cost of Property, plant and equipment/Capital work-in-progress

| | 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 |

- 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. (Refer Note 2.5).
As a result, the depreciation charge for the current financial year is higher by ₹ 30.60 Crores.

Notes

to Financial Statements for the Year ended 31st March, 2020

(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) | 213.13 | 116.96 |
| Depreciation of intangible assets (Refer note 3) | 19.10 | 18.11 |
| Depreciation on right to use assets (Refer note 27) | 206.98 | |
| | 439.21 | 135.07 |
| | | |
| | 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 | 30.54 | 15.34 |
| Additions | 130.48 | 94.72 |
| Capitalisation | (150.99) | (79.52) |
| | 10.03 | 30.54 |
| 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) | | |
| Investments in equity instruments | | |
| i) In subsidiary companies | | |
| Shoppers' Stop Services (India) Limited | | |
| 50,000 (2019 : 50,000) Equity Shares of ₹ 10/- each Fully Paid | 0.05 | 0.05 |
| Less: Impairment in value | (0.05) | (0.05) |
| | - | - |
| Upasna Trading Limited | | |
| 5,000 (2019 : 5,000) Equity Shares of ₹ 100/- each Fully Paid | 0.05 | 0.05 |
| Less: Impairment in value | (0.05) | (0.05) |
| | - | - |
| Shoppers' Stop.com (India) Limited | | |
| 50,000 (2019 : 50,000) Equity shares of ₹ 10/- each Fully Paid | 0.05 | 0.05 |
| Less: Impairment in value | (0.05) | (0.05) |
| | - | - |
| Gateway Multichannel Retail (India) Limited | | |
| 50,000 (2019 : 50,000) Equity shares of ₹ 10/- each Fully Paid | 0.05 | 0.05 |
| Less: Impairment in value | (0.05) | (0.05) |
| | - | - |
| Crossword Bookstores Limited | | |
| 1,35,62,500 (2019: 1,35,62,500) Equity shares of ₹ 10/- each Fully Paid | 35.06 | 35.06 |
| Less: Impairment in value (refer note 31) | (20.00) | |
| | 15.06 | 35.06 |
| ii) Other investments | | |
| (At fair value through Profit and Loss) | | |
| Stargaze Properties Private Limited | | |
| 1,000 (2019: 1,000) equity shares of ₹ 10/- each Fully paid | (0.00) | 0.00 |
| | | |
| Retailers Association of India | | |
| 10,000 (2019:10,000) equity shares of ₹ 10/- each Fully paid | 0.01 | 0.01 |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---------------------------|---------------------------|
| Retailers Association's Skill Council of India 500 (2019 : 500) equity shares of ₹ 100/- each Fully paid | 0.01 | 0.01 |
| Aesthetic Realtors Private Limited 66 (2019 : 66) Equity Shares of ₹ 10/- each Fully Paid Less: Impairment in value | 0.00 (0.00) | 0.00 (0.00) |
| iii) Deemed equity investments in *: | | |
| Crossword Bookstores Limited *Being share options to employees of subsidiary companies | 0.09 | 0.09 |
| Total (A) | 15.17 | 35.17 |
| 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 Less: Provision for diminution in the value of investment | 248.64 212.18 36.46 | 255.44 39.56 215.88 |
| Total (B) | 36.46 | 215.88 |
| Total (A) + (B) | 51.63 | 251.05 |
| Aggregate amount of impairment in value of unquoted equity investments | 20.20 | 20.20 |
| 4. Investments - Current | | |
| Investments in mutual funds | | |
| Unquoted (At fair value through Profit and Loss) | | |
| Aditya Birla Sun Life Mutual Fund 85,980.263 units in Overnight fund - Regular Growth | - | 8.82 |
| Reliance Mutual Fund 7,69,558.585 units in Overnight fund - Regular Growth | - | 7.83 |
| UTI Mutual Fund 30,236.516 units in Overnight fund - Regular Growth | - | 7.80 |
| SBI Mutual Fund 1,33,427.655 (2019 : 28,533.169) units in Overnight fund - Regular Growth | 43.02 | 8.75 |
| Axis Mutual Fund 3,22,382.475 (2019 : Nil) units in Overnight fund - Regular Growth | 34.00 | - |
| Kotak Mutual Fund 3,19,283.894 (2019 : Nil) units in Overnight fund - Regular Plan Growth | 34.01 | - |
| Total (A) | 111.03 | 33.20 |
| Quoted (At fair value through Profit and Loss) | | |
| HDFC Mutual Fund 1,45,541.385 (2019 : 32,905.349) units in Overnight fund - Regular Growth | 43.01 | 9.25 |
| Total (B) | 43.01 | 9.25 |
| Total (A) + (B) | 154.04 | 42.45 |
| Aggregate value of quoted investment | 79.47 | 225.13 |
| Aggregate value of unquoted investment | 126.20 | 68.37 |
| Aggregate amount of impairment in value of investments | 20.20 | 0.20 |
| Aggregate amount of increase/(decrease) due to change in fair value of investments | (212.18) | (39.56) |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 5 Loans | | |
| Loans to subsidiary companies (Refer note 37) | | |
| - Considered good | 18.88 | 15.67 |
| - Considered credit impaired | 23.29 | 23.29 |
| | 42.17 | 38.96 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | | |
| - Considered credit impaired | 23.29 | 23.29 |
| | 18.88 | 15.67 |

5.1 The above loans are given for general corporate and business purposes. They are interest bearing and repayable on demand. The loans are carried at amortised cost.

5.2 These financial assets have been pledged to secured borrowings of the Company (Refer note 15)

5.3 Disclosure as per Regulations 34(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and section 186 of the Companies Act, 2013

a) Loan given to subsidiaries :

| Name of the subsidiary companies | Terms | Maximum Balance Outstanding during the | | Amount outstanding | |
|---|---|--|---------------|--------------------|---------------|
| | | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Crossword Bookstores Limited | Interest rate 9.00% p.a.; payable on demand (2019: 7.50%-7.65%) | 18.66 | 15.66 | 18.66 | 15.66 |
| Shoppers' Stop.com (India) Limited | Interest rate 9.00% p.a.; payable on demand (2019: Nil) | 0.20 | - | 0.20 | - |
| Gateway Multichannel Retail (India) Limited | Payable on demand | 23.31 | 23.30 | 23.31 | 23.30 |

b) Refer Note 36.1 for investments in Subsidiary and Joint ventures.

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 6. Other financial assets | | |
| (unsecured) | | |
| Non-current | | |
| Premises and other deposits | | |
| - Considered good | 78.28 | 68.63 |
| - Considered doubtful | 5.27 | 4.17 |
| | 83.55 | 72.80 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | 5.27 | 4.17 |
| | 78.28 | 68.63 |
| Current | | |
| Advances to employees | 0.89 | 0.66 |
| Advances to subsidiary companies (refer note 37) | 0.02 | 0.06 |
| Premises and other deposits (unsecured, considered good) | 66.87 | 60.00 |
| Other receivables | | |
| - Considered good | 2.09 | 1.37 |
| - Considered credit impaired | 3.45 | 3.45 |
| | 5.54 | 4.82 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | | |
| - Considered credit impaired | 3.45 | 3.45 |
| | 2.09 | 1.37 |
| | 69.87 | 62.09 |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

6.1 These are carried at amortised cost.

6.2 These have been pledged to secure borrowings of the Company (Refer note 15)

| | 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 |
| Deferred tax assets/(liabilities) relates to the following : | | | | |
| Deferred tax Liabilities | | | | |
| Property, plant and equipment & Intangible assets | - | - | - | (0.10) |
| Deferred tax Assets | | | | |
| Property, plant and equipment & 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 benefits | 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 | 2.07 |
| Net deferred tax assets / (liabilities) | 264.08 | 32.00 | 45.14 | (12.21) |
| * 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 | - |

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 8. Other assets | | |
| (Unsecured, considered good) | | |
| Non-current | | |
| Capital Advances | 17.02 | 8.79 |
| Service tax deposited under protest (Note 30 (ii)) | 35.41 | 35.41 |
| Advance Income tax (Net of provision) | 26.91 | 11.45 |
| Prepaid Expenses | - | 39.86 |
| | 79.34 | 95.51 |
| Current | | |
| Balance with government authorities | 141.99 | 116.30 |
| Service tax deposited under protest (Note 30(i)) | 3.45 | 3.45 |
| Advance for Goods & Services | | |
| - Considered good | 18.38 | 29.27 |
| - Considered doubtful | 4.60 | 3.41 |
| | 22.98 | 32.68 |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Less: Impairment Allowance (allowance for bad and doubtful debts) | | |
| - Considered credit impaired | 4.60 | 3.41 |
| | 18.38 | 29.27 |
| Prepaid Expenses | 2.02 | 13.85 |
| Other assets | | |
| - Considered good | 0.27 | 0.46 |
| - Considered doubtful | 2.36 | 2.36 |
| | 2.63 | 2.82 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | | |
| - Considered credit impaired | 2.36 | 2.36 |
| | 0.27 | 0.46 |
| | 166.11 | 163.33 |

| | 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 | 1,223.92 | 1,053.55 |

9.1 Inventories have been pledged as security for borrowings. (Refer note 15)

9.2 The mode of valuation of inventories has been stated in Note 2.4

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 10 Trade receivables - current | | |
| (Unsecured) | | |
| Considered good | 35.08 | 44.42 |
| Considered credit impaired | 0.72 | 0.30 |
| | 35.80 | 44.72 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | | |
| Considered credit impaired | (0.72) | (0.30) |
| | 35.08 | 44.42 |

10.1 Trade receivables are carried at amortised cost

10.2 These financial assets have been pledged to secure borrowings of the Company (Refer note 15)

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

10.4 For terms and conditions relating to related party receivables, Refer Note No 37

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

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 11. Cash and cash equivalents | | |
| Balance with banks in current accounts | 0.44 | 8.18 |
| Cash on hand | 0.53 | 8.28 |
| | 0.97 | 16.46 |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

11.1 These financial assets have been pledged as secure borrowings (Refer note 15)

11.2 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.

11.3 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 | 0.44 | 8.18 |
| Cash on hand | 0.53 | 8.28 |
| | 0.97 | 16.46 |
| Less : Bank overdraft / Cash credit (Refer note 15A alongwith note 17) | (133.35) | (6.54) |
| | (132.38) | 9.92 |

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 12. Other bank balances | | |
| Margin money accounts (under lien against bank guarantee) | 0.28 | 0.27 |
| Earmarked accounts (for unpaid dividend) | 0.00 | 0.00 |
| | 0.28 | 0.27 |

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 13. Share capital | | |
| 13.1 Authorised | | |
| 200,000,000 equity shares of ₹ 5/- each | 100.00 | 100.00 |
| 13.2 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 |
| | 44.00 | 44.00 |

| Particulars: | 31 March 2020 | | 31 March 2019 | |
|--|-------------------|--------------|-------------------|--------------|
| | Numbers | ₹ Lacs | Numbers | ₹ Lacs |
| 13.3 Reconciliation of number of equity shares: | | | | |
| Balance at the beginning of the year | 87,989,928 | 44.00 | 87,960,689 | 43.99 |
| Issued during the year | - | - | 29,239 | 0.01 |
| Balance at the end of the year | 87,989,928 | 44.00 | 87,989,928 | 44.00 |

| Name of the Shareholder | As at 31 March 2020 | | As at 31 March 2019 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Shares held (Nos) | Shares held (%) | Shares held (Nos) | Shares held (%) |
| 13.4 Details of shareholders holding more than 5% shares as at 31 March: | | | | |
| 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% |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

13.5 Other disclosures :

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 |
|-----------------------------------|------------------------|------------------------|
| 14. Other equity | | |
| Securities premium | 655.44 | 655.44 |
| General reserves | 19.09 | 19.09 |
| Retained earnings | (582.65) | 258.91 |
| Share options outstanding account | 0.76 | 0.21 |
| | 92.64 | 933.65 |

14.1 Securities premium

Securities premium 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.

14.2 General reserve

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

14.3 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 34.

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 15. Borrowings | | |
| Non-current | | |
| Term Loans (Secured) from banks | - | 40.00 |
| Less : Current maturities (Refer note 17) | - | 40.00 |
| | - | - |

15.1 Term Loans are secured by a first pari passu charge on the current assets and all the movable fixed assets of the Company both present and future. First pari passu charge on credit / debit card collection through escrow account of the Company.

| 15.2 Terms of the Facilities :- | | | Loan Balance | |
|---|--------------------|---|---------------|---------------|
| 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 9 December 2017. | - | 40.00 |
| Current maturities of long-term borrowings | | | | |
| IDBI Bank | Nil (2019 : 9.45%) | 10 equal quarterly installments from 9 December 2017. | - | 40.00 |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

15.3 Borrowings are carried at amortised cost.

| | As at 31 March 2020 | As at 31 March 2019 |
|---------------------|------------------------|------------------------|
| 15.A Current | | |
| From banks | | |
| - Secured | 123.70 | - |
| | 123.70 | - |

15.A1 Loans are secured by a first pari passu charge on stock,book debts, hypothecation charge on credit card/debit card receivables (Escrow account) and all the movable fixed assets of the Company, both present & future 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 & future excluding leasehold rights, lease deposits & Shoppers Stop brands.

15.A2 Terms of the Facilities :-

| Name of the Bank | Rate of Interest | Repayment Schedule | Loan Balance | |
|--|--------------------|--------------------|---------------|---------------|
| | | | 31 March 2020 | 31 March 2019 |
| Secured : | | | | |
| Axis Bank (Cash Credit) | 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 | - |
| HDFC Bank Ltd. (Cash Credit) | 9.00% (2019 : Nil) | On demand | 9.78 | - |
| IDFC Bank | 9.75% (2019 : Nil) | On demand | 48.63 | - |
| | | | 123.70 | - |

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| 16. Trade payables | | |
| - 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 | 1,493.11 | 1,248.33 |
| | 1,496.70 | 1,254.24 |

16.1 There are no micro, small and medium 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 | 3.59 | 5.91 |
| 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. | - | - |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| 17. Other financial liabilities | | |
| Other financial liabilities measured at amortised cost | | |
| Current maturities of long term borrowings at amortised cost | - | 40.00 |
| Interest accrued but not due on borrowings | 0.04 | 0.06 |
| Unpaid dividends | 0.00 | 0.00 |
| Creditors for capital expenditure | 39.23 | 9.70 |
| Accrued payroll | 15.22 | 20.28 |
| Income received in advance | 3.00 | - |
| Security deposits | 1.22 | 0.80 |
| Related parties payables (Refer Note 37) | 1.35 | 1.09 |
| Overdrawn bank balances | 9.65 | 6.54 |
| | 69.71 | 78.47 |
| | | |
| | As at 31 March 2020 | As at 31 March 2019 |
| 18. Provisions | | |
| Provision for employee benefits: | | |
| Gratuity | 4.49 | 2.77 |
| Leave encashment | 6.28 | 6.57 |
| | 10.77 | 9.34 |
| | | |
| | As at 31 March 2020 | As at 31 March 2019 |
| 19. Other current liabilities | | |
| Statutory liabilities | 59.61 | 75.33 |
| Award schemes and gift vouchers | 94.88 | 80.31 |
| Others | 5.34 | - |
| | 159.83 | 155.64 |
| | | |
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| 20. Revenue from operations | | |
| Sale of Products | | |
| Retail Sales | 3,105.10 | 3,240.24 |
| Other Retail operating revenue | | |
| Net proceeds from SOR (Refer note 39) | 170.86 | 140.07 |
| Net income from concessionaire & consignment model | 60.27 | 48.50 |
| Facility management fees | 22.26 | 26.38 |
| Gift vouchers lapsed | 14.13 | 18.54 |
| Income from store displays and sponsorship | 0.35 | 1.23 |
| Direct marketing | 8.01 | 6.35 |
| | 275.88 | 241.07 |
| | 3,380.98 | 3,481.31 |
| | | |
| 20.1 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 | 3,507.79 | 3,646.87 |
| Net proceeds from SOR | 170.86 | 140.07 |
| Net income from concessionaire & consignment model | 60.27 | 48.50 |
| Other operating income | 44.75 | 52.49 |
| Tax | (402.69) | (406.62) |
| Total revenue from contracts with customers | 3,380.98 | 3,481.31 |

Notes

to Financial Statements 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 |
|--|---|-------------------------------------|
| India | 3,380.98 | 3,481.31 |
| Outside India | - | - |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 3,336.23 | 3,428.82 |
| Services transferred over time (Other operating revenue) | 44.75 | 52.49 |
| Total revenue from contracts with customers | 3,380.98 | 3,481.31 |
| 20.2 Contract balances | | |
| Trade receivables* | 35.08 | 44.42 |
| *Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. | | |
| 20.3 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 | 4,957.51 | 4,717.30 |
| Adjustments | | |
| Loyalty points | (48.40) | (40.36) |
| Sales return | (235.62) | (223.21) |
| Discount | (1,292.51) | (972.42) |
| Revenue from contract with customers | 3,380.98 | 3,481.31 |
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| 21. Other income | | |
| Interest on financial assets : | | |
| Inter-corporate deposit to subsidiary companies (Refer Note 37) | 1.63 | 1.11 |
| Bank deposits | 0.03 | 3.64 |
| Lease deposits measured at amortised cost | 12.04 | 6.37 |
| Miscellaneous income | 16.01 | 0.04 |
| Profit on sale of mutual fund investments | 3.78 | 6.73 |
| | 33.49 | 17.89 |
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| 22a. Purchase of Stock in trade | | |
| Retail Merchandise | | |
| Apparels | 1,322.77 | 1711.95 |
| Non-apparels | 815.21 | 1,040.35 |
| | (A) 2,137.98 | 2,752.30 |
| 22b. Changes in inventories of stock in trade | | |
| Opening inventory | 1,053.55 | 328.42 |
| Closing inventory | 1,223.92 | 1,053.55 |
| Decrease / (Increase) | (B) (170.37) | (725.13) |
| 22c. Cost of inventories recognised as an expenses* | (A)+(B) 1,967.61 | 2,027.17 |
| * Includes write-downs/offers (net) of inventory to net realisable value on account of old season stock and shrinkages arising from stock count. | 30.19 | 15.78 |
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| 23. Employee costs | | |
| Salaries and Wages | 291.96 | 286.41 |
| Contribution to provident and other funds (Refer note 35) | 21.05 | 19.37 |
| Share-based payments cost * | 0.55 | 0.21 |
| Staff welfare expenses | 8.36 | 8.49 |
| | 321.92 | 314.48 |

* Measured at fair value

For details of share options granted by the Company to the certain employees, Refer Note 34

Notes

to Financial Statements 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 |
|--|---|---|
| 24. Finance costs | | |
| Interest on borrowings | 6.34 | 11.74 |
| Interest on ROU Liabilities | 187.84 | - |
| Bank charges | 0.20 | 0.71 |
| | 194.38 | 12.45 |
| | | |
| | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
| 25. Other expenses | | |
| Lease rent and hire charges (Note 27.3) | 56.02 | 386.34 |
| Business conducting fees (Note 27.3) | 3.94 | 16.57 |
| Rates and taxes | 2.92 | 3.16 |
| Repairs and maintenance | | |
| - Buildings | 100.43 | 92.47 |
| - Others | 11.18 | 9.49 |
| Legal and professional fees (Note 25.1) | 22.05 | 7.99 |
| Housekeeping charges | 18.68 | 18.11 |
| Security charges | 26.67 | 28.34 |
| Computer expenses | 41.32 | 37.02 |
| Conveyance and travelling expenses | 14.23 | 23.85 |
| Electricity charges | 96.74 | 94.73 |
| Advertisement and publicity | 59.26 | 70.67 |
| Sales promotion | - | 6.85 |
| Charges on credit card transactions | 24.01 | 24.20 |
| Allowances for bad and doubtful financial assets* | 1.52 | 0.86 |
| Loss on sale of property, plant and equipment (net) | 0.55 | 0.22 |
| Foreign exchange gain / loss (net) | (0.25) | (0.34) |
| Corporate Social Responsibility expenses Note 25.2 | 0.85 | 1.40 |
| Miscellaneous expenses | 61.89 | 64.42 |
| | 542.01 | 886.34 |
| *excludes exceptional items | | |
| 25.1 Payments to Auditors (excluding service tax) : | | |
| i) Audit fees | 0.59 | 0.59 |
| ii) Other matters | 0.11 | 0.04 |
| iii) Out of pocket expenses | 0.09 | 0.04 |
| 25.2 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 : | | |
| 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 |
| 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 37 | | |

Notes

to Financial Statements 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 |
|---|-------------------------------------|-------------------------------------|
| 26. Income tax expense recognised in profit or loss | | |
| Current income tax: | | |
| Current income tax charge | 25.14 | 58.79 |
| Adjustments in respect of current income tax of previous year | - | (1.64) |
| | 25.14 | 57.15 |
| Deferred tax | | |
| In respect of current year | 36.19 | (14.33) |
| Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (2019 : 34.944%) | 8.95 | 2.12 |
| | 45.14 | (12.21) |
| Income tax expense reported in the statement of profit and loss | 70.28 | 44.94 |

OCI section - Deferred tax related to items recognised in OCI during in the year:

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Net loss / (gain) on remeasurements of defined benefit plans | (0.73) | (0.68) |
| Net (gain) / loss on revaluation of cash flow hedges | - | - |
| Unrealised (gain) / loss on MTM - FRL | - | - |
| Income tax expense 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 2019 and 31 March 2020:

| | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Accounting Profit before income tax (before exceptional item) | (70.66) | 123.69 |
| Income tax expense calculated at 25.17% (2019 :34.944%) | (17.79) | 43.22 |
| 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 Note 26.2 | 8.95 | - |
| Others | | |
| Deferred tax reversal on reserves created on IND-AS 116 Transition (Note 26.2) | 77.45 | - |
| Others | 0.73 | (0.01) |
| Income tax expense recognised in profit or loss | 70.28 | 44.94 |

26.1 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.

26.2 The Company 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 | - |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

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

The Company also has certain leases of offices, store premises and warehouses with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Company 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 ₹ 1,145.76 Crores and Lease Liability of ₹ 1,940.73 Crores as on 1 April 2019 and difference between Right of Use Assets and Lease Liability amt. to ₹ 517.17 Crores (net of deferred tax of ₹ 277.80 Crores) has been adjusted in retained earnings.

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

| | (₹ in Crs) | |
|----------------------------|---------------------|-----------------|
| | Right to use assets | Total |
| As at 1 April 2019 | 1,201.61 | 1,201.61 |
| Additions | 345.75 | 345.75 |
| Modifications | (14.70) | (14.70) |
| Depreciation Expenses | 206.98 | 206.98 |
| As at 31 March 2020 | 1,325.68 | 1,325.68 |

- 27.2** Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | (₹ in Crs) | |
|----------------------------|-------------------|-----------------|
| | Lease liabilities | Total |
| As at 1 April 2019 | 1,940.73 | 1,940.73 |
| Additions | 324.30 | 324.30 |
| Finance charge | 187.82 | 187.82 |
| Repayment | (368.73) | (368.73) |
| Modifications | (29.95) | (29.95) |
| Others | 13.58 | 13.58 |
| As at 31 March 2020 | 2,067.75 | 2,067.75 |
| Current | 12.21 | 12.21 |
| Non-current | 2,055.54 | 2,055.54 |

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

- 27.3** 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 | 206.98 | - |
| Interest expense on lease liabilities | 187.84 | - |
| Expense relating to short-term leases (included in other expenses) | 4.03 | - |
| Expense relating to leases of low-value assets (included in other expenses) | 0.10 | - |
| Variable lease payments (included in other expenses) | 55.83 | 67.14 |
| Fixed rentals | - | 335.77 |
| Total amount recognised in profit or loss | 454.78 | 402.91 |

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

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Fixed rent | 122.38 | 119.26 |
| Variable rent with minimum payment | 262.12 | 243.80 |
| Variable rent only | 17.43 | 15.08 |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

The Company 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 Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

27.5 Set out below are future rental payments in respect of lease for Offices, Premises and Warehouses are as follows.

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Within one year | 426.97 | 386.66 |
| After one year but not more than five years | 1,449.88 | 1,555.25 |
| More than five years | 1,639.15 | 1,960.75 |
| Grand Total | 3,516.00 | 3,902.66 |

28. Earning Per Equity Share

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) 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 March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (a) Profit attributable to equity share holders (₹ in Crores) | (140.94) | 78.75 |
| (b) Weighted Number of equity shares outstanding during the year | 87,989,928 | 87,987,765 |
| (c) Weighted Number of equity shares outstanding during the year after adjustment for dilution | 87,989,928 | 87,987,765 |
| (d) Nominal value per share (₹) | 5 | 5 |
| (e) EPS: | | |
| Basic (₹) | (16.02) | 8.95 |
| Diluted (₹) | (16.02) | 8.95 |
| 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.

| | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| 29. Contingent liabilities and commitments: | | |
| i) Contingent liabilities | | |
| a) Claims against the Company not acknowledged as debts, comprising 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. | | |

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| | 31 March 2020 | 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 30(i)) | 11.20 | 11.20 |
| - Service tax on rent (Refer note 30(ii)) | 16.60 | 16.60 |
| - Customs Duty * | 0.47 | 0.47 |
| *Aggrieved with the decision of custom department for demanding the payment of SAD refund of ₹ 0.42 crores the Company has filed an appeal before CESTAT. Further, the company has received demand order of ₹ 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) Other matters | 0.25 | 0.25 |
| c) Provident Fund | | |
| 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 | 5.84 |
| 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 | 44.89 | 37.68 |
| b) Corporate guarantee given to bank 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 |

30. 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 challenged the said levy and, inter-alia, its retrospective application based on a legal advice,. 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 ₹ 16.60 Crores out of total demand of ₹ 35.41 Crores for the period 1st June, 2007 to 31st March, 2010 which has been paid under protest.

The Company has made an aggregate deposit of ₹ 35.41 Crores in respect of the liability for such service tax.

31. 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. Based on the business valuation obtained by the company and Management estimate company has recorded an impairment loss of ₹ 20 Crs against the equity investment of ₹ 35.06 Crs.

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

32. Segment reporting

The Company is primarily engaged in the business of retail trade through retail and departmental store facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.

- i) The Company operates in a single geographical environment i.e.in india.
- ii) No single customer contributed 10% or more to Company's revenue.

33. Derivatives / Forward foreign exchange contracts

- a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments as and when required. The company does not enter into any derivative instruments for trading and speculative purposes.

There are no outstanding Forward Exchange Contracts entered into by the Company 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 Crores | In Foreign currency | ₹ in Crores | 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 | - | - |

34. Share-based payments

The expense recognised for employee services received during the year is show in the following table:

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|-------------------------------------|-------------------------------------|
| Expense arising on Employee Stock Option Scheme | 0.55 | 0.21 |
| Total expense arising from share-based payment transactions | 0.55 | 0.21 |

34.1 Employee share option plan of the Company

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 general meeting, employees with a pre-defined grade 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 binomial option pricing model, 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 Company does not have a past practice of cash settlement for these share options.

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

The following share-based payment arrangements were in existence during the current and prior years:

| Options series | Number | Grant date | Expiry 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 | 17,210 | 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 | 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 |

All options vested based on the pre determined vesting schedule (i.e. 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.

34.2 Fair value of share options granted in the year

The following are the new grants during the F.Y.2019-20

| Options series | Number | Grant date | Expiry 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 |

34.3 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 | - | - | - |
| 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) | 6,610 | - | - | - | 6,610 | - | 6,610 |

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(All amounts in ₹ Crores)

| 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 |
|------------------------|---------------------------------|--------------------------|----------------------|--------------------------|-----------------------|----------------------|-----------------------|
| 2019-20 (30.04.2019) | 10,684 | - | - | - | - | - | 10,684 |
| 2019-20 (30.04.2019) | 20,712 | - | - | - | - | - | 20,712 |
| 2019-20 (30.07.2019) | 21,582 | - | - | - | - | - | 21,582 |
| 2019-20 (30.01.2020) | 26,452 | - | - | - | - | - | 26,452 |
| | | | 29,239 | 1,671,229 | 44,864 | - | 124,294 |

34.4 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 |

34.5 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 | 10684 | 24197 | 21582 | 26452 | 9,191 | 5,253 | 28,720 | 17,210 |
| Contractual life | 2 years | 3 years | 3 years | 3 years | 3 years | 3 years | 3 years | 3 years |
| 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 Binomial Option Pricing Model) | 137.41 | 139.39 | 110.22 | 135.8 | 219.45 | 189.71 | 167.93 | 160.20 |
| Model inputs (share price at the grant date) ₹ | 468 | 468 | 387 | 383 | 544 | 544 | 546 | 514 |
| Exercise Price ₹ | 468 | 468 | 387 | 383 | 544 | 544 | 546 | 514 |
| 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% |

34.5 The weighted average contractual life of the options outstanding is 3.72 years

35. Employee Benefits

35.1 Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹ 15.65 Crores (2019: ₹ 13.16 Crores) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

35.2 Defined benefit plan

The Company sponsors funded defined benefit (Gratuity) plan for qualifying employees, covered under the Payment of Gratuity Act, 1972. The defined benefit plan is administered by a third-party insurer (Life Insurance Corporation of India). This third-party insurer is responsible for the investment policy with regard to the assets of the plan.

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(All amounts in ₹ Crores)

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 principal actuarial risks to which the Company is exposed are investment risk, interest rate risk, salary risk and Longevity 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.**

| | As at March 31,2019 | As at March 31,2018 |
|---|--|--|
| Discount rate | 5.60% p.a. | 7.00% p.a. |
| Expected rate of salary increase | 4.50% p.a. | 4.50% p.a. |
| Average Longevity at retirement age for current beneficiaries of the plan (years) | Indian Assured Lives Mortality 2006-08 | Indian Assured Lives mortality 2006-08 |
| Rate of employee turnover | | |
| Upto 5 Year | 35.00% p.a. | 35.00% p.a. |
| Above 5 Year | 12.00% p.a. | 12.00% p.a. |

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

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|-------------------------------------|
| Current service cost | 2.37 | 1.99 |
| Net interest cost | 0.19 | 0.14 |
| Components of defined benefits costs recognised in profit or loss. | 2.56 | 2.13 |
| Remeasurements on the net defined benefit liability : | | |
| - Return on plan assets, excluding amount included in interest expense/(income) | 0.17 | (0.02) |
| - Actuarial (gain)/loss from change in demographic assumptions | (0.00) | 0.10 |
| - Actuarial (gain)/loss from change in financial assumptions | 1.44 | 0.78 |
| - Actuarial (gain)/loss from change in experience adjustments | 1.30 | 1.08 |
| Total amount recognised in other comprehensive income | 2.91 | 1.94 |
| Total | 5.47 | 4.07 |

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

| | As at March 31,2019 | As at March 31,2018 |
|--|--------------------------------|------------------------|
| Present value of funded defined benefit obligation | 17.08 | 14.05 |
| Fair value of plan assets | 12.59 | 11.28 |
| Net asset arising from defined benefit obligation | 4.49 | 2.77 |

- 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 | 14.05 | 13.43 |
| Current service cost | 2.37 | 1.99 |
| Interest cost | 0.99 | 0.99 |
| Remeasurements (gains)/losses: | | |
| - Actuarial (gain)/loss from change in demographic assumptions | (0.00) | 0.10 |

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to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| - Actuarial (gain)/loss from change in financial assumptions | 1.44 | 0.78 |
| - Actuarial (gain)/loss from change in experience adjustments | 1.30 | 1.08 |
| Benefits paid | (3.07) | (4.32) |
| Closing defined benefit obligation | 17.08 | 14.05 |

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 | 11.28 | 11.50 |
| Interest income | 0.79 | 0.85 |
| Remeasurement (gains)/losses: | | |
| - Return on plan assets, excluding amount included in net interest expense | (0.17) | 0.02 |
| Contributions from the employer | 3.75 | 3.24 |
| Benefits paid/transferred | (3.07) | (4.33) |
| Closing fair value of plan assets | 12.58 | 11.28 |

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) | 17.08 | 14.05 |

| Particulars | 31 March 2020 | | 31 March 2019 | |
|--|---------------|----------|---------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount rate (- / +1%) | 18.27 | 16.03 | 14.96 | 13.23 |
| % change compared to base due to sensitivity | 6.90% | -6.20% | 6.50% | -5.80% |
| Salary growth rate (- / +1%) | 16.01 | 18.27 | 13.21 | 14.97 |
| % change compared to base due to sensitivity | -6.30% | 7.00% | -6.00% | 6.60% |
| Attrition rate (- / +50%) | 17.48 | 16.62 | 13.70 | 13.96 |
| % change compared to base due to sensitivity | 2.30% | -2.70% | -2.50% | -0.70% |
| Mortality rate (- / +10%) | 17.08 | 17.08 | 14.04 | 14.05 |
| % change compared to base due to sensitivity | 0.00% | 0.00% | 0.00% | 0.00% |

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 is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note 36.2b 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).

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(All amounts in ₹ Crores)

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

- 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.
- The Company expects to contribute ₹ 7.10 Crores to its gratuity plan for the next year.
- Weighted average duration of the defined benefit obligation is 6 years (based on discounted cashflows).

| Expected cash flows over the next (valued on undiscounted basis): | ₹ in Crs |
|---|----------|
| 1 year | 2.55 |
| 2 to 5 years | 7.80 |
| 6 to 10 years | 6.78 |
| More than 10 years | 9.22 |

36. Subsidiaries and Joint Ventures.

36.1 Details of the Company's subsidiaries at the end of the reporting period are as follows :

| Sr. No | Name of subsidiary | Principal activity | Place of incorporate and operation | Proportion of ownership interest and voting rights held | |
|--------|---|--|------------------------------------|---|---------------------|
| | | | | As at 31 March 2020 | As at 31 March 2019 |
| 1 | Crossword Bookstores Limited | Retailing in books and other allied items through departmental stores operated by self or by franchisees | India | 100% | 100% |
| 2 | Shoppers' Stop Services (India) Limited | Services | India | 100% | 100% |
| 3 | Upasna Trading Limited | Supervising distribution and logistics operations | India | 100% | 100% |
| 4 | Shoppers' Stop.com (India) Limited | Services | India | 100% | 100% |
| 5 | Gateway Multichannel Retail (India) Limited | Catalogue retailing | India | 100% | 100% |

36.2 The company has given corporate guarantee to banks for loans taken by subsidiaries - Refer Note 29 (ii) (b).

37. Related party disclosures

Names of related parties and description of relationship:

Names of related parties and description of relationship:

| | |
|------------------------------|---|
| (a) Subsidiaries | Crossword Bookstores Limited. |
| | Gateway Multi Channel Retail (India) Limited. |
| | Upasana Trading Limited. |
| | Shoppers Stop Services (India) Limited. |
| | Shoppers Stop.com (India) Limited. |
| (b) 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 Chokani |
| | Robert Bready (w.e.f.July 27,2018) |

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(All amounts in ₹ Crores)

| Names of related parties and description of relationship: | | |
|---|--|---|
| | 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 09, 2018) |
| | Company Secretary | Bharat Sanghavi |
| (c) | Promoter directors | C.L. Raheja, Ravi C. Raheja, Neel C. Raheja |
| (d) | Entities in which a director is a director | Ivory Properties and Hotels Private Limited*, K.Raheja Corp. Private Limited* K.Raheja Private Limited*, Inorbit Malls (India) Private Limited* Avacado Properties and Trading India Private Limited*, Chalet Hotels Limited* Trion Properties Private Limited*; Magna Warehousing & Distribution Private Limited* Retailers Association of India |
| (e) | Entities in which other directors are directors / trustees | Sanghavi Associates Ltd.,Trrain Foundation;Trust for Retailers & Retail Association of India JW Marriott Sahar Mumbai unit of Chalet Hotels Private Limited |
| (f) | Joint Ventures | Nuance Group (India) Private Limited (upto October 6, 2017) Timezone Entertainment Private Limited. (upto February 15, 2018) |

Following are the transactions with related parties

| Nature | Subsidiaries | Entities in which the directors are directors / trustees (refer (d and e above) | Joint Ventures | Key Management Personnel | Total |
|---|---------------|---|----------------|--------------------------|---------------|
| Trading transactions Purchase of Merchandise | 0.00 | 0.00 | - | - | 0.01 |
| | (0.35) | | | | (0.35) |
| Crossword Bookstores Limited | 0.00 | | | | |
| Chalet Hotels Ltd * | (0.35) | | | | |
| | - | 0.00 | | | |
| | | - | | | |
| Recovery of purchase cost (Discounts reimbursed by brands) | (0.26) | - | - | - | (0.26) |
| | - | | | | |
| Shoppers Stop.Com (India) Limited | (0.26) | | | | |
| | - | | | | |
| Sale of Merchandise | 4.52 | - | - | - | 4.52 |
| | - | | | | |
| Shoppers Stop.Com (India) Limited | 4.52 | | | | |
| | - | | | | |
| Loan to related parties | | | | | |
| Loan Given | 3.20 | - | - | - | 3.20 |
| | (8.00) | | | | (8.00) |
| Crossword Bookstores Limited | 3.00 | | | | |
| | (8.00) | | | | |
| Shoppers Stop.Com (India) Limited | 0.20 | | | | |
| | - | | | | |
| Compensation to key management personnel Remuneration to managing director (Mr.Govind Shrikhande was managing director upto June 8,2018) | - | - | - | - | - |
| Short term benefits | | | | | |
| Post employment benefits | | | | | |
| Share based payments | | | | | |
| | | | | (5.06) | (5.06) |

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to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| Nature | Subsidiaries | Entities in which the directors are directors / trustees (refer (d and e above) | Joint Ventures | Key Management Personnel | Total |
|--|--------------|---|----------------|--------------------------|-------------|
| Remuneration to managing director & chief executive officer | | | | 6.96 | 6.96 |
| (Mr. Rajiv Suri, chief executive officer (w.e.f. January 9, 2018) was appointed as managing director & chief executive officer w.e.f. June 08, 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 Interim Chief Financial Officer | | | | - | - |
| Short term benefits | | | | - | |
| Post employment benefits** | | | | - | |
| Share based payments | | | | - | |
| | | | | (0.17) | |
| Other related party transactions | - | - | - | - | - |
| Sale of Assets | 0.03 | - | - | - | 0.03 |
| | - | - | - | - | - |
| Crossword Bookstores Ltd | 0.03 | | | | |
| | - | | | | |
| Payment of conducting fees | - | 4.31 | - | - | 4.31 |
| | - | (16.57) | - | - | (16.57) |
| Ivory Properties and Hotels Private Limited * | | 4.31 | | | - |
| | | (16.57) | | | |
| Payment of variable lease rent | - | 1.16 | - | - | 1.16 |
| | - | (38.09) | - | - | (38.09) |
| Ivory Properties and Hotels Private Limited * | | 0.92 | | | |
| | | (2.54) | | | |
| Inorbit Malls (India) Private Limited * | | 1.05 | | | |
| | | (24.08) | | | |
| Chalet Hotels Ltd * | | - | | | |
| | | (3.74) | | | |
| Trion Properties Private Limited * | | 0.11 | | | |
| | | (7.73) | | | |
| Repayment of lease liability (Principal) - IND-AS 116 | - | 20.37 | - | - | 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 | | | |
| | | - | | | |

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(All amounts in ₹ Crores)

| Nature | Subsidiaries | Entities in which the directors are directors / trustees (refer (d and e above) | Joint Ventures | Key Management Personnel | Total |
|--|--------------|---|----------------|--------------------------|-------------|
| Repayment of finance charges - IND-AS 116 | - | 28.13 | - | - | 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 |
| Ivory Properties and Hotels Private Limited * | - | (9.93) | - | - | - |
| Inorbit Malls (India) Private Limited * | - | 0.25 | - | - | - |
| Chalet Hotels Ltd * | - | (0.16) | - | - | - |
| Trion Properties Private Limited * | - | 7.06 | - | - | - |
| | - | (6.86) | - | - | - |
| | - | 0.96 | - | - | - |
| | - | (0.37) | - | - | - |
| | - | 2.86 | - | - | - |
| | - | (2.52) | - | - | - |
| Reimbursement of Expenses | 0.61 | 7.15 | - | 0.03 | 7.78 |
| Crossword Bookstores Limited | (0.36) | (5.23) | - | (0.02) | (5.61) |
| Inorbit Malls (India) Private Limited * | 0.61 | 4.42 | - | - | - |
| | (0.36) | (3.63) | - | - | - |
| Trion Properties Private Limited * | - | 1.46 | - | - | - |
| Chalet Hotels Ltd* | - | (1.21) | - | - | - |
| Juhu Beach Resorts Limited * | - | 1.22 | - | - | - |
| | - | (0.19) | - | - | - |
| 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) | - |
| Interest received on Inter-corporate deposit to subsidiary companies | 1.63 | - | - | - | 1.63 |
| Crossword Bookstores Limited | (1.11) | - | - | - | (1.11) |
| Shoppers Stop.Com (India) Limited | 1.62 | - | - | - | - |
| | (1.11) | - | - | - | - |
| | 0.01 | - | - | - | - |
| | - | - | - | - | - |
| Advances given | 0.01 | - | - | - | 0.01 |
| Gateway Multi Channel Retail (India) Limited | (0.01) | - | - | - | (0.01) |
| Shoppers Stop.Com (India) Limited | 0.01 | - | - | - | - |
| | (0.00) | - | - | - | - |
| | - | - | - | - | - |
| | (0.01) | - | - | - | - |

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to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| Nature | Subsidiaries | Entities in which the directors are directors / trustees (refer (d and e above) | Joint Ventures | Key Management Personnel | Total |
|--|--------------|---|----------------|--------------------------|-------------|
| Deposits Paid | - | 0.18 | - | - | 0.18 |
| | - | (0.24) | - | - | (0.24) |
| Inorbit Malls (India) Private Limited * | | 0.18 | | | |
| | | - | | | |
| Trion Properties Private Limited * | | - | | | |
| | | (0.01) | | | |
| Chalet Hotels Ltd* | | - | | | |
| | | (0.23) | | | |
| Advance Rent | - | 0.20 | - | - | 0.20 |
| | - | - | - | - | - |
| Inorbit Malls (India) Private Limited | | 0.20 | | | |
| | | - | | | |
| Gateway Multi Channel Retail (India) Limited | | - | | | - |
| | | | | | |
| Expenses Paid | - | 0.74 | - | - | 0.74 |
| | - | (2.22) | - | - | |
| <u>Miscellaneous expenses</u> | | | | | |
| 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) | | | |
| JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt ltd * | | - | | | |
| | | - | | | |
| <u>Legal and professional fees</u> | | | | | |
| Chalet Hotels Ltd* | | - | | | |
| | | (0.00) | | | |
| Retailers Association of India | | 0.02 | | | |
| | | (0.05) | | | |
| Juhu Beach Resorts Ltd.* | | 0.00 | | | |
| | | - | | | |
| <u>Advertisement and publicity</u> | | | | | |
| Inorbit Malls (India) Private Limited * | | - | | | |
| | | (0.73) | | | |
| Trion Properties Private Limited * | | - | | | |
| | | (0.23) | | | |
| <u>Salaries & Wages (Recruitment expenses)</u> | | | | | |
| Juhu Beach Resorts Ltd.* | | 0.02 | | | |
| | | (0.05) | | | |
| <u>Corporate Social Responsibility expenses</u> | | | | | |
| CSR- Trust for Retailers & Retail Association of India | | 0.31 | | | |
| | | (0.99) | | | |
| Royalty Income | 0.10 | - | - | - | 0.10 |
| | - | | | | - |
| Shoppers Stop.Com (India) Limited | 0.10 | | | | |
| | - | | | | |
| Recovery of Share cost | 0.04 | - | - | - | 0.04 |
| Shoppers Stop.Com (India) Limited | 0.04 | | | | 0.04 |

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to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

| Nature | Subsidiaries | Entities in which the directors are directors / trustees (refer (d and e above) | Joint Ventures | Key Management Personnel | Total |
|---|--------------|---|----------------|--------------------------|-------------|
| Expenses recovered | 4.02 | - | - | - | 4.02 |
| | (3.89) | - | - | - | (3.89) |
| Crossword Bookstores Limited | 4.01 | | | | |
| | (3.89) | | | | |
| Shoppers Stop.Com (India) Limited | 0.02 | | | | |
| | - | | | | |
| Deposit received back | - | - | - | - | - |
| | - | - | - | - | - |
| Trion Properties Private Limited | | - | | | |
| Commission and Sitting fees to Non Executive Directors | | | | 0.81 | |
| Chandru L.Raheja (stepped down w.e.f.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 | |
| Ameera Shah (appointed w.e.f.June 8,2018) | | | | 0.08 | |
| Manish Chokhani | | | | 0.07 | |
| Robert Bready (appointed w.e.f.July 27,2018) ** | | | | 0.07 | |
| | - | - | - | (0.85) | (0.85) |

| Balance outstanding at the year end | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Payable | | |
| Upasna Trading Limited | 1.08 | 1.09 |
| 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 | | |
| Shoppers Stop Services (India) Limited | 0.02 | 0.02 |
| Shoppers Stop.Com (India) Limited | 2.68 | 0.04 |
| Ivory Properties and Hotels Private Limited* | 10.16 | 10.16 |
| Inorbit Malls (India) Private Limited* | 8.70 | 8.61 |
| Gateway Multi Channel Retail (India) Limited# | 23.29 | 23.29 |
| Chalet Hotels Ltd.* | 2.03 | 2.03 |
| Trion Properties Private Limited* | 2.87 | 2.87 |
| Crossword Bookstores Limited | 19.38 | 15.68 |

All the amount is provided for in the books

The Company has given corporate guarantee to banks for loans taken by subsidiaries - Refer Note 29(ii)(b)

The figure in bracket pertain to previous year

** 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 year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: ₹ 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.

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

38. Financial Instruments

A. Capital risk management

The Company'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 Company determines the amount of capital required on the basis of an annual budget and a five-year plan, including, for working capital, capital investment in stores, technology, and strategic investment in subsidiary companies. The Company's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings. Majorly company raise long term loan for it's CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

| Capital | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Long term borrowings (including current maturities) | - | 40.00 |
| Short term borrowings | 123.70 | - |
| Interest accrued and not due on borrowings | 0.04 | 0.06 |
| Total debt* | 123.74 | 40.06 |
| Equity share capital | 44.00 | 44.00 |
| Other equity | 92.64 | 933.66 |
| Total equity | 136.64 | 977.65 |
| Debt Equity Ratio | 0.91 | 0.04 |

* Excluding lease liability as per Ind-AS 116/

The Company's objective is to keep the debt equity ratio below 1 which it has achieved in both these years.

B. Financial risk management

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews the short term and long term budgets 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 Company'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 company. The market risk for the company 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 Company 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 Company 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 Company 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 Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short term working capital demand loans with interest rates negotiated from time to time so that the Company 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 Company's profit before tax by approximately ₹ 0.11 Crores (2019 : ₹ 0.15 Crores)

Currency risk: The Company's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Company fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward cover contracts to hedge foreign currency exposure. Also Refer Note 33 for the forward cover contracts outstanding at the end of the reporting period.

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

(b) Credit risk:

Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. The credit risk for the Company 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 Company'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 Company 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 Company by credit worthiness checks. The Company 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 Company'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 Company is not exposed to concentration risks.

(c) Liquidity Risk:

Liquidity risk is a risk that the Company 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 Company's financial liabilities based on contractual undiscounted cash flows.

| | Less than 1 year | Between 1 and 5 years | Carrying amounts |
|---------------------------------------|------------------|-----------------------|------------------|
| At 31 March 2019 | | | |
| Borrowings (long term and short term) | 40.00 | - | 40.00 |
| Interest payable | 0.06 | - | 0.06 |
| Trade payables and other accruals | 1,254.24 | - | 1,254.24 |
| Other financial liabilities | 38.41 | - | 38.41 |
| At 31 March 2020 | | | |
| Borrowings (long term and short term) | 123.70 | - | 123.70 |
| Interest payable | 0.04 | - | 0.04 |
| Lease Liability | 12.21 | - | 12.21 |
| Trade payables and other accruals | 1,496.71 | - | 1,494.97 |
| Other financial liabilities | 69.67 | - | 69.67 |

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 Company has given guarantees, grounded on the Company's actual experience.

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned.

| Undrawn financing facility | As at 31 March 2020 | As at 31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| Secured Working Capital Facilities | | |
| Amount Used | 122.75 | - |
| Amount Unused | 26.25 | 322.00 |
| Total | 149.00 | 322.00 |
| 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 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Financial Assets (amortised cost): | | |
| Loans to subsidiary companies | 18.88 | 15.67 |
| Trade receivables | 35.08 | 44.52 |
| Cash & Cash equivalents | 0.97 | 16.46 |
| Other bank balances | 0.28 | 0.27 |
| Other financial assets | | |
| Premises and other deposits | 145.14 | 128.62 |
| Others | 3.00 | 2.09 |
| Financial Liabilities (amortised cost): | | |
| Borrowings - long term | - | - |
| Borrowings - short term | 123.70 | 40.00 |
| Lease Liability | 12.21 | - |
| Trade payables | 1,496.71 | 1,254.24 |
| Other financial liabilities | 69.71 | 38.47 |

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 | Assets Nil | Assets Nil | Level 2 |
| Investment in subsidiary companies | Assets ₹ 15.17 Crs | Assets ₹ 35.17 Crs | Level 2 |
| Investment in Mutual Funds | Assets ₹ 154.04 Crs | Assets ₹ 42.45 Crs | Level 2 |
| Fair Value through OCI | | | |
| Investment in Future Retail Limited | Assets ₹ 36.46 Crs | Assets ₹ 215.89 Crs | 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 Company.

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.

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

39. Revenue from contracts with customers

The Company 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 entities 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 Company 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 March 31, 2020 is lower by ₹ 474.74 Crores (2019 : ₹ 389.64 Crores) and other operating income is higher by ₹ 170.86 Crores (2019 : ₹ 140.07 Crores) resulting into lower revenue from operations and cost of goods sold by ₹ 303.88 (2019 ₹ 249.57 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.

40. 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 remeasurement 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 Company 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 ₹ 1,145.76 Crores and Lease Liability of ₹ 1,940.73 Crores as on 1 April 2019 and difference between Right of Use Assets and Lease Liability amt. to ₹ 517.70 Crores (net of deferred tax of ₹ 277.80 Crores) has been adjusted in retained earnings.

Notes

to Financial Statements for the Year ended 31st March, 2020

(All amounts in ₹ Crores)

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 | 2,145.63 | (7.65) | 2,137.98 |
| Lease rent and hire charges | 404.46 | (348.44) | 56.02 |
| Other expenses | 498.63 | (12.64) | 485.99 |
| Finance costs | 6.54 | 187.84 | 194.38 |
| Depreciation and amortisation expenses (Refer note 27.1) | 247.25 | 191.96 | 439.21 |
| Profit before tax | (59.59) | (11.07) | (70.66) |

41. Events after the reporting period

The Board of Directors has not recommended any dividend for the financial year 2019-20. The Company 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.

42. 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.

43. Amount appearing as zero "0.00" in financials are below the rounding off norm adopted by the Company.

44. The previous year's figures have been regrouped / reclassified wherever necessary.

In terms of our attached report of even date For and on Behalf of the Board of Directors

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

Vijay Maniar
Partner
Membership No. 36738

Mumbai: 15 June 2020

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

Karunakaran M.
Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja
Director
(DIN: 00028044)

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

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

Notes

to Financial Statements for the Year ended 31st March, 2020

Statement pursuant to Section 129(3) of the Companies Act, 2013

PART A : SUBSIDIARIES F.Y.2019-20

(All amounts in ₹ Crs)

| Sr. No. | Name of Subsidiary Company | Reporting Currency | Share Capital | Reserves | Total Assets * | Total Liabilities ** | Investments | Turnover/ Total Income | Profit / (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend including Dividend distribution tax | % of shareholding | Country |
|---------|--|--------------------|---------------|----------|----------------|----------------------|-------------|---------------------------|---------------------------------|------------------------|--------------------------------|---|-------------------|---------|
| 1 | Crossword Bookstores Limited | INR | 13.56 | (46.77) | 48.78 | 81.99 | - | 83.17 | (12.45) | - | (12.45) | - | 100% | India |
| 2 | Upasana Trading Limited | INR | 0.05 | 0.12 | 1.58 | 1.41 | - | 0.03 | (0.00) | - | (0.00) | - | 100% | India |
| 3 | Gateway Multi Channel Retail (India) Limited | INR | 0.05 | (45.08) | 0.30 | 45.33 | - | 0.02 | 0.01 | - | 0.01 | - | 100% | India |
| 4 | Shoppers Stop Services (India) Limited | INR | 0.05 | (0.00) | 0.08 | 0.03 | - | - | (0.01) | - | (0.01) | - | 100% | India |
| 5 | Shoppers Stop.com (India) Limited | INR | 0.05 | 0.25 | 3.29 | 2.99 | - | 2.35 | 0.40 | 0.11 | 0.29 | - | 100% | India |

* Total Assets = Non Current Assets + Current Assets

** Total Liabilities = Non Current Liabilities + Current Liabilities

Notes

to Financial Statements for the Year ended 31st March, 2020

Statement pursuant to Section 129(3) of the Companies Act, 2013

PART B : JOINT VENTURES

| Name of the Joint Ventures | (All amount in ₹ Lacs) | |
|---|------------------------|-----------------|
| | ** | ** |
| Latest audited Balance Sheet Date | 31 March'2020 | 31 March'2020 |
| | (31 March'2019) | (31 March'2019) |
| Share of Joint Ventures held on the year end | - | - |
| No. of equity shares (Face value of ₹ 10/- each fully paid | Nil | Nil |
| Amount of Investments in Joint Ventures (₹ in Lacs) | Nil | Nil |
| | - | - |
| Networth attributable to shareholding as per latest audited Balance Sheet | - | - |
| | - | - |
| 1. Considered in consolidation (₹ in Lacs) Profit / (Loss) for the year | - | - |
| Profit for F.Y. 2019-20 | - | - |
| | - | - |
| 2. Not considered in consolidation | - | - |
| | - | - |

** The Company does not have any Joint Ventures during the financial year ended March 31, 2020 and March 31, 2019

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.

Independent Auditor's Report (Contd.)

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| <p>Allowance for Inventory obsolescence and shrinkage (as described in note 2.5 of the standalone Ind AS financial statements)</p> <p>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.</p> <p>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.</p> | <p>Our procedures over allowance for Inventory obsolescence and shrinkage included the following:</p> <ul style="list-style-type: none">• 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. |
| <p>Revenue recognition – Point award (Loyalty) schemes (as described in the Accounting Policies in note 2.3 to the Financial Statements)</p> <p>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.</p> <p>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).</p> | <p>Our audit procedures in respect of the Provision for liability on account of Point award (Loyalty) schemes accrued to customers included the following:</p> <ul style="list-style-type: none">• 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. |
| <p>Implementation of Ind-AS 116 - Leases (as described in note 2.7 of the standalone Ind AS financial statements)</p> <p>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.</p> <p>The Company has applied the Modified retrospective approach-2A given to ongoing leases as of April 1, 2019.</p> <p>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.</p> <p>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.</p> | <p>Our audit procedures in respect of implementation of Ind-AS 116 included the following:</p> <ul style="list-style-type: none">• 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. |

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

Independent Auditor's Report (Contd.)

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 SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership Number: 36738

UDIN: 20036738AAAACZ6312

Mumbai: June 15, 2020

Annexure 1

To the Independent Auditor's Report of even date on the Consolidated Financial Statements of Shoppers 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, 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 SRBC & 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 & COLLP

ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar

Partner
Membership No. 36738

Mumbai: 15 June 2020

B.S. Nagesh

Customer Care
Associate & Chairman (DIN: 00028044)
(DIN: 00027595)

Karunakaran M.

Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja

Director
(DIN: 00028044)

Rajiv Suri

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

Bharat Sanghavi

Customer Care Associate &
Company Secretary
Membership No. A13157

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 and on Behalf of the Board of Directors

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

B.S. Nagesh

Customer Care
Associate & Chairman (DIN: 00028044)
(DIN: 00027595)

Karunakaran M.

Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja

Director
(DIN: 00028044)

Rajiv Suri

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

Bharat Sanghavi

Customer Care Associate &
Company Secretary
Membership No. A13157

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 and on Behalf of the Board of Directors

For S R B C & COLLP

ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar

Partner
Membership No. 36738

Mumbai: 15 June 2020

B.S. Nagesh

Customer Care
Associate & Chairman (DIN: 00028044)
(DIN: 00027595)

Karunakaran M.

Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja

Director
(DIN: 00028044)

Rajiv Suri

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

Bharat Sanghavi

Customer Care Associate &
Company Secretary
Membership No. A13157

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 and on Behalf of the Board of Directors

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

B.S. Nagesh

Customer Care
Associate & Chairman (DIN: 00028044)
(DIN: 00027595)

Karunakaran M.

Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja

Director
(DIN: 00028044)

Rajiv Suri

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

Bharat Sanghavi

Customer Care Associate &
Company Secretary
Membership No. A13157

Notes to Consolidated Financial Statements

for the year ended 31st March, 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

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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 | 15 | 5 to 17 |
| Plant & Machinery | | |
| 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 |

| Property, Plant and Equipment | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 (In Years) | Estimated Useful Life (In Years) |
|--|--|--|
| 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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 entirety 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

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for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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

Notes to Consolidated Financial Statements

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(All amounts in ₹ Crores)

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.

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(All amounts in ₹ Crores)

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 within four years from the date of grant, as per vesting schedule. The share options vest 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,

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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.

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(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.

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(All amounts in ₹ 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 | (0.57) | - | 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 :

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

- 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.

Notes to Consolidated Financial Statements

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(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 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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) |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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 |

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for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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 transferring 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 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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 has 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; | - | - |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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 |

Notes to Consolidated Financial Statements

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 |
|--|---|--|
| 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 |

Notes to Consolidated Financial Statements

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 |
|--|-------------------------------------|-------------------------------------|
| 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* | 2,006.53 | 2,078.25 |
| (A)+(B) | | |
| *Includes write-downs/offers (net) of inventory to net realisable value on account of old season stock and shrinkages. | 33.48 | 21.26 |
| | | |
| | 334.63 | 329.60 |
| 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 | | |
| | | |
| | 197.32 | 13.79 |
| 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 |
| | | |
| | 571.24 | 924.43 |
| 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 | | |

Notes to Consolidated Financial Statements

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 |
|--|---|---|
| 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 |

Notes to Consolidated Financial Statements

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 |
|--|---|-------------------------------------|
| 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 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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 |

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for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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.

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 *

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| | 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

| | 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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 longevity 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. |
| Longevity 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 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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

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(All amounts in ₹ Crores)

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 is 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

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

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for the year ended 31st March, 2020

(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 (Crossword Bookstores Ltd) | Maulik Desai (upto April 18, 2019) |
| Chief Executive Officer (Crossword Bookstores Ltd) | Chiragh Oberoi (w.e.f. September 23,2019) |
| (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 |
| | Ttrain Circle Private Limited |
| | Ttrain 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) |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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) |

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(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) | | | |

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for the year ended 31st March, 2020

(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) | | | |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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

| | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| Balance outstanding at the year end | | |
| 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.

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for the year ended 31st March, 2020

(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:

- 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.
- The Group operates in a single geographical environment i.e. in India.
- 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 |

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for the year ended 31st March, 2020

(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 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.

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 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(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 |

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for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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 | - | - |

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(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:

| Capital | ₹ in crores | |
|--|------------------------|------------------------|
| | 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.

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(All amounts in ₹ Crores)

(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.

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(All amounts in ₹ Crores)

The Group has access to following financing facilities which were undrawn as at the end of reporting periods mentioned.

| | ₹ in crores | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Undrawn financing facility | | |
| 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 | Assets | Assets | Level 2 |
| Forward foreign currency contracts. | Nil | Nil | Level 2 |
| Investment in Mutual Funds | ₹ 154.04 crores | ₹ 42.45 crores | |
| Fair Value through OCI | Assets | Assets | Level 1 |
| Investment in Future Retail Limited | ₹36.46 crores | ₹ 215.89 crores | |

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.

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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 entities 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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 :

| | Year ended 31 March 2020 comparable basis | Change due to IND AS 116 increase / (decrease) | Year ended 31 March 2020 as reported |
|---|--|---|--|
| Adjustment to increase / (decrease) in net profit | | | |
| 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2020

(All amounts in ₹ Crores)

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 and on Behalf of the Board of Directors

For S R B C & COLLP

ICAI Firm Reg. No. 324982E/E300003
Chartered Accountants

Vijay Maniar

Partner
Membership No. 36738

Mumbai: 15 June 2020

B.S. Nagesh

Customer Care
Associate & Chairman (DIN: 00028044)
(DIN: 00027595)

Karunakaran M.

Customer Care Associate &
Chief Financial Officer

Mumbai: 15 June 2020

Ravi Raheja

Director
(DIN: 00028044)

Rajiv Suri

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

Bharat Sanghavi

Customer Care Associate &
Company Secretary
Membership No. A13157

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

1 The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20 :

| Name of Directors | Designation | Ratio of Remuneration of each Director to median remuneration | Remuneration (₹) |
|----------------------|---------------------------|---|------------------|
| Mr. B. S. Nagesh | Non Executive Chairman | 1.1:1 | 300,000 |
| Mr. Ravi C. Raheja | Non-executive Director | 1.1:1 | 300,000 |
| Mr. Neel C. Raheja | Non-executive Director | 1.1:1 | 300,000 |
| Prof. Nitin Sanghavi | Independent Director | 1.1:1 | 300,000 |
| Mr. Deepak Ghaisas | Independent Director | 2.21:1 | 600,000 |
| Mr. Nirvik Singh | Independent Director | 2.21:1 | 600,000 |
| Mr. Manish Chokhani | Independent Director | 1.1:1 | 300,000 |
| Mr. Robert Bready | Independent Director | 1.1:1 | 300,000 |
| Ms. Ameera Shah | Independent Director | 1.1:1 | 300,000 |
| Mr. Rajiv Suri | Managing Director and CEO | 250.77:1 | 68,216,756 |

Note :

- The remuneration of Non Executive Directors consist of Commission.
- Mr. Rajiv Suri, Chief Executive Officer was appointed as a Managing Director and Chief Executive Officer of the Company w.e.f. June 8, 2018. The remuneration includes provision of Rs.214.32 lacs, made for a period commencing from January 9, 2018 to March 31, 2019, towards performance linked bonus.
- The median remuneration of the Company for all its employees is ₹2.72 lacs for the financial year 2019-20.

2 The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2019-20 as compared to financial year 2018-19:

| Name of Executive Director and KMPs | % increase in Remuneration |
|---|----------------------------|
| Mr. Rajiv Suri (Managing Director and CEO) | 18.00% |
| Mr. Karunakaran M (Chief Financial Officer) | 14.30% |
| Mr. Bharat Sanghavi (Company Secretary) | 6.50% |

Non - Executive Directors : There is no variation in percentage of remuneration of non-executive directors, as the amount of commission paid / payable to each Non-Executive Director, continue to remain the same for FY19 and FY20.

3 The percentage increase in the median remuneration of employees in the financial year 2019-20 :

The percentage increase in the median remuneration of all employees in the financial year was 7 %.

4 The number of permanent employees on the rolls of company as on March 31, 2020 :

The number of permanent employees on the rolls of Company as on March 31, 2020 were 7,498 CCAs.

5 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average percentage increase in salaries for employees other than managerial personnel was 7 %. The percentage increase in salaries for managerial personnel are as mentioned above.

6 It is affirmed that the aforesaid remuneration is as per the Appointment and Remuneration of Directors and Senior Management Policy of the Company.

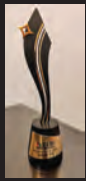
Statement under Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended March 31, 2020.

| Sr. No. | Name & Qualification of Employees | Age (Years) | Designation | Date of Commencement of Employment | Gross Remuneration (₹) | Experience (Years) | Last Employment held and designation therein |
|--|--|-------------|---|------------------------------------|------------------------|--------------------|---|
| 1 | Mr. Rajiv Suri B.Com, PGD - Sales & Marketing Management, PGD - Business Mgmt, Strategic Retail Management | 57 | Managing Director & Chief Executive Officer | 09/Jan/2018 | 68,216,756 | 35 | Majid Al Futtaim, Dubai, UAE Chief Executive Officer |
| 2 | Mr. Amin Kassam B.Sc | 64 | Chief Retail Operations | 04/Jan/2017 | 22,694,948 | 43 | Reliance Trends Ltd. - Chief Operating Officer |
| 3 | Mr. Neeraj Nagpal PGDM | 46 | Chief Buying & Merchandising Officer | 21/Jan/2019 | 20,101,481 | 22 | Aditya Birla Retail - Chief Merchandising and Sourcing Officer |
| 4 | Mr. Karunakaran Mohanasundaram ACA, CS | 53 | Chief Financial Officer | 08/Jun/2018 | 15,369,255 | 31 | AVON International - Executive Director Finance. |
| 5 | Ms. Uma Talreja MMS Marketing | 45 | Chief Marketing & Customer Officer | 25/Jul/2018 | 14,919,447 | 23 | Raymond Ltd - Chief Digital Officer - Lifestyle Business |
| 6 | Mr. Shilpee Sharma Bachelor of Design | 51 | Chief Creative Officer | 15/Jun/2018 | 13,402,999 | 28 | Reliance Retail Ltd - VP & Head Design |
| 7 | Mr. Devadas C B.Com | 56 | Chief Supply chain Officer | 01/Dec/1997 | 13,150,556 | 33 | Ivory Property & Hotel Pvt. Ltd. Assistant Manager - Distribution |
| 8 | Mr. BVM Rao B.Com, MSW | 58 | Chief Human Resources Officer | 08/May/2008 | 12,681,882 | 30 | Food Express Stores Vice President - Hypermarket & Ops |
| 9 | Mr. Maneesh Mittal PGDM | 44 | Chief of Omni Channel & Digital Officer | 01/Apr/2018 | 12,222,063 | 21 | Infiniti Retail Ltd - Head Ecommerce & Big Data |
| 10 | Mr. Anil Shankar Arsavilli B.A., Diploma in RDBMS (Oracle) | 48 | Chief Technology Officer | 24/May/1999 | 10,346,918 | 22 | Sterling Resorts Senior Executive - Systems |
| Employed for part of the Financial Year with an average salary above ₹8.5 lac per month | | | | | | | |
| 1 | Mr. Satish Sharma B.Arch, MBA | 51 | Head of Store Planning | 21/Mar/2007 | 11,200,851 | 27 | ITC Limited Manager - Project |
| 2 | Mr. Venkatesh Raja MBA - HR | 51 | Chief Human Resource Officer | 31/Oct/2019 | 4,416,184 | 26 | Future Group - Chief Human Resource Officer |
| 3 | Ajay Rajaram Chablani B.Tech (Textile) | 47 | President - Private Brands | 15/Dec/2019 | 4,756,683 | 25 | Future Group - Head : Fashion & Category |
| 4 | Mr. Amitabh Suri PGDGMT NIFT | 44 | President - Private Brands | 19/Nov/2018 | 11,297,192 | 21 | Landmark retail - Chief Operating Officer |
| 5 | Mr. Anupam Saxena MBA | 52 | President - Beauty | 16/Jan/2019 | 7,109,332 | 29 | True Lucent International - Managing Director |

1. The Gross remuneration includes salary, bonus, various allowances, performance linked incentives, taxable value of perquisites including gratuity paid but excluding gratuity provision.
2. None of the employees mentioned above are relative of any directors of the Company.
3. None of the employees mentioned herein above hold himself or along with spouse and dependent children, two percent or more of the equity shares of the Company.
4. The nature of employment in all cases are contractual. The other terms and conditions are as per Company's Rules.
5. Gross Remuneration of Mr. Rajiv Suri include ₹214.32 lacs towards Performance Linked Bonus, provision for FY 18-19 and paid in current Financial Year.

Awards and Accolades

Corporate



'Company of the Year - Retail' award - from CNBC and the Chhattisgarh government



Most Admired Retail Company of the Year Award - at the MAPIC India Retail Awards 2019



Winner at the Department Store Awards 2019



Best Anchor Store (for the store in Raipur) - from the Ambuja City Center Mall



Consumer Choice Award (for the store in Vastrapur) and Highest sales on a weekend in the Anchor category (end of season sale) - from the Alpha One Mall



Best-in-class Supply Chain Strategy and Design (for the fourth year in a row) - at the 13th Express, Logistics & Supply Chain (ELSC) Leadership Awards



Most Admired Store in the Visual Merchandise Category - at the Viviana Mall Retail Excellence Awards



Best Department Store Design (for the Tapasya One store in Gurugram and the store in Gaur City mall in Noida); Best Instore Visual Merchandising (for the store in Gaur City mall in Noida); and Best VM Installation (for the Goonj displays); and Best Green Initiative (for the Goonj displays) - at the VMRD Retail Design Awards

Marketing and customer service



Six wins at the IMAGES Retail Awards 2019



Gold for Best Customer Service programme of the Year and Bronze for L&D Team of the Year - from the TISS CLO Summit



Best Omni-channel Customer Experience and Best Digital Customer Experience Strategy - from the Bangalore airport



Recognition for the 'It's Our Time' and 'Kendall Kylie bags launch' campaigns - at the DMA Asia ECHO Awards



Recognition for the Mother's Day recycle saree campaign (competing with 650 entries across industries) - at the Economic Times Brand Equity Awards



- HR Best Initiative Award (for the Personal Shopper programme) - from TRRAIN
- Recognition for prior learning and skill development - from RASCI



Best loyalty programme in large format retail; Best use of relationship marketing in a loyalty programme (for First Citizen Black); Recognition for kids earn burn campaign; Best loyalty team - from Kamikaze



Certificate of Appreciation - from the Hyderabad airport

SHOPPERS STOP

START SOMETHING NEW