

SEC/58/2020-21

October 30, 2020

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 Sir / Madam,

Subject: Outcome of the meeting of the Board of Directors held on October 30, 2020

This is further to the Company's intimation dated October 16, 2020 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, intimating the fund raising up to Rs. 300 crores (Rupees Three Hundred Crores) through issuance of equity shares of face value of Rs. 5 each of the Company, on a rights issue basis.

This is to inform you that the Board of Directors of the Company, had at its meeting held today i.e. on Friday, October 30, 2020, has, *inter-alia*, approved Un-audited Condensed Consolidated Interim Financial Statements for the half year ended on September 30, 2019 and on September 30, 2020 ("the Periods"), for the purpose of Rights Issue, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

In this regard, the following documents are enclosed herewith:

- The Un-audited Condensed Consolidated Interim Financial Statements for the Periods; and
- Report on review of Unaudited Condensed Consolidated Interim Financial Statements for the Periods, issued by the Statutory Auditors of the Company.

The above information is also available on the Company's corporate website i.e. <https://corporate.shoppersstop.com/investors/>.

Kindly take the same on record.

Thank you.

Yours truly,

For **Shoppers Stop Limited**

Bharat
Kanaklal
Sanghavi

Bharat Sanghavi
Company Secretary

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Kanaklal Sanghavi
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Shoppers Stop Ltd.

Registered & Service Office : Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (W), Mumbai 400 064.

T 022- 42497000 CIN : L51900MH1997PLC108798. Email : customercare@shoppersstop.com Website www.shoppersstop.com

Report on review of Unaudited Condensed Consolidated Interim Financial Statement

To the Board of Directors of Shoppers Stop Limited

We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of Shoppers Stop Limited (“the Company/Holding Company”) its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at September 30, 2019, and the Unaudited Condensed Consolidated Interim Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Consolidated Interim Cash Flow Statement and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the six-month period then ended and a summary of select explanatory notes (together hereinafter referred to as the “Unaudited Condensed Consolidated Interim Financial Statement”). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company.

Responsibilities of Management for the Unaudited Condensed Consolidated Interim Financial Statement

The Holding Company’s Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statement in accordance with the requirements of Indian Accounting Standard (Ind AS 34) “Interim Financial Reporting” specified under section 133 of the Companies Act, 2013 (the “Act”), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed Consolidated Interim Financial Statement that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Unaudited Condensed Consolidated Interim Financial Statement

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditors of the Entity”, issued by the Institute of Chartered Accountants of India. This standard require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited to primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited interim financial statements of the Company’s subsidiary, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statement are not prepared, in all material respects, in accordance with requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Shoppers Stop Limited

Review report on Condensed Consolidated Interim Financial Statements

Page 2 of 2

Emphasis of Matter

We draw attention to Note 11 of the Unaudited Condensed Consolidated Interim Financial Statement regarding non-provision of retrospective levy of service tax for the period from June 01, 2007 to March 31, 2010 on renting of immovable properties given for commercial use, aggregating to Rs. 20.11 crores pending final disposal of the appeal filed before the Supreme Court.

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

Other matters

1. The Unaudited Condensed Interim Financial Statement and other financial information, in respect of four subsidiaries, whose Ind AS Financial Statements include total assets of Rs. 2.78 crore as at September 30, 2019, total revenues of Rs. 1.15 crore and net cash outflows amounting to Rs. 0.30 crore for the six months period then ended, whose unaudited condensed interim financial information have not been reviewed and are considered in the preparation of the Unaudited Consolidated Condensed Interim Financial Statements based on their unaudited condensed interim financial information which are certified by the management. Our conclusion, in so far as it relates to the affairs of these subsidiaries, is based solely on its management accounts. According to the information and explanations given to us by the management, the financial results of these subsidiaries are not material to the Group. Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statement is not modified in respect of the above matter.
2. The comparative figures for the corresponding six months ended September 30, 2018, as reported in these Unaudited Condensed Consolidated Interim Financial Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statement is not modified in respect of the above matters.

Other matters - restriction of use

The accompanying Unaudited Condensed Consolidated Interim Financial Statement have been prepared in connection with the proposed rights issue of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number 324982E/E300003

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per Vijay Maniar

Partner

Membership no.: 36738

UDIN.: 20036738AAAAFN3476

Mumbai, October 30, 2020

	Notes	As at 30 September 2019	As at 31 March 2019
Assets			
Non-current assets			
Property, Plant and Equipment	3	541.60	544.53
Capital work in progress	3A	28.74	30.56
Goodwill on consolidation	3	9.65	9.65
Other Intangible Assets	3	58.39	60.52
Intangible assets under development	3A	11.18	4.53
Right of use Assets		1,146.09	-
Financial Assets			
i) Investments	4	181.58	215.90
ii) Other Financial Assets		102.96	71.42
Deferred tax assets (net)	5	292.92	32.00
Other non-current assets		81.10	97.80
Total non-current assets		2,454.21	1,066.91
Current assets			
Inventories		1,151.83	1,071.93
Financial assets			
i) Investments	4	45.50	42.45
ii) Trade Receivables		37.23	47.24
iii) Cash and cash equivalents		12.43	17.14
iv) Bank balances other than (iii) above		0.31	0.31
v) Other financial assets		42.92	64.24
Other current assets		194.01	165.37
Total current assets		1,484.23	1,408.68
Total assets		3,938.43	2,475.59
Equity and Liabilities			
Equity			
Equity share capital		44.00	44.00
Other equity		297.96	870.70
Equity attributable to owners of the Company		341.96	914.70
Total Equity		341.96	914.70
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	6	1.12	2.02
ii) Lease liability		1,677.41	-
iii) Other non current liabilities		0.61	0.61
Provisions		-	0.10
Total non-current liabilities		1,679.14	2.73
Current liabilities			
Financial liabilities			
i) Borrowings	6.3	31.04	30.23
ii) Lease Liability		209.12	-
iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small Enterprises		14.16	5.91
(b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		1,398.97	1,271.19
iv) Other financial liabilities		81.94	80.37
Provisions		9.02	9.65
Other current liabilities		173.08	160.81
Total current liabilities		1,917.33	1,558.16
Total liabilities		3,596.47	1,560.89
Total equity and liabilities		3,938.43	2,475.59

Summary of significant accounting policies 2

The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

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

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Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

For and on Behalf of the Board of Directors

Nagesh Satyanarayanan
Basavanhalli
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Basavanhalli
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B.S.Nagesh
Chairman
(DIN:00027595)

Karunakarn Mohanasundaram
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Karunakarn M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

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Neel Raheja
Director
(DIN : 00029010)

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

	Notes	For the Half Year ended 30 September 2019	For the Half Year ended 30 September 2018
A) Continuing operations			
Income			
Revenue from contracts with customers	7	1,720.50	1,740.41
Other income		20.32	9.83
Total Income		1,740.82	1,750.24
Expenses			
Purchase of stock-in-trade		1,073.69	1,727.66
Changes in Inventories of stock-in-trade - (increase)		(80.97)	(702.50)
Employee benefits expense		172.02	158.48
Finance costs		97.10	6.18
Depreciation and amortisation expenses		180.84	62.99
Other expenses		279.61	465.23
Total expenses		1,722.29	1,718.04
Profit before tax		18.53	32.20
Current tax	8	10.83	16.44
Deferred tax	5	15.99	(1.35)
Income tax expenses		26.82	15.09
Profit / (Loss) for the period from continuing operations		(8.29)	17.11
B) Discontinued operations			
Profit / (Loss) from discontinued operations		0.01	(0.00)
Profit / (Loss) for the period from discontinued operations		0.01	(0.00)
C) Profit / (Loss) for the period (A) + (B)		(8.28)	17.11
D) Other comprehensive income			
Items that will not be reclassified to profit or loss :			
i) Remeasurement of employee defined benefit obligation		(1.14)	(1.46)
Income tax relating to (i) above	8	0.27	0.42
ii) Changes in fair value of equity instruments		(34.32)	(40.67)
Income tax relating to (ii) above	8.1	-	-
Other comprehensive income / (Loss) for the period [D]		(35.19)	(41.71)
Total comprehensive income / (Loss) for the period [C] + [D]		(43.47)	(24.60)
Profit / (loss) for the period attributable to:			
- Owners of the Company		(8.28)	17.11
- Non-controlling interests		-	-
Other comprehensive income for the period attributable to :			
- Owners of the Company		(35.19)	(41.71)
- Non-controlling interests		-	-
Total comprehensive income for the period attributable to :			
- Owners of the Company		(43.47)	(24.60)
- Non-controlling interests		-	-
Earning per equity share (for continuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(0.94)	1.92
Diluted (Rs.)	9	(0.94)	1.92
Earning per equity share (for discontinued operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	0.00	(0.00)
Diluted (Rs.)	9	0.00	(0.00)
Earning per equity share (for continuing and discontinuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(0.94)	1.92
Diluted (Rs.)	9	(0.94)	1.92

Summary of significant accounting policies 2

The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

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

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Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

For and on Behalf of the Board of Directors

Nagesh Satyanarayan Basavanhalli
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B.S.Nagesh
Chairman
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Karunakarn M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

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

	For the Half Year ended 30 September 2019	For the Half Year ended 30 September 2018
Cash flows from operating activities		
Net profit (loss) before tax	18.53	32.20
Loss before tax from discontinued operations	0.01	(0.00)
Net profit (loss) before tax	18.54	32.20
Adjustments to reconcile profit before tax to net cashflow :		
Depreciation, Amortisation	180.84	62.99
Allowance for doubtful debts/advances	0.52	0.29
Share based payment expenses	0.24	0.03
Interest and finance charges	97.10	6.18
Loss on disposal of property, plant and equipment	0.37	0.30
Refundable deposit considered in measurement of minimum lease payments	-	3.02
Gain on account of remeasurement in lease term	(12.78)	-
Interest (time value) recognised on interest free lease deposit	(5.67)	(2.39)
Interest income	(0.02)	(3.62)
Operating Profit before working capital changes	279.14	99.00
Adjustments for :		
(Increase) / Decrease in inventories	(79.90)	(702.50)
(Increase) / Decrease in trade receivables	10.01	(6.67)
(Increase) / Decrease in other financial assets and other non current assets	(36.94)	15.17
(Increase) / Decrease in Lease deposits	(11.68)	(2.68)
Increase / (Decrease) in Short term provisions	(1.53)	(2.45)
Increase / (Decrease) in Trade payables, other financial liabilities and other current liabilities	172.28	732.71
Cash generated from operations	331.38	132.58
Income taxes paid (net of refunds)	(33.26)	(18.49)
Net cash from operating activities (A)	298.12	114.09
Cash flow from investing activities		
Purchase of property, plant and equipment	(83.92)	(62.28)
Proceeds from disposal of property, plant and equipment	0.62	0.19
Purchases of investments in mutual funds	(457.39)	(298.17)
Proceeds from sale of investments in mutual funds	454.34	259.07
Interest received	0.02	3.63
Net cash used in investing activities (B)	(86.33)	(97.56)
Cash flows from financing activities		
Proceeds from Issue of share capital	-	0.01
Securities premium on issue of share capital	-	1.04
Dividend and dividend distribution tax	(7.96)	(7.96)
Repayment of actual lease rentals	(182.55)	-
Repayment of long-term borrowings	(21.32)	(21.10)
Finance costs paid	(4.59)	(6.18)
Net cash used in financing activities (C)	(216.42)	(34.19)
Net (Decrease) / Increase in cash and cash equivalents (A) + (B) + (C)	(4.63)	(17.66)
Cash and cash equivalents as at beginning of the year	10.60	(10.98)
Cash and cash equivalents as at the end of the period	5.97	(28.64)
	(4.63)	(17.66)
Note (i)		
Components of cash and cash equivalents		
Cash and Cash Equivalents as at 30 September	12.43	9.95
Add : Bank Overdraft / Cash Credit	(6.46)	(38.59)
Cash and Cash Equivalent as reported above	5.97	(28.64)

Summary of significant accounting policies

Note 2

The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

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

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Vijay Maniar
Partner
Mumbai: 30 October 2020

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Karunakarn M
Customer Care Associate &
Chief Financial Officer
Mumbai: 30 October 2020

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

Shoppers Stop Limited

Notes to the Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019

1. General Background

Shoppers Stop Limited ('SSL' or 'the Holding Company') is a Company limited by shares and is domiciled in India. The Company was incorporated on 16 June 1997. The Company is engaged in the business of retailing a variety of household and consumer products through departmental stores.

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

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

These Unaudited Consolidated Condensed Interim Financial Statements prepared in connection with the proposed raising of funds by issue of equity shares, through a right issue which has been approved by the board of directors at its meeting held on 16 October 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with the requirements of Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34), prescribed under the Section 133 of the Companies Act 2013, other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable to the Unaudited Consolidated Condensed Interim Financial Statements.

2.2 Basis of preparation and presentation.

These Unaudited Consolidated Condensed Interim Financial Statements which comprise the Unaudited Consolidated Condensed Interim Balance Sheet as at 30 September 2019, Unaudited Consolidated Condensed Interim Statement of Profit and Loss, the Unaudited Consolidated Condensed Interim Statement of changes in equity and the Unaudited Consolidated Condensed Interim Statement of Cash flows for the half year ended 30

September 2019 , and other explanatory information (together hereinafter referred to as “Unaudited Consolidated Condensed Interim Financial Statements” or “financial statements”).

The consolidated figures for the corresponding six months period ended 30 September 2018, as reported in these Unaudited Consolidated Condensed Interim Financial Statements have been approved by Group’s Board of Directors, but have not been subjected to review.

The aforesaid Unaudited Consolidated Condensed Interim financial statements include the financial statements of the Holding Company and its subsidiaries (together referred to as ‘the Group’) which have been prepared in connection with the proposed rights issue of equity shares of the Group.

These Unaudited Consolidated Interim Financial statements have been prepared on historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period. The Unaudited Consolidated Condensed Interim Financial Statement are presented in Indian Rupees (Rs.) and all values are rounded to the nearest crores, except where otherwise indicated.

Accounting policies, Basis of consolidation and methods of computation followed in the Unaudited Consolidated Condensed Interim Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2019.

2.3 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements except for arrangement on sale or return basis where Company is acting as an agent and hence net margin is recorded.

Retail Sale of Products:

Revenue from retail sales is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts, rebates, Goods, and Service Tax (GST).

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

Point award schemes: The fair value of the consideration received or receivable on sale of goods that result in award credits for customers, under the Company’s point award schemes, is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value from the standpoint of the holder and is recognised as revenue when the award credits are redeemed.

Other retail operating revenue:

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors’ advertisements are promoted / displayed.

Facility management fees are recognised pro-rata over the period of the contract.

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

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

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

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

2.4 Impairment losses

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

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

2.5 Implementation of Ind AS 116

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

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

Where the Group is the lessee:

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

Right of use assets:

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

The right of use assets are also subject to impairment.

Lease liabilities:

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

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases 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 Group is the Lessor:

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

2.6 Taxation

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

2.6.1 Current tax

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

The Group elected to exercise the option permitted u/s.115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance,2019. According the Group has recognised provision for Income tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised during the half year ended 30 September 2019.

2.6.2 Deferred tax

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

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

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

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

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

2.7 Property, plant and equipment and Intangible Assets

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

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets. Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

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

2A Summary of key estimates, judgements and assumption

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affect current and future period.

The area where estimates are significant to the Unaudited Consolidated Condensed Interim Financial Statements or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31 March 2019.

a. Equity share capital

Particulars	As at 30 September 2019		As at 30 Sept 2018	
	No. of shares	(Rs. in Crores)	No. of shares	(Rs. in Crores)
Authorised Share Capital				
Equity shares of Rs.5/- each	20,00,00,000	100.00	20,00,00,000	100.00
Issued, Subscribed and Fully paid up shares				
Balance as on 1 April	8,79,89,928	44.00	8,79,60,689	43.99
Issue of equity shares under employee share option plan	-	-	29,239	0.01
Balance as on 30 September	8,79,89,928	44.00	8,79,89,928	44.00

b. Other equity

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2019	655.44	23.29	191.76	0.21	870.70	870.70
Profit / (Loss) for the period	-	-	(8.28)	-	(8.28)	(8.28)
Other comprehensive loss for the period, net of income tax	-	-	(35.19)	-	(35.19)	(35.19)
Total comprehensive income for the year	-	-	(43.47)	-	(43.47)	(43.47)
Recognition of share-based payments *	-	-	-	0.04	0.04	0.04
IND-AS 116 adjustments #	-	-	(521.56)	-	(521.56)	(521.56)
Arising on employee stock option scheme	-	-	-	0.21	0.21	0.21
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Balance as on 30 September 2019	655.44	23.29	(381.23)	0.46	297.96	297.96

* after transfers to retained earnings for options lapsed/exercised.

IND-AS 116 transitional impact Rs.523.09 Crores and reversal of straightling rental provision of earlier year Rs.1.53 Crores (net of deferred tax) (Refer note 16)

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2018	654.40	23.29	182.15	0.62	860.46	860.46
Profit / (Loss) for the year	-	-	17.11	-	17.11	17.11
Other comprehensive loss for the period, net of income tax	-	-	(41.71)	-	(41.71)	(41.71)
Total comprehensive income for the year	-	-	(24.60)	-	(24.60)	(24.60)
Recognition of share-based payments *	-	-	0.62	(0.62)	-	-
Arising on employee stock option scheme	1.04	-	-	0.05	1.09	1.09
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Balance as on 30 September 2018	655.44	23.29	150.22	0.05	828.99	828.99

* after transfers to retained earnings for options lapsed/exercised.

@ Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Subsequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

Summary of significant accounting policies (Note 2)

The accompanying Notes 1 to 20 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For 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
Digitally signed by Vijay Maniar
DN: cn=Vijay Maniar,
email=Vijay.Maniar@srb.in
Date: 2020.10.30 19:37:29
+05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

Nagesh Satyanarayan
Basavanhalli
Basavanhalli
Digitally signed by Nagesh Satyanarayan
Date: 2020.10.30
15:36:44 +05'30'

B.S.Nagesh
Chairman
(DIN:00027595)

Karunakaran Mohanasundaram
Digitally signed by Karunakaran Mohanasundaram
Date: 2020.10.30
15:55:57 +05'30'

Karunakarn M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

NEEL CHANDRU RAHEJA
Digitally signed by NEEL CHANDRU RAHEJA
Date: 2020.10.30 16:26:27
+05'30'

Neel Raheja
Director
DIN : 00029010)

Bharat Kanaklall Sanghavi
Digitally signed by Bharat Kanaklall Sanghavi
Date: 2020.10.30
16:00:47 +05'30'

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

3 Property, Plant and Equipment and Intangible Assets

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2018	233.06	232.02	226.28	14.78	56.03	0.22	762.39	1.34	104.96	9.65	115.95
Additions	18.26	16.31	18.62	2.04	11.57	0.57	67.37	0.05	15.86	-	15.91
Reclassification	1.35	0.06	(1.25)	0.49	(0.56)	-	0.09	(0.00)	(0.09)	-	(0.09)
Disposal	(2.68)	(9.90)	(4.79)	(0.05)	(3.14)	-	(20.56)	-	-	-	-
As at 31 March 2019	250.00	238.49	238.87	17.26	63.87	0.79	809.28	1.39	120.73	9.65	131.77
Additions (Refer note iii)	20.15	16.11	23.40	3.77	6.08	-	69.51	-	9.70	-	9.70
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Disposal	(8.09)	(6.94)	(4.60)	(0.19)	(1.13)	(0.66)	(21.61)	-	-	-	-
As at 30 September 2019	262.06	247.66	257.67	20.84	68.82	0.13	857.18	1.39	130.43	9.65	141.47
Accumulated Depreciation											
As at 1 April 2018	(37.12)	(34.88)	(65.78)	(6.32)	(18.70)	0.21	(162.59)	(0.67)	(42.46)	-	(43.13)
Depreciation and amortisation expense for the year (Refer note ii)	(31.02)	(39.53)	(34.67)	(3.06)	(13.48)	(0.37)	(122.13)	(0.72)	(17.75)	-	(18.47)
Disposal	2.62	9.73	4.44	0.05	3.13	-	19.97	-	-	-	-
As at 31 March 2019	(65.52)	(64.68)	(96.01)	(9.33)	(29.05)	(0.16)	(264.74)	(1.39)	(60.21)	-	(61.60)
Depreciation and amortisation expense for the year (Refer note ii)	(24.44)	(21.09)	(18.15)	(1.82)	(6.42)	(0.04)	(71.96)	-	(11.82)	-	(11.82)
Disposal	7.91	6.73	4.42	0.17	1.61	0.30	21.12	-	(0.00)	-	(0.00)
As at 30 September 2019	(82.05)	(79.04)	(109.74)	(10.98)	(33.86)	0.10	(315.58)	(1.39)	(72.04)	-	(73.43)
Net Book Value											
As at 31 March 2019	184.49	173.81	142.86	7.94	34.82	0.64	544.53	-	60.52	9.65	70.17
As at 30 September 2019	180.01	168.62	147.93	9.86	34.95	0.23	541.60	-	58.39	9.65	68.04

Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2018

Property, Plant and Equipment and Intangible Assets

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2018	233.06	232.02	226.28	14.78	56.03	0.22	762.39	1.34	104.96	9.65	115.95
Additions	13.89	10.57	11.24	(0.52)	8.39	0.57	44.13	-	2.55	-	2.55
Disposal	(2.32)	(4.94)	(1.35)	(0.03)	(1.42)	-	(10.07)	-	-	-	-
As at 30 September 2018	244.62	237.65	236.16	14.23	63.00	0.79	796.45	1.34	107.51	9.65	118.50
Accumulated Depreciation											
As at 1 April 2018	(37.12)	(34.88)	(65.78)	(6.32)	(18.70)	0.21	(162.58)	(0.67)	(42.46)	-	(43.13)
Depreciation and amortisation expense for the year (Refer note ii)	(10.38)	(17.52)	(16.28)	(1.47)	(6.56)	(0.08)	(52.29)	(0.67)	(10.03)	-	(10.69)
Disposal	2.04	4.54	0.75	(0.00)	1.17	-	8.50	-	-	-	-
As at 30 September 2018	(45.46)	(47.86)	(81.32)	(7.79)	(24.08)	0.13	(206.38)	(1.34)	(52.49)	-	(53.83)
Net Book Value											
As at 1 April 2018	195.94	197.15	160.50	8.46	37.34	0.43	599.82	0.67	62.50	9.65	72.82
As at 30 September 2018	199.16	189.80	154.85	6.44	38.92	0.92	590.08	0.00	55.02	9.65	64.68

Note :

i) Movable assets have been pledged to secure borrowings of the Company

ii) Depreciation for the half year includes accelerated amounts aggregating to Rs.9.87 Crores (For the year ended 31 March 2019: Rs.35.59 Crores and for the half year ended 30 September 2018 Rs.11.24 Crores) primarily in leasehold improvements and electrical installations on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises

iii) During the half year ended 30 September 2019, the Company has capitalised the following expenses to cost of Property, plant and equipment.

	For the half year ended 30 September'2019	For the year ended 31 March'2019	For the half year ended 30 September'2018
Employee Costs	3.30	10.57	2.71
Travelling	0.17	0.05	0.39
Consultancy	5.32	8.33	4.03
Miscellaneous expenditure	0.63	0.99	0.24
Total	9.42	19.94	7.37

SHOPPERS STOP LIMITED**Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019****(All amounts in Rs.Crores)**

3A Depreciation and amortisation expenses	As at 30 September 2019	As at 30 September 2018
Depreciation of tangible assets (Note 3)	71.96	52.29
Amortisation of intangible assets (Note 3)	11.82	10.69
Depreciation on right of use assets	97.06	-
	180.84	62.99

3A Capital work in progress and Intangible assets under development	As at 30 September 2019	As at 31 March 2019
Capital work in progress		
Opening	30.56	15.34
Additions	66.43	94.73
Capitalisation	(68.25)	(79.51)
	28.74	30.56
Intangible assets under development		
Opening	4.53	2.81
Additions	14.45	20.45
Capitalisation	(7.80)	(18.73)
	11.18	4.53

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019
(All amounts in Rs. Crores)

	As at 30 Sept 2019	As at 31 March 2019
4 Investments - Non current		
A (Unquoted at cost unless otherwise stated)		
i) Equity investments		
(At fair value through Profit and Loss)		
Stargaze Properties Private Limited 1,000 (2019: 1,000) equity shares of Rs. 10/- each Fully paid	0.00	0.00
Retailers Association of India 10,000 (2019:10,000) equity shares of Rs. 10/- each Fully paid	0.00	0.00
Aesthetic Realtors Private Limited 66 (2019 : 66) Equity Shares of Rs. 10/- each Fully Paid	-	-
Retailers Association's Skill Council of India 500 (2019 : 500) equity shares of Rs. 100/- each Fully paid	0.01	0.01
Total (A)	<u>0.01</u>	<u>0.01</u>
Aggregate amount of impairment value of unquoted investments	<u>0.00</u>	<u>0.00</u>
B Quoted (fair value through Other Comprehensive Income)		
Investments in equity instruments		
Future Retail Limited 47,56,823 (2019 : 47,56,823) equity shares of Rs.2/- each Fully paid up	255.44	255.44
Increase/(decrease) due to change in the fair value of investments	<u>(73.87)</u>	<u>(39.55)</u>
Total (B)	<u>181.57</u>	<u>215.89</u>
Total (A) + (B)	<u>181.58</u>	<u>215.90</u>
4 Investments - Current		
Unquoted (At fair value through Profit and Loss)		
Investments in mutual funds		
UTI Mutual Fund 28,553.92 (2019 : Nil) units in Liquid cash fund - Regular Growth Plan	9.00	-
Reliance Mutual Fund 13,046.300 (2019 : Nil) units in Liquid fund - Regular Growth Plan	6.12	-
Frankline India Liquid Fund 42,468.918 (2019 : Nil) units in Super IP - Growth Plan	12.25	-
Axis Mutual Fund 28,126.57 (2019 : Nil) units in Liquid fund - Direct Growth plan	6.00	-
Aditya Birla Sun Life Mutual Fund 3,92,309.965 (2019 : 85,980.263) units in Overnight fund - Regular Growth	12.13	8.82
Reliance Mutual Fund Nil (2019 :7,69,558.585) units in Overnight fund - Regular Growth	-	7.83
UTI Mutual Fund Nil (2019 :30,236.516) units in Overnight fund - Regular Growth	-	7.80
SBI Mutual Fund Nil (2019 : 2,85,33.169) units in Overnight fund - Regular Growth	-	8.75
Total (A)	<u>45.50</u>	<u>33.20</u>
Quoted (At fair value through Profit and Loss)		
HDFC Mutual Fund Nil (2019 : 3,29,05.349) units in Overnight fund - Regular Growth	-	9.25
Total (B)	<u>-</u>	<u>9.25</u>
Total (A) + (B)	<u>45.50</u>	<u>42.45</u>
Aggregate value of quoted investment	181.58	225.15
Aggregate value of unquoted investment	45.50	33.20
Aggregate amount of impairment in value of investments	0.00	0.00
Aggregate amount of Increase/(decrease) due to change in the fair value of investments	73.87	39.55

(All amounts in Rs. Crores)

5 Deferred tax assets / Liabilities (net)	As at	
	30 September 2019	31 March 2019
Deferred tax assets	292.92	32.00
	292.92	32.00

5.1 Deferred tax (liabilities)/assets in relation to:

	Balance Sheet		Statement of Profit and Loss	
	As at 30 September 2019	As at 31 March 2019	Half Year ended 30 September 2019	Year ended 31 March 2019
Deferred tax Liabilities				
Property, Plant and Equipment and Intangible Assets	-	-	-	(0.10)
Deferred tax Assets				
Property, Plant and Equipment and Intangible Assets	17.56	14.17	(3.40)	(14.17)
ROU Assets *	259.39	-	18.41	-
ROU Assets #	0.37	-	(0.37)	-
Impairment allowance (allowance for bad and doubtful debts)	3.27	4.42	1.15	(0.05)
Provision for expenses	4.26	4.24	(0.90)	(0.51)
Employee benefit expenses	3.65	4.04	0.39	(0.45)
Deferred Revenue on point reward schemes	-	-	-	0.64
Lease Deposits	2.10	2.14	0.04	(0.36)
Changes in fair value of equity instruments	-	-	-	0.72
Short Term Capital Loss	2.32	2.99	0.67	2.07
Net deferred tax assets / (liabilities)	292.92	32.00	15.99	(12.21)
* Deferred tax assets (DTA) created on difference between ROU Assets & lease liabilities as on 1 April 2019 (Refer note 16)	277.80	-	-	-
Deferred tax reversal on reserves created on IND-AS 116 Transition (Refer note 8.2)	(18.41)	-	18.41	-
	259.39	-	18.41	-
# DTA created on movement of ROU assets & lease liabilities during the half year 30 September 2019	0.37	-	(0.37)	-

Deferred tax (liabilities) / assets in relation to certain subsidiaries :

	Balance Sheet		Statement of Profit and Loss	
	As at 30 September 2019	As at 31 March 2019	Half Year ended 30 September 2019	Year ended 31 March 2019
Property, Plant and Equipment and Intangible Assets	2.99	2.47	(0.48)	(1.23)
Unused tax losses #	13.66	12.25	(1.41)	(8.66)
Employee benefit expenses & others	1.84	0.78	(1.06)	(0.24)
Deferred tax assets # #	18.49	15.50	(2.95)	(10.13)

To the extent of deferred tax liability on Property, plant and equipment & Intangible assets

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

SHOPPERS STOP LIMITED**Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019**
(All amounts in Rs.Crores)

	As at 30 Sept 2019	As at 31 March 2019
6 Borrowings		
Non-current		
Term loans (Secured) from banks	22.92	44.23
Less : Current maturities of long term debts	21.80	42.21
	<u>1.12</u>	<u>2.02</u>

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

Term loans availed by Crossword Bookstores Ltd. amounting to Rs.1.12 Crores (2019: 2.02 Crores) have corporate guarantees, joint and several, given by the Company.

Borrowings are carried at amortised cost.

6.2 Terms of the Facilities :-**Non Current Borrowings**

Name of the Bank	Rate of Interest	Repayment Schedule	As at 30 Sept 2019	As at 31 March 2019
IDBI Bank	9.30% (2019 : 9.45%)	10 equal quarterly installments from 09 December 2017.	20.00	40.00
Kotak Mahindra Bank	Nil (2019 : 10.75%)	12 equally quarterly Installments from 01 August 2016 to 31 May 2019	-	0.41
Kotak Mahindra Bank	10.20% (2019: 10.33%)	Repayable in 12 Equated quarterly Installments from February 2018 to November 2020	1.25	1.75
Kotak Mahindra Bank	10.45% (2019: 10.50%)	Repayable in 36 Equated quarterly Installments from November 2018 to October 2021.	1.67	2.07
Total Non-current borrowings			22.92	44.23

Current maturities of long-term borrowings

IDBI Bank	9.30% (2019 : 9.45%)	10 equal quarterly installments from 9 December 2017.	20.00	40.00
Kotak Mahindra Bank	Nil (2019 : 10.75%)	12 equal quarterly Installments from 1 August 2016 to 31 May 2019	-	0.41
Kotak Mahindra Bank	10.20% (2019: 10.33%)	Repayable in 12 equal quarterly Installments from February, 2018 to November 2020	1.00	1.00
Kotak Mahindra Bank	10.45% (2019: 10.50%)	Repayable in 36 equal quarterly Installments from November 2018 to October 2021.	0.80	0.80
Total Current borrowings			21.80	42.21

SHOPPERS STOP LIMITED**Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019**

(All amounts in Rs. Crores)

	As at 30 Sept 2019	As at 31 March 2019
6.3 Current		
From banks		
- Secured	9.02	8.21
From Others		
- Unsecured	22.02	22.02
	<u>31.04</u>	<u>30.23</u>

6.4 Loan repayable on demand viz. Cash credit, Working capital loans and Other loans viz. short term loans, are secured by a first pari passu charge on credit card/debit card receivables (Escrow account), current assets and all movable fixed assets of the Company both present and future and an exclusive lien on lease deposits except ICICI Bank loan which is secured by first pari passu charge on the current assets and all the movable fixed assets of the Company both present and future excluding leasehold rights, lease deposits and shoppers stop brands. Loans amounting to Rs.9.02 Crores (2019 : 8.21 Crores) are further secured by corporate guarantees, joint and several, given by the Company.

6.5 Terms of the Facilities :-

Name of the Bank	Rate of Interest	Repayment Schedule	30 Sept 2019	31 March 2019
Secured :				
Kotak Mahindra Bank Ltd. (Cash Credit)	10.30% (2019: 10.20%,)	On demand	9.02	8.21
			<u>9.02</u>	<u>8.21</u>
Unsecured :				
From other parties				
Hypercity Retail (India) Limited	10.75%(2019 : 10.75%)	On demand	22.02	22.02
			<u>22.02</u>	<u>22.02</u>

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2019

(All amounts in Rs. Crores)

	For the Half Year ended 30 September 2019	For the Half Year ended 30 September 2018
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7 Revenue from contracts with customers

Retail sale of merchandise	1,581.73	1,635.40
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Other Retail operating revenue

Net proceeds from SOR	82.80	51.86
Net income from concessionaire & consignment model	30.38	23.57
Facility management fees	11.75	12.55
Income from store displays and sponsorship	1.72	2.86
Gift Vouchers lapsed	6.62	8.45
Direct marketing	4.59	4.64
Income from franchisees	0.91	1.08
	138.78	105.01
	1,720.50	1,740.41

7.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of goods or service

Sale of goods (net of taxes)	1,581.73	1,635.40
Net proceeds from SOR	82.80	51.86
Net income from concessionaire & consignment model	30.38	23.57
Other operating income	25.60	29.58
Total Revenue from contracts with customers	1,720.50	1,740.41

India	1,720.50	1,740.41
Outside India	-	-

Timing of revenue recognition

Goods transferred at a point in time	1,694.90	1,710.83
Services transferred over time (Other operating income)	25.60	29.58
Total Revenue from contracts with customers	1,720.50	1,740.41

7.2 Contract balances

Trade receivables*	37.23	54.34
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*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	30 Sept 2019	30 Sept 2018
Revenue as per contracted price	2,431.38	2,310.08
Adjustments		
Loyalty points	(25.15)	(21.27)
Sales return	(111.47)	(104.59)
Discount	(574.26)	(443.81)
Revenue from contract with customers	1,720.50	1,740.41

8	Income tax expense recognised in profit or loss	For the half year ended 30 September 2019	For the half year ended 30 September 2018
	Current income tax :		
	Current income tax charge	10.83	16.44
	Total	10.83	16.44
	Deferred tax		
	In respect of current year	13.86	(1.35)
	Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (For the half year ended 30 September 2018 : 34.944%)	2.13	-
		15.99	(1.35)
	Income tax expense reported in the statement of profit and loss	26.82	15.09

OCI section - Deferred tax related to items recognised in OCI during in the year:

	For the half year ended 30 September 2019	For the half year ended 30 September 2018
i) Remeasurement of employee defined benefit obligation	(0.27)	(0.42)
Income tax charged to OCI	(0.27)	(0.42)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2019 and 30 September 2018 :

	For the half year ended 30 September 2019	For the half year ended 30 September 2018
Accounting Profit before income tax (before exceptional item)	18.54	32.20
Income tax expense calculated at 34.944% (2018 : 34.608%)	6.48	11.25
<u>Effect of expenses that are not deductible in determining taxable profit</u>		
Corporate social responsibility expenses	0.10	0.12
Interest disallowances u/s.14A	0.17	0.26
<u>Adjustments in respect of current income tax of previous year</u>		
Deferred tax written off on Service tax, FCC provisions and mark to market	-	1.51
Earlier year IT provision reversals	-	(0.76)
Tax Provision on S.T. Penalty AY0910	-	0.66
Deferred tax reversal on opening balance on account of change in income tax	2.13	-
<u>Others</u>		
Deferred tax reversal on reserves created on IND-AS 116 Transition	18.41	-
Others	(0.46)	2.05
Income tax expense recognised in profit or loss	26.82	15.09

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

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

Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (30 September 2018 : 34.944%)	2.13	-
Deferred tax reversal on reserves created on IND-AS 116 Transition	18.41	-

	As at 30 September 2019	As at 30 September 2018
9 EARNING PER EQUITY SHARE		
Calculated as follows:		
Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by weighed average number of equity shares outstanding during the period.		
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into		
The following reflects the income and share data used in the basic and diluted EPS computations :		
	As at 30 September 2019	As at 30 September 2018
(a) Profit / (Loss) attributable to equity share holders from continuing operations (Rs.in Lacs)	(8.29)	4.69
(b) Profit / (Loss) attributable to equity share holders from discontinued operations (Rs.in Lacs)	0.01	(0.01)
(c) Profit / (Loss) attributable to equity share holders (Rs.in Lacs)	(8.28)	4.68
(d) Weighted Number of equity shares outstanding during the period	8,79,89,928	8,79,87,765
(e) Weighted Number of equity shares outstanding during the period after adjustment for dilution	8,79,89,928	8,79,87,765
(f) Nominal value per share (Rs.)	5.00	5.00
(g) Earning per Share		
Continuing operations		
Basic (Rs.)	(0.94)	0.53
Diluted (Rs.)	(0.94)	0.53
Discontinued operations		
Basic (Rs.)	0.00	(0.00)
Diluted (Rs.)	0.00	(0.00)
Continuing and Discontinued operations		
Basic (Rs.)	(0.94)	0.53
Diluted (Rs.)	(0.94)	0.53
Weighted Average number of Equity shares for basic EPS	8,79,89,928	8,79,87,765
<u>Effect of dilution :</u>		
Share options	*	-
Weighted average number of Equity shares adjusted for the effect of dilution	8,79,89,928	8,79,87,765
*Note- Since average market price is less than exercise price effect becomes antidilutive.		
10 Contingent Liabilities and Commitments:	As at 30 September 2019	As at 31 March 2019
i) Contingent liabilities		
a) Claims against the Company not acknowledged as debts comprise of :		
Income tax claims disputed by the Company relating to disallowances aggregating *	113.58	112.20
In F.Y.17-18, The survey action was carried out by income tax authorities w.r.t.TDS for AY 17-18,AY18-19 and AY 12-13 post which order was passed directing the company to pay tax of Rs.44.08 crores for AY17-18 Rs.42.13 crores for A.Y 18-19 and Rs.23.41 crores for A.Y.12-13 on account of non deduction on contract manufacturing goods. The company has filed an appeal to higher authorities and deposited Rs.10.00 Crores under protest till 31 March'2019 and further Rs.50 Lacs has been paid till 30th September 2019.The company is confident of getting the same quashed hence no provision on the same has been made and disclosed under contingent liabilities.		
Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating		
- Service Tax other than on Rent #	11.20	11.20
- Service Tax on Rent (Refer note 11)	20.11	20.11
- VAT	0.01	0.01
- Custom Duty \$	0.47	0.47
# The Service tax authority has raised demand through SCN amounting to Rs. 3.45 Crores (Basis Duty of ST) towards business support services (concessionaire business model) for the period from May'2006 to May'2007. The final liability after considering the penalty and interest amounts to Rs.11.20 Crores (deposit paid under protest Rs. 3.45 Crores). The Company has filed an appeal and matter is still pending before Mumbai High Court.		
\$ Aggrieved with the decision of custom department for demanding the payment of SAD refund of Rs. 0.42 Crores the Company has filed an appeal before CESTAT. Further, the company has received demand order of Rs.0.05 Crores on account of misclassification of imported goods. Against the said order the Company has filed an appeal before CESTAT. Both these matters are pending with CESTAT.		
b) Others	0.25	0.25
c) Provident Fund		
2019 :There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February'2019. Pending clarity, the Company has made a provision on a prospective basis from 1st March 2019. Appropriate changes to provision would be made on receiving further clarity on the subject.	-	-
d) Bank Guarantees	2.07	6.00
Note: Future cash outflows in respect of (a) (b), and (c) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.		
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	41.91	37.70
b) Corporate guarantee given to banks jointly and severally :		
- Shoppers Stop Limited has given the corporate guarantee for loans taken by Crossword Bookstores Ltd. (2019 : Crossword Bookstores Ltd. Rs.2,340 Lacs)	23.40	23.40
11 Service Tax		
Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007, the Company has based on a legal advice, challenged the said levy and, inter-alia, its retrospective application. Pending the final disposal of the matter, which is presently before the Supreme Court, the Company continues not to provide for the retrospective levy aggregating to Rs.20.11 Crores out of the total demand of Rs.36.35 Crores for the period 1st June, 2007 to 31st March, 2010 which has paid under protest.		

12 Related party disclosures for the half year ended 30 September 2019

(a) Key Management Personnel	<p>Executive Director : Govind Shrikhande (upto June 30,2018) Rajiv Suri</p> <p>Non Executive Directors : Chandru L.Raheja (upto June 08,2018) Ravi Raheja Neel Raheja B.S.Nagesh Nitin Sanghavi Deepak Ghaisas Nirvik Singh Ameera Shah (w.e.f.June 08,2018) Abanti Sankaranarayanan (upto June 08,2018) Manish Chokhani Amisha Prabhu Robert Bready (w.e.f. July 27,2018) Rajiv Suri</p> <p>Chief Executive Officer : Rajiv Suri</p> <p>Chief Financial Officer : Karunakaran M (w.e.f. June 08,2018)</p> <p>Deputy Chief Financial Officer : Vijay Jain (From April 27, 2018 to June 08, 2018)</p> <p><u>Company Secretary</u> Holding Company (Shoppers Stop Limited) : Bharat Sanghavi</p> <p>Subsidiary Company (Crossword Bookstores Limited) : Valde Varghese (upto 5 May 2019) Mukti Pandya (w.e.f. July 30,2019)</p> <p>Business Head (Crossword Bookstores Limited) : Maulik Desai (upto 18 April 2019)</p>
(b) Directors	<p>Ravi Raheja</p> <p>Neel Raheja</p>
(c) Entities in which a director is a director	<p>Ivory Properties and Hotels Private Limited *</p> <p>Avacado Properties and Trading India Private Limited *</p> <p>Trion Properties Private Limited *</p> <p>Retailers Association of India</p> <p>K.Raheja Corp. Private Limited*</p> <p>Inorbit Malls (India) Private Limited*</p> <p>K.Raheja Private Limited*,</p> <p>Chalet Hotels Pvt Limited*</p> <p>Magna Warehousing & Distribution Private Limited*</p> <p>Juhu Beach Resorts Ltd.*,</p> <p>Genext Hardware and Parks Private Limited *</p>
(d) Entities in which other directors are directors / trustees	<p>Sanghavi Associates Ltd.,</p> <p>Trust for Retailers & Retailers Associates of India</p> <p>Trrain Circle Private Limited</p> <p>Trrain Foundation,</p> <p>JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt Ltd *</p>

Note 13 provides the information about the group's structure including the details of the subsidiaries. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period :

Nature	Entities in which a director is a director (refer (c) above)	Key Management Personnel	Total
Compensation to key management personnel			
Remuneration to managing director	-	-	-
(Mr.Govind Shrikhande was managing director upto 08 June 2018)	-	-	-
Short term benefits	-	-	-
Post employment benefits	-	-	-
Share based payments	-	-	-
		(5.06)	(5.06)
Remuneration to managing director & chief executive officer	-	2.40	2.40
(Mr.Rajiv Suri,chief executive officer was appointed as managing director & chief executive officer w.e.f. 08 June 2018)			
Short term benefits	-	2.28	-
Post employment benefits	-	0.06	-
Share based payments	-	0.06	-
		(2.02)	(2.02)
Remuneration to company secretary	-	0.29	0.29
Short term benefits	-	0.28	-
Post employment benefits	-	0.01	-
Share based payments	-	-	-
		(0.25)	(0.25)
Remuneration to chief financial officer	-	0.88	0.88
Short term benefits	-	0.83	-
Post employment benefits	-	0.03	-
Share based payments	-	0.02	-
		(0.40)	(0.40)
Remuneration to Deputy Chief Financial Officer	-	-	-
Short term benefits	-	-	-
Post employment benefits	-	-	-
Share based payments	-	-	-
		(0.17)	(0.17)

Remuneration to company secretary of Subsidiary Co	-	0.04	0.04
Short term benefits	-	0.04	-
Post employment benefits	-	-	-
Share based payments	-	-	-
	-	(0.09)	(0.09)
Remuneration to business head of Subsidiary Co	-	0.07	0.07
Short term benefits	-	0.07	-
Post employment benefits	-	-	-
Share based payments	-	-	-
	-	(0.22)	(0.22)
Other related party transactions			
Payment of Business conducting fees	-	-	-
Ivory Properties and Hotels Private Limited *	-	-	-
	(9.54)	-	(9.54)
Payment of Variable Lease rent \$	2.95	-	2.95
	(17.56)	-	(17.56)
Ivory Properties and Hotels Private Limited *	2.87	-	-
	(0.08)	-	-
Inorbit Malls (India) Private Limited *	0.03	-	-
	(11.88)	-	-
Chalet Hotels Ltd *	-	-	-
	(1.61)	-	-
Trion Properties Private Limited *	0.05	-	-
	(3.70)	-	-
Genext Hardware and Parks Private Limited *	-	-	-
	(0.29)	-	-
Repayment of lease liability (Principal) - IND-AS 116	9.86	-	9.86
	-	-	-
Ivory Properties and Hotels Private Limited *	4.53	-	-
	-	-	-
Inorbit Malls (India) Private Limited *	4.86	-	-
	-	-	-
Trion Properties Private Limited *	0.47	-	-
	-	-	-
Repayment of finance charges - IND-AS 116	14.33	-	14.33
	-	-	-
Ivory Properties and Hotels Private Limited *	1.79	-	-
	-	-	-
Inorbit Malls (India) Private Limited *	7.05	-	-
	-	-	-
Chalet Hotels Ltd *	1.96	-	-
	-	-	-
Trion Properties Private Limited *	3.53	-	-
	-	-	-
Payment of common area maintenance (Repair & Maintenance- Building)	5.88	-	5.88
	(5.20)	-	(5.20)
Ivory Properties and Hotels Private Limited *	0.16	-	-
	-	-	-
Inorbit Malls (India) Private Limited *	3.65	-	-
	(3.78)	-	-
Chalet Hotels Ltd *	0.64	-	-
	(0.18)	-	-
Trion Properties Private Limited *	1.43	-	-
	(1.24)	-	-
Reimbursement of Expenses	4.06	0.03	4.09
	(0.13)	(0.02)	(0.15)
Inorbit Malls (India) Private Limited *	2.80	-	-
	(0.06)	-	-
Trion Properties Private Limited *	0.76	-	-
	-	-	-
Chalet Hotels Ltd*	0.50	-	-
	-	-	-
Juhu Beach Resorts Limited *	-	-	-
	(0.03)	-	-
Trrain Foundation	-	-	-
	(0.04)	-	-
B.S.Nagesh	-	0.03	-
	-	(0.02)	-
Deposits Paid	0.18	-	0.18
	(0.23)	-	(0.23)
Inorbit Malls (India) Private Limited *	0.18	-	-
	-	-	-
Chalet Hotels Ltd*	-	-	-
	(0.23)	-	-
Advance Rent	0.20	-	0.20
	(0.10)	-	(0.10)
Inorbit Malls (India) Private Limited *	0.20	-	-
	-	-	-
Trion Properties Private Limited *	-	-	-
	(0.10)	-	-
Expenses paid	0.61	-	0.61
	(0.76)	-	(0.76)
<u>Miscellaneous expenses</u>			
Inorbit Malls (India) Private Limited *	-	-	-
	(0.10)	-	-
Juhu Beach Resorts Ltd.*	0.20	-	-
	-	-	-

Retailers Association of India	0.03	-	-
Trrain Circle Pvt Ltd *	(0.11)	-	-
	0.04	-	-
	-	-	-
<u>Legal and professional fees</u>		-	-
Chalet Hotels Ltd*	-	-	-
	(0.00)	-	-
	-	-	-
<u>Salaries & Wages (Recruitment expenses)</u>		-	-
Juhu Beach Resorts Ltd.*	0.04	-	-
	-	-	-
<u>Corporate Social Responsibility expenses</u>		-	-
CSR- Trust for Retailers & Retail Association of India	0.30	-	-
	(0.55)	-	-
Commission and Sitting fees to non executive Directors	-	0.27	0.27
	-	(0.29)	(0.29)
Ravi Raheja	-	0.04	-
Neel Raheja	-	0.03	-
B.S.Nagesh	-	0.02	-
Nitin Sanghavi	-	0.04	-
Deepak Ghaisas	-	0.03	-
Nirvik Singh	-	0.03	-
Manish Chokhani	-	0.02	-
Ameera Shah (appointed w.e.f. June 08,2018)	-	0.03	-
Robert Bready (appointed w.e.f. July 27,2018)	-	0.03	-

The figure in bracket pertain to half year ended 30 September 2018

\$ figures for half year ended 30 September 2018 includes variable plus Minimum Guarantee lease rent.

Balance outstanding at the end of the period / year	30 September 2019	31 March 2019
Lease liability as per Ind-AS 116		
Ivory Properties and Hotels Private Limited *	35.20	-
Inorbit Malls (India) Private Limited *	145.93	-
Chalet Hotels Ltd*	43.09	-
Trion Properties Private Limited*	74.36	-
Receivables		
Ivory Properties and Hotels Private Limited *	10.16	10.17
Inorbit Malls (India) Private Limited *	8.37	8.61
Trion Properties Private Limited *	2.86	2.87
Genext Hardware And Parks Pvt Ltd *	2.12	2.03

The Company has given corporate guarantee to banks for loans taken by subsidiaries - Refer Note 10 (ii)(b)

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the half year ended 30 September 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (30 September 2018: RS. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

13 SUBSIDIARIES

a) The subsidiaries (which alongwith SSL Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are :

Name of subsidiary	Principal activity	Place of incorporate and operation	Proportion of ownership interest and voting power held by the Group	
			30 September 2019	31 March 2019
Crossword Book Stores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees	India	100%	100%
Upasna Trading Limited	Supervising distribution and logistics operations (the Company is non-operational)	India	100%	100%
Shopper's Stop Services (India) Limited	The Company is non-operational	India	100%	100%
Shopper's Stop.Com (India) Limited	Retailing a variety of consumer products through online channel	India	100%	100%
Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations) (the Company is non-operational)	India	100%	100%

14. Financial Instruments

A. Capital risk management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders, and maintain a cost efficient capital structure and to keep the debt equity ratio below 1. The Group determines the amount of capital required for respective companies on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores, technology. The Group's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings. Majorly Group raise long term loan for its CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. The following table summarise the capital of the Group:

Capital	As at	As at
	30 September 2019	31 March 2019
	Rs. in Crores	Rs. in Crores
Long term borrowings (including current maturities)	21.80	42.21
Interest accrued and not due on borrowings	0.06	0.09
Short term borrowings	31.04	30.23
Total debt *	52.90	72.53
Equity share capital	44.00	44.00
Other equity	297.96	870.70
Total Equity	341.96	914.70
Debt to Total Equity Ratio	0.15 :1	0.08:1

* Excluding lease liability as per Ind-AS 116

B. Financial risk management

A wide range of risks may affect the Group's business and operational / financial performance. The risks that could have significant influence on the Group are market risk, credit risk and liquidity risk. The Board of Directors of respective Companies reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Group's operational and financial performance.

(a) Market risk:

Market Risk is the risk that changes in market place could affect the future cash flows to the Group. The market risk for the Group arises primarily from product price risk, interest rate risk and, to some extent, foreign currency risk.

Product price risk: In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases, which are not in line with the levels of customers' discretionary, spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Interest risk: The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Group's profit before tax by approximately Rs.0.02 crores (2019 Rs.0.15 crores).

Currency risk: The Group's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Group fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward foreign exchange contracts.

Equity Price risk: The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Report on the equity portfolio are submitted to the Group's senior management on a regular basis.

(b) Credit risk:

Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Group. The credit risk for the Group primarily arises from credit exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

Trade and other receivables: The Group's retail business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, the Group is not exposed to concentration risks.

(c) Liquidity Risk:

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Group's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 5 years	Carrying amounts
At 31 March 2019	Rs. in Crores	Rs. in Crores	Rs. in Crores
Borrowings (long term and short term)	72.44	2.02	74.47
Interest payable	0.09	-	0.09
Trade payables and other accruals	1,277.10	-	1,277.10
Other financial liabilities	38.06	-	38.06
At 30 September 2019			
Borrowings (long term and short term)	52.84	1.12	53.96
Interest payable	0.06	-	0.06
Lease liability	209.12	-	209.12
Trade payables and other accruals	1,413.13	-	1,413.13
Other financial liabilities	60.08	-	60.08

In respect of financial guarantee contracts, no amounts are recognised based on the results of the liability adequacy test for likely deficiency / defaults by the entities on whose behalf the Group has given guarantees, grounded on the Group's actual experience.

The Group has access to following financing facilities as at the end of reporting periods mentioned.

Particulars	As at	As at
	30 September 2019	31 March 2019
	Rs. in Crores	Rs. in Crores
Secured Working Capital Facilities		
Amount Used	7.34	7.78
Amount Unused	153.66	326.22
Total	161.00	334.00
Unsecured Working Capital Facilities		
Amount Used	-	-
Amount Unused	-	25.00
Total	-	25.00

C. Fair Value Measurements

(i) Financial assets and liabilities that are measured at amortised cost:

	As at	As at
	30 September 2019	31 March 2019
	Rs. in Crores	Rs. In Crores
Financial Assets (amortised cost):		
Trade receivables	37.23	47.24
Cash & Cash equivalents	12.43	17.14
Other bank balances	0.31	0.31
Other financial assets		
- Premises and other deposits	143.08	133.34
- Others	2.80	2.33
Total	195.84	200.35
Financial Liabilities (amortised cost):		
Borrowings - long term	1.12	2.02
Borrowings - short term	31.04	30.23
Trade payables	1,413.14	1,277.10
Other financial liabilities	81.94	80.37
Total	1,527.24	1,389.72

The fair values of the above financial assets and liabilities approximate their carrying amounts

- (ii) Financial assets and liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Financial assets / Financial liabilities	Fair value as at		Fair value hierarchy
	30 September 2019	31 March 2019	
Fair Value through Profit and Loss			
Investment in Mutual Funds	Assets Rs 45.50 Crores	Assets Rs.42.45 Crores	Level 2
Fair Value through OCI			
Investment in Future Retail Limited	Assets Rs.181.57 Crores	Assets Rs 215.89 Crores	Level 1

Valuation technique and key input used: Fair value is determined using discounted future cash flows which are estimated at the end of the reporting period, discounted at a rate that reflects the credit risk of the Group.

The fair values of the quoted instruments (Investment in Mutual funds and Future Retail Limited) are based on the price quotations at the reporting date.

(All amounts in Rs. Crores, unless otherwise stated)

15 Revenue from contracts with customers

The Group has applied IND AS 115 for the first time with effect from 1st April, 2018. IND AS 115 supersedes IND AS 18 Revenues and it applies, with limited exceptions to all revenues arising from contracts with customers. IND AS 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IND AS 115 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 Group adopted IND AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018 and there are no adjustments required to the retained earnings as at 1 April, 2018.

Due to the application of Ind-AS 115, consolidated revenue from contracts with customers for the half year ended September 30, 2019 is lower by Rs.227.16 Crores (2018 : Rs.150.92 Crores) and other retail operating revenue is higher by Rs.82.80 Crores (2018 : Rs.51.86 Crores) resulting into lower revenue from operations and cost of goods sold by Rs.144.36 Crores (2018 : Rs.99.06 Crores) on account of impact of sales or return (SOR) basis arrangements as company is agent. However, this does not have any impact on profits/(loss) for half year ended September 31 2019 and the year ended March 31, 2019.

16 Ind AS 116 Leases

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

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance

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

The Group had total cash outflows for leases of Rs. 182.55 Crores for the half year ended 30 September 2019.

Reconciliation for the above effect on statement of profit and loss for the half year ended 30 September, 2019 as follows :

(Rs.in Crores)			
Adjustment to increase / (decrease) in net profit	Half Year ended 30 September 2019 comparable basis	Change due to IND AS 116 increase / (decrease)	Half Year ended 30 September 2019 as reported
Purchase of stock-in-trade	1,077.45	(3.76)	1,073.69
Lease rent and hire charges	200.14	(172.47)	27.67
Other expenses	258.25	(6.32)	251.93
Finance costs	4.56	92.54	97.10
Depreciation and amortisation expenses	90.32	90.53	180.84
Profit before tax	19.05	(0.51)	18.53

17 Impact of Tax Ordinance

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance ,2019. Accordingly, the Company has recognised Provision for Income Tax for the half year ended 30 September 2019 and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised proportionately in the statement of Profit & Loss for the half year ended 30 September '2019.

18 Events after the reporting period

The Group has evaluated subsequent events from the balance sheet and determine that there are no material items to disclose other than those disclosed above.

19 The retail industry had been adversely impacted due to COVID-19. With easing of lockdown restrictions, the company's performance has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Company believes that there is no impact on the financial statements as of 30 September 2019 on account of this pandemic, however it has impacted from March 2020. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimize the impact of this unprecedented situation.

20 Amount appearing as zero "0.00" in financials are below the rounding off norm adopted by the Company.

In terms of our report of even date

For and on Behalf of the Board of Directors

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

B.S.Nagesh
Chairman
(DIN:00027595)

Neel Raheja
Director
(DIN : 00029010)

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Vijay Maniar
Partner
Membership No.36738

Karunakaran M
Customer Care Associate &
Chief Financial Officer

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

Mumbai: 30 October 2020

Mumbai: 30 October 2020

Report on review of Unaudited Condensed Consolidated Interim Financial Statement

To the Board of Directors of Shoppers Stop Limited

We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of Shoppers Stop Limited (“the Company/Holding Company”) its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at September 30, 2020, and the Unaudited Condensed Consolidated Interim Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Consolidated Interim Cash Flow Statement and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the six-month period then ended and a summary of select explanatory notes (together hereinafter referred to as the “Unaudited Condensed Consolidated Interim Financial Statement”). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company.

Responsibilities of Management for the Unaudited Condensed Consolidated Interim Financial Statement

The Holding Company’s Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statement in accordance with the requirements of Indian Accounting Standard (Ind AS 34) “Interim Financial Reporting” specified under section 133 of the Companies Act, 2013 (the “Act”), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed Consolidated Interim Financial Statement that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Unaudited Condensed Consolidated Interim Financial Statement

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditors of the Entity”, issued by the Institute of Chartered Accountants of India. This standard require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited to primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited interim financial statements of the Company’s subsidiary, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statement are not prepared, in all material respects, in accordance with requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Shoppers Stop Limited

Review report on Condensed Consolidated Interim Financial Statements

Page 2 of 2

Emphasis of Matter

1. We draw attention to Note 17 of the Unaudited Condensed Consolidated Interim Financial Statement which describes management's assessment of the impact of the COVID 19 pandemic on the operations and financial results of the Company.
2. We draw attention to Note 11(ii) of the Unaudited Condensed Consolidated Interim Financial Statement regarding non-provision of retrospective levy of service tax for the period from June 01, 2007 to March 31, 2010 on renting of immovable properties given for commercial use, aggregating to Rs. 20.11 crores pending final disposal of the appeal filed before the Supreme Court.

Our conclusion is not modified in respect of the above matters.

Other matters

The Unaudited Condensed Interim Financial Statement and other financial information, in respect of three subsidiaries, whose Ind AS Financial Statements include total assets of Rs.1.96 crore as at September 30, 2020, total revenues of Rs. Nil and net cash outflows amounting to Rs. * crore for the six months period then ended, whose unaudited condensed interim financial information have not been reviewed and are considered in the preparation of the Unaudited Consolidated Condensed Interim Financial Statements based on their unaudited condensed interim financial information which are certified by the management. Our conclusion, in so far as it relates to the affairs of these subsidiaries, is based solely on its management accounts. According to the information and explanations given to us by the management, the financial results of these subsidiaries are not material to the Group. Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statement is not modified in respect of the above matter.

[* amount below Rs 1 lakh]

Other matters - restriction of use

The accompanying Unaudited Condensed Consolidated Interim Financial Statement have been prepared in connection with the proposed rights issue of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number 324982E/E300003

**Vijay
Maniar**

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per Vijay Maniar

Partner

Membership no.: 36738

UDIN.:20036738AAAFM7932

Mumbai, October 30, 2020

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2020

(All amounts in Rs. Crores)

	Notes	As at 30 September 2020	As at 31 March 2020
Assets			
Non-current assets			
Property, Plant and Equipement	3	446.91	506.44
Capital work in progress	3A	29.00	10.19
Other Intangible Assets	3	85.35	52.06
Intangible assets under development	3A	1.43	34.23
Right of use Assets		1,280.22	1,342.22
Financial Assets			
i) Investments	4	0.01	36.47
ii) Other Financial Assets		79.35	79.66
Deferred tax assets (net)	5	336.58	264.08
Other non-current assets		67.76	81.10
Total non-current assets		2,326.61	2,406.45
Current assets			
Inventories		1,053.93	1,239.20
Financial assets			
i) Investments	4	70.60	154.04
ii) Trade Receivables		27.23	34.07
iii) Cash and cash equivalents		2.86	4.03
iv) Bank balances other than (iii) above		15.32	0.32
v) Other financial assets		75.68	73.98
Other current assets		192.11	168.76
Total current assets		1,437.73	1,674.40
Total assets		3,764.34	4,080.85
Equity and Liabilities			
Equity			
Equity share capital		44.00	44.00
Other equity		(172.11)	22.64
Equity attributable to owners of the Company		(128.11)	66.64
Non-current liabilities			
Financial liabilities			
i) Borrowings	6	133.48	0.22
ii) Lease liability		1,753.16	2,077.17
iii) Other non-current financial liabilities		0.66	0.64
Total non-current liabilities		1,887.30	2,078.03
Current liabilities			
Financial liabilities			
i) Borrowings	6.3	161.01	155.26
ii) Lease liability		227.36	12.21
iii) Trade payables due to :			
(a) Total outstanding dues of micro enterprises and small Enterprises		3.38	3.59
(b) Total outstanding dues of creditors other than micro enterprises and small Enterprises		1,412.66	1,518.28
iv) Other financial liabilities		62.68	70.64
Provisions		7.18	11.08
Other current liabilities		130.88	165.12
Total current liabilities		2,005.15	1,936.18
Total liabilities		3,892.45	4,014.21
Total equity and liabilities		3,764.34	4,080.85

Summary of significant accounting policies 2

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

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

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Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

For and on Behalf of the Board of Directors

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Customer Care Associates &
Chairman
(DIN:00027595)

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Mohanasundaram
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Karunakarn M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

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Director
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Customer Care Associate &
Company Secretary
Membership No.A13157

UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

(All amounts in Rs. Crores)

	Notes	For the Half Year ended 30 September 2020	For the Half Year ended 30 September 2019
A) Continuing operations			
Income			
Revenue from contracts with customers	7	352.53	1,720.50
Other income		169.52	20.32
Total Income		522.05	1,740.82
Expenses			
Purchase of stock-in-trade		52.00	1,073.69
Changes in Inventories of stock-in-trade		185.27	(80.97)
Employee benefits expense		133.82	172.02
Finance costs		117.53	97.10
Depreciation and amortisation expenses		198.47	180.84
Other expenses		125.26	279.61
Total expenses		812.35	1,722.29
Profit / (Loss) before tax		(290.30)	18.53
Current tax	8	-	10.83
Deferred tax	5	(72.35)	15.99
Income tax expenses		(72.35)	26.82
Profit / (Loss) for the period from continuing operations		(217.95)	(8.29)
B) Discontinued operations			
Profit / (Loss) from discontinued operations		(0.00)	0.01
Profit / (Loss) for the period from discontinued operations		(0.00)	0.01
C) Profit / (Loss) for the period (A) + (B)		(217.95)	(8.28)
D) Other comprehensive income			
Items that will not be reclassified to profit or loss :			
i) Remeasurement of employee defined benefit obligation		(0.62)	(1.14)
Income tax relating to (i) above	8	0.15	0.27
ii) Changes in fair value of equity instruments		23.19	(34.32)
Income tax relating to (ii) above	8.1	-	-
Other comprehensive income / (Loss) for the period [D]		22.72	(35.19)
Total comprehensive Income / (Loss) for the period [C] + [D]		(195.23)	(43.47)
Profit / (loss) for the period attributable to:			
- Owners of the Company		(217.95)	(8.28)
- Non-controlling interests		-	-
Other comprehensive income for the period attributable to :			
- Owners of the Company		22.72	(35.19)
- Non-controlling interests		-	-
Total comprehensive income for the period attributable to :			
- Owners of the Company		(195.23)	(43.47)
- Non-controlling interests		-	-
Earning per equity share (for continuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(24.77)	(0.94)
Diluted (Rs.)	9	(24.77)	(0.94)
Earning per equity share (for discontinued operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	-	(0.00)
Diluted (Rs.)	9	-	(0.00)
Earning per equity share (for continuing and discontinuing operations)			
Equity shares of face value Rs.5/- each (not annualised)			
Basic (Rs.)	9	(24.77)	(0.94)
Diluted (Rs.)	9	(24.77)	(0.94)

Summary of significant accounting policies 2

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

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

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Partner
Membership No.36738

Mumbai: 30 October 2020

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Customer Care Associate & Chief Financial Officer

Mumbai: 30 October 2020

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Director
(DIN : 00029010)

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

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798

UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

(All amounts in Rs. Crores)

	For the Half Year ended 30 September 2020	For the Half Year ended 30 September 2019
Cash flows from operating activities		
Net profit (loss) before tax	(290.30)	18.53
Profit / (Loss) before tax from discontinued operations	(0.00)	0.01
Net profit (loss) before tax	(290.30)	18.54
Adjustments to reconcile profit before tax to net cashflow :		
Depreciation, Amortisation	198.47	180.84
Allowance for doubtful debts/advances	0.61	0.52
Share based payment expenses	0.48	0.24
Interest and finance charges	117.53	97.10
Loss on disposal of property, plant and equipment	(0.05)	0.37
Loss on sale of investment in shares and mutual funds	0.43	-
Covid-19-Related Rent Concessions	(154.66)	-
Gain on account of remeasurement in lease term	(11.63)	(12.78)
Interest (time value) recognised on interest free lease deposit	(2.85)	(5.67)
Interest income	(0.30)	(0.02)
Operating Profit before working capital changes	(142.27)	279.14
Adjustments for :		
(Increase) / Decrease in inventories	185.27	(79.90)
(Increase) / Decrease in trade receivables	6.23	10.01
(Increase) / Decrease in other financial assets and other non current assets	(26.56)	(36.94)
(Increase) / Decrease in Lease deposits	4.70	(11.68)
Increase / (Decrease) in Short term provisions	(4.51)	(1.53)
Increase / (Decrease) in Trade payables, other financial liabilities and other current liabilities	(144.72)	172.28
Cash generated from operations	(121.86)	331.38
Income taxes paid (net of refunds)	(1.29)	(33.26)
Net cash from operating activities (A)	(123.15)	298.12
Cash flow from investing activities		
Purchase of property, plant and equipment	(50.19)	(83.92)
Proceeds from disposal of property, plant and equipment	0.05	0.62
Proceeds from sale of investment in Future Retail Ltd.	57.69	-
Investment in Fixed Deposit	(15.00)	-
Purchases of investments in mutual funds	(70.01)	(457.39)
Proceeds from sale of investments in mutual funds	155.00	454.34
Interest received	0.30	0.02
Net cash used in investing activities (B)	77.84	(86.33)
Cash flows from financing activities		
Dividend and dividend distribution tax	-	(7.96)
Repayment of lease liability	-	(182.55)
Repayment of long-term borrowings	151.39	(21.32)
Finance costs paid	(103.36)	(4.59)
Net cash used in financing activities (C)	48.03	(216.42)
Net (Decrease) / Increase in cash and cash equivalents (A) + (B) + (C)	2.72	(4.63)
Cash and cash equivalents as at beginning of the year	(160.88)	10.60
Cash and cash equivalents as at the end of the period	(158.16)	5.97
	2.72	(4.63)
Note (i)		
Components of cash and cash equivalents		
Cash and Cash Equivalents as at 30 September	2.86	12.43
Add : Bank Overdraft / Cash Credit	(161.02)	(6.46)
Cash and Cash Equivalent as reported above	(158.16)	5.97

Summary of significant accounting policies

Note 2

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

For S R B C & CO LLP
ICAI Firm Reg.No.324982E/E300003
Chartered Accountants
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Mumbai: 30 October 2020

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Mumbai: 30 October 2020

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Director
(DIN : 00029010)
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Bharat Sanghavi
Customer Care Associate & Company Secretary & Membership No.A13157

Shoppers Stop Limited

Notes to the Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

1. General Background

Shoppers Stop Limited ('SSL' or 'the Holding Company') is a Company limited by shares and is domiciled in India. The Company was incorporated on 16 June 1997. The Company is engaged in the business of retailing a variety of household and consumer products through departmental stores.

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

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

These Unaudited Consolidated Condensed Interim Financial Statements prepared in connection with the proposed raising of funds by issue of equity shares, through a right issue which has been approved by the board of directors at its meeting held on 16 October 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with the requirements of Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34), prescribed under the Section 133 of the Companies Act 2013, other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable to the Unaudited Consolidated Condensed Interim Financial Statements.

2.2 Basis of preparation and presentation.

These Unaudited Consolidated Condensed Interim Financial Statements which comprise the Unaudited Consolidated Condensed Interim Balance Sheet as at 30 September 2020, Unaudited Consolidated Condensed Interim Statement of Profit and Loss, the Unaudited Consolidated Condensed Interim Statement of changes in equity and the Unaudited Consolidated Condensed Interim Statement of Cash flows for the half year ended 30 September 2020, and other explanatory information (together hereinafter referred to as "Unaudited Consolidated Condensed Interim Financial Statements" or "financial statements").

The aforesaid Unaudited Consolidated Condensed Interim financial statements include the financial statements of the Holding Company and its subsidiaries (together referred to as "the Group") which have been prepared in connection with the proposed rights issue of equity shares of the Group.

These Unaudited Consolidated Interim Financial statements have been prepared on historical cost basis except for certain assets and liabilities that are measured at fair values at the end of each reporting period. The Unaudited Consolidated Condensed Interim Financial Statement are presented in Indian Rupees (Rs.) and all values are rounded to the nearest crores, except where otherwise indicated.

Accounting policies, Basis of consolidation and methods of computation followed in the Unaudited Consolidated Condensed Interim Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2020.

2.3 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements except for arrangement on sale or return basis where Company is acting as an agent and hence net margin is recorded.

Retail Sale of Products:

Revenue from retail sales is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts, rebates, Goods, and Service Tax (GST).

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

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

Other retail operating revenue:

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted / displayed.

Facility management fees are recognised pro-rata over the period of the contract.

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

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

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

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

2.4 Impairment losses

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

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

2.5 Implementation of Ind AS 116

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

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

Where the Group is the lessee:

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

Right of use assets:

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

The right of use assets are also subject to impairment.

Lease liabilities:

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

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases 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 Group is the Lessor:

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

2.6 Taxation

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

2.6.1 Current tax

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

The Group elected to exercise the option permitted u/s.115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. According to the Group has recognised provision for Income tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised in the half year ended September 30, 2019.

2.6.2 Deferred tax

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

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

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

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

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

2.7 Property, plant and equipment and Intangible Assets

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

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets. Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

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

Effective 1 Jan 2020, the Group has reviewed the estimated economic useful lives of all components within the broad category of Leasehold improvements between 5 to 12 years or lease term whichever is lower (For the half year ended 30 September 2019: 5 to 17 years or lease term whichever is lower) and Electrical Equipment's between 5 – 17 years or lease term whichever is lower (For the half year ended 30 September 2019 : 5 to 17 years or lease term whichever is lower) of its property, plant and equipment, based on the combination of evaluation conducted by an independent consultants and management estimate

2A Summary of key estimates, judgements and assumption

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affect current and future period.

The area where estimates are significant to the Unaudited Consolidated Condensed Interim Financial Statements or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31 March 2020.

SHOPPERS STOP LIMITED
CIN NO. L51900MH1997PLC108798
UNAUDITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

a. Equity share capital

Particulars	As at 30 September 2020		As at 30 September 2019	
	No. of shares	(Rs. in Crores)	No. of shares	(Rs. in Crores)
Authorised Share Capital				
Equity shares of Rs.5/- each	20,00,00,000	100.00	20,00,00,000	100.00
Issued, Subscribed and Fully paid up shares				
Balance as on 1 April	8,79,89,928	44.00	8,79,89,928	44.00
Issue of equity shares under employee share option plan	-	-	-	-
Balance as on 30 September	8,79,89,928	44.00	8,79,89,928	44.00

b. Other equity

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2020	655.44	23.29	(656.85)	0.76	22.64	22.64
Loss for the period	-	-	(217.95)	-	(217.95)	(217.95)
Other comprehensive loss for the period, net of income tax	-	-	22.72	-	22.72	22.72
Total comprehensive income for the period	-	-	(195.23)	-	(195.23)	(195.23)
Recognition of share-based payments *	-	-	-	0.48	0.48	0.48
Balance as on 30 September 2020	655.44	23.29	(852.08)	1.24	(172.11)	(172.11)

* after transfers to retained earnings for options lapsed/exercised.

(All amounts in Rs. Crores)

Particulars:	Securities Premium	General Reserve @	Retained earnings	Share Options Outstanding Account	Attributable to owners of Company	Total
Balance as on 31 March 2019	655.44	23.29	191.76	0.21	870.70	870.70
Profit for the period	-	-	(8.28)	-	(8.28)	(8.28)
Other comprehensive loss for the period, net of income tax	-	-	(35.19)	-	(35.19)	(35.19)
Total comprehensive income for the period	-	-	(43.47)	-	(43.47)	(43.47)
Recognition of share-based payments *	-	-	-	0.04	0.04	0.04
IND-AS 116 adjustments #	-	-	(521.56)	-	(521.56)	(521.56)
Arising on employee stock option scheme	-	-	-	0.21	0.21	0.21
Payment of dividends on equity shares	-	-	(6.60)	-	(6.60)	(6.60)
payments of tax on dividends on equity shares	-	-	(1.36)	-	(1.36)	(1.36)
Balance as on 30 September 2019	655.44	23.29	(381.23)	0.46	297.96	297.96

* after transfers to retained earnings for options lapsed/exercised.

IND-AS 116 transitional impact Rs.523.09 crs and reversal of straightling rental provision of earlier year Rs.1.53 crs (net of deferred tax) (Refer note 15)

@ Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

Summary of significant accounting policies

Note 2

The accompanying Notes 1 to 18 are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

In terms of our report of even date

For and on Behalf of the Board of Directors

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

Vijay Maniar
Digitally signed by Vijay Maniar
DN: cn=Vijay Maniar,
email=Vijay.Maniar@srb.in
Date: 2020.10.30 19:38:51
+05'30'

Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

Nagesh Satyanarayan
Basavanhalli
Digitally signed by Nagesh Satyanarayan
Basavanhalli
Date: 2020.10.30 15:31:54
+05'30'

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

Karunakaran Mohanasundaram
Digitally signed by Karunakaran Mohanasundaram
Date: 2020.10.30 15:11:45 +05'30'

Karunakaran M
Customer Care Associate & Chief Financial Officer

Mumbai: 30 October 2020

NEEL CHANDRU RAHEJA
Digitally signed by NEEL CHANDRU RAHEJA
Date: 2020.10.30 16:35:52 +05'30'

Neel Raheja
Director
(DIN : 00029010)

Bharat Kanaklal Sanghavi
Digitally signed by Bharat Kanaklal Sanghavi
Date: 2020.10.30 16:05:57 +05'30'

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

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

(All amounts in Rs.Crores)

3 Property, Plant and Equipment and Intangible Assets

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2019	249.99	238.49	238.86	17.26	63.89	0.79	809.28	1.39	120.73	9.65	131.77
Additions	54.76	44.54	65.64	6.95	10.00	0.15	182.04	0.81	10.15	-	10.96
Disposal	(12.79)	(11.97)	(8.48)	(0.22)	(3.13)	(0.66)	(37.25)	-	-	(9.65)	(9.65)
As at 31 March 2020	291.96	271.06	296.02	23.99	70.76	0.28	954.07	2.20	130.88	-	133.08
Additions (Refer note iii)	6.79	2.79	3.11	-	4.45	-	17.14	-	47.79	-	47.79
Disposal	(12.81)	(10.03)	(9.79)	(0.63)	(5.18)	-	(38.44)	-	(9.48)	-	(9.48)
As at 30 September 2020	285.94	263.82	289.34	23.36	70.03	0.28	932.77	2.20	169.19	-	171.39
Accumulated Depreciation											
As at 1 April 2019	(65.52)	(64.68)	(96.01)	(9.33)	(29.05)	(0.16)	(264.75)	(1.39)	(60.21)	-	(61.60)
Depreciation and amortisation expense for the year (Refer note ii)	(87.84)	(71.34)	(42.08)	(3.93)	(13.21)	(0.12)	(218.52)	(0.81)	(18.62)	-	(19.43)
Disposal	12.35	11.64	8.07	0.20	3.07	0.31	35.64	-	0.01	-	0.01
As at 31 March 2020	(141.01)	(124.38)	(130.02)	(13.06)	(39.19)	0.03	(447.63)	(2.20)	(78.82)	-	(81.02)
Depreciation and amortisation expense for the period (Refer note ii & iv)	(28.59)	(21.29)	(17.31)	(1.84)	(6.41)	(0.01)	(75.45)	-	(15.73)	-	(15.73)
Disposal	12.81	10.03	9.79	0.63	3.96	-	37.22	-	10.71	-	10.71
As at 30 September 2020	(156.79)	(135.64)	(137.54)	(14.27)	(41.64)	0.02	(485.86)	(2.20)	(83.84)	-	(86.04)
Net Book Value											
As at 30 September 2020	129.15	128.18	151.80	9.09	28.39	0.30	446.91	-	85.35	-	85.35
As at 31 March 2020	150.95	146.68	166.00	10.93	31.57	0.31	506.44	-	52.06	-	52.06

Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Goodwill	Total Intangible assets
Cost or deemed cost											
As at 1 April 2019	250.00	238.49	238.87	17.26	63.87	0.79	809.28	1.39	120.73	9.65	131.77
Additions (Refer note iii)	20.15	16.11	23.40	3.77	6.08	-	69.51	-	9.70	-	9.70
Disposal	(8.09)	(6.94)	(4.60)	(0.19)	(1.13)	(0.66)	(21.61)	-	-	-	-
As at 30 September 2019	262.06	247.66	257.67	20.84	68.82	0.13	857.18	1.39	130.43	9.65	141.47
Accumulated Depreciation											
As at 31 March 2019	(65.52)	(64.68)	(96.01)	(9.33)	(29.05)	(0.16)	(264.74)	(1.39)	(60.21)	-	(61.60)
Depreciation and amortisation expense for the period (Refer note ii)	(24.44)	(21.09)	(18.15)	(1.82)	(6.42)	(0.04)	(71.96)	-	(11.82)	-	(11.82)
Disposal	7.91	6.73	4.42	0.17	1.61	0.30	21.12	-	(0.00)	-	(0.00)
As at 30 September 2019	(82.05)	(79.04)	(109.74)	(10.98)	(33.87)	0.10	(315.58)	(1.39)	(72.04)	-	(73.43)
Net Book Value											
As at 30 September 2019	180.01	168.62	147.93	9.86	34.95	0.23	541.60	-	58.39	9.65	68.04
As at 31 March 2019	184.48	173.81	142.86	7.94	34.82	0.64	544.53	-	60.52	9.65	70.17

Note :

i) Movable assets have been pledged to secure borrowings of the Company

ii) Depreciation for the half year includes accelerated amounts aggregating to Rs.6.44 Crores (For the year ended 31 March 2020 Rs.54.63 Crores and for the half year ended 30 September 2019 Rs.9.87 Crores) primarily in case of Leasehold improvements, electrical installation and software on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises.

iii) During the half year ended 30 September, 2020, the Company has capitalised the following expenses to cost of Property, plant and equipment.

	For the half year ended 30 September 2020	For the year ended 31 March 2020	For the half year ended 30 September 2019
Employee Costs	8.55	10.57	3.30
Travelling	-	0.05	0.17
Consultancy	-	8.33	5.32
Miscellaneous expenditure	-	0.99	0.63
Total	8.55	19.95	9.42

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

SHOPPERS STOP LIMITED**Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020****(All amounts in Rs.Crores)**

3A Depreciation and amortisation expenses	As at 30 September 2020	As at 30 September 2019
Depreciation of tangible assets (Refer note 3)	75.45	71.96
Amortisation of intangible assets (Refer note 3)	15.73	11.82
Depreciation on right of use assets	107.29	97.06
	198.47	180.84

3A Capital work in progress and Intangible assets under development	As at 30 September 2020	As at 31 March 2020
Capital work in progress		
Opening	10.19	30.56
Additions	37.59	130.64
Capitalisation	(18.78)	(151.01)
	29.00	10.19
Intangible assets under development		
Opening	34.23	4.53
Additions	13.72	40.64
Capitalisation	(46.52)	(10.94)
	1.43	34.23

SHOPPERS STOP LIMITED

Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

(All amounts in Rs. Crores)

	As at 30 Sept 2020	As at 31 March 2020
4 Investments - Non current		
A (Unquoted at cost unless otherwise stated)		
i) Equity investments		
(At fair value through Profit and Loss)		
Stargaze Properties Private Limited 1,000 (2020: 1,000) equity shares of Rs. 10/- each Fully paid	0.00	0.00
Retailers Association of India 10,000 (2020:10,000) equity shares of Rs. 10/- each Fully paid	0.00	0.00
Aesthetic Realtors Private Limited 66 (2020 : 66) Equity Shares of Rs. 10/- each Fully Paid	-	-
Retailers Association's Skill Council of India 500 (2020 : 500) equity shares of Rs. 100/- each Fully paid	0.01	0.01
Total (A)	<u>0.01</u>	<u>0.01</u>
B Quoted (fair value through Other Comprehensive Income)		
Investments in equity instruments		
Future Retail Limited Nil (2020 : 46,30,115) equity shares of Rs.2/- each Fully paid	-	248.64
Less: Provision for diminution in the value of investment	-	(212.18)
Total (B)	<u>-</u>	<u>36.46</u>
Total (A) + (B)	<u>0.01</u>	<u>36.47</u>
4 Investments - Current		
Investments in mutual funds		
Unquoted (At fair value through Profit and Loss)		
Axis Mutual Fund 112,622.280 (2020 :Nil) units in Overnight fund - Regular Growth	12.06	-
Kotak Mutual Fund 111,499.779 (2020 :Nil) units in Overnight fund - Regular Growth	12.05	-
SBI Mutual Fund 61,727.422 (2020 :Nil) units in Overnight fund - Regular Growth	20.19	-
ICICI Prudential Mutual Fund 561,572.316 (2020 :Nil) units in Overnight fund - Regular Growth	6.13	-
SBI Mutual Fund Nil (2020 : 1,33,427.655) units in Overnight fund - Regular Growth	-	43.02
Axis Mutual Fund Nil (2020 : 3,22,382.475) units in Overnight fund - Regular Growth	-	34.00
Kotak Mutual Fund Nil (2020 : 3,19,283.894) units in Overnight fund - Regular Plan Growth	-	34.01
Total (A)	<u>50.43</u>	<u>111.03</u>
Quoted (At fair value through Profit and Loss)		
HDFC Mutual Fund 6,72,85.661 (2020 : 1,45,541.385) units in Overnight fund - Regular Growth	20.17	43.01
Total (B)	<u>20.17</u>	<u>43.01</u>
Total (A) + (B)	<u>70.60</u>	<u>154.04</u>
Aggregate value of quoted investment	20.17	79.47
Aggregate value of unquoted investment	50.44	111.04
Aggregate amount of impairment in value of investments	0.00	0.00
Aggregate amount of Increase/(decrease) due to change in the fair value of investments	-	(212.18)

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

(All amounts in Rs. Crores)

5 Deferred tax assets / Liabilities (net)	As at	As at
	30 Sept 2020	31 March 2020
Deferred tax assets	336.58	264.08
	336.58	264.08

5.1 Deferred tax (liabilities)/assets in relation to:

	Balance Sheet		Statement of Profit and Loss	
	As at 30 Sept 2020	As at 31 March 2020	Half Year ended 30 Sept 2020	Year ended 31 March 2020
Deferred tax Assets				
Property, Plant and Equipment and Intangible Assets	56.89	44.00	(12.90)	(29.83)
Right of use assets *	201.41	203.63	2.22	74.17
Impairment allowance (allowance for bad and doubtful debts)	10.20	7.79	(2.41)	(4.32)
Provision for expenses	2.26	2.90	0.79	1.21
Employee benefit expenses	2.46	3.02	0.57	1.52
Deferred Revenue on point reward schemes	-	-	-	-
Lease Deposits	1.54	1.54	-	0.60
Unabsorbed Depreciation & Business Loss (C/F) for AY 2021-22	61.17	-	(61.17)	-
Short Term Capital Loss	0.65	1.20	0.55	1.79
Net deferred tax assets / (liabilities)	336.58	264.08	(72.35)	45.14
* Deferred tax assets (DTA) created on difference between ROU Assets & Lease liabilities as on 1 April 2019 (Refer note 15)	-	277.80	-	-
Deferred tax reversal on reserves created on IND-AS 116 Transition (Refer note 8.2)	-	(77.45)	-	77.45
DTA created on movement of ROU assets & ROU liabilities during the year	-	3.28	-	(3.28)
	-	203.63	-	74.17

Deferred tax (liabilities) / assets in relation to certain subsidiaries :

	Balance Sheet		Statement of Profit and Loss	
	As at 30 Sept 2020	As at 31 March 2020	Half Year ended 30 Sept 2020	Year ended 31 March 2020
Property, Plant and Equipment and Intangible Assets	3.84	3.45	(0.39)	(0.98)
Right of use assets (IND-AS 116) - Reserve movements	2.39	2.13	(0.25)	(0.06)
Unused tax losses	17.58	15.14	(2.43)	(2.90)
Employee benefit expenses & others	0.99	0.84	(0.17)	(0.06)
Deferred tax assets ##	24.80	21.56	(3.24)	(4.00)

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

SHOPPERS STOP LIMITED**Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020**
(All amounts in Rs. Crores)

	As at 30 Sept 2020	As at 31 March 2020
6 Borrowings		
Non-current		
Term loans (Secured) from banks	153.41	2.02
Less : Current maturities of long term debts	19.93	1.80
	<u>133.48</u>	<u>0.22</u>

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

Term loans availed by Crossword Bookstores Ltd. amounting to Rs.3.41 Crores (2020: 2.02 Crores) have corporate guarantees, joint and several, given by the Group.

Borrowings are carried at amortised cost.

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020
(All amounts in Rs. Crores)
6.2 Terms of the Facilities :-
Non Current Borrowings

Name of the Bank	Rate of Interest	Repayment Schedule	30 Sept 2020	31 March 2020
HDFC Bank	8.45% (2020: Nil)	Repayable in 8 equal quarterly installments from 08-Aug-2021 to 08-May-2023	75.00	-
IDFC First Bank	9.50% (2020: Nil)	Repayable in 8 equal quarterly installments from 30-Sep-2021 to 30-Jun-2023	75.00	-
Kotak Mahindra Bank	9.80% (2020: 10.33%)	Repayable in 12 Equated quarterly Installments from February 2018 to November 2020	0.25	0.75
Kotak Mahindra Bank	10.15% (2020: 10.50%)	Repayable in 36 Equated quarterly Installments from November 2018 to October 2021.	0.87	1.27
Kotak Mahindra Bank	9.25% (2020: Nil)	Repayable in 36 Equated quarterly Installments from August 2021 to July 2024.	2.29	-
Total Non-current borrowings			153.41	2.02

Current maturities of long-term borrowings

HDFC Bank	8.45% (2020: Nil)	Repayable in 8 equal quarterly installments from 08-Aug-2021 to 08-May-2023	9.38	-
IDFC First Bank	9.50% (2020: Nil)	Repayable in 8 equal quarterly installments from 30-Sep-2021 to 30-Jun-2023	9.38	-
Kotak Mahindra Bank	9.80% (2020: 10.33%)	Repayable in 12 equal quarterly Installments from February, 2018 to November 2020	0.25	1.00
Kotak Mahindra Bank	10.15% (2020: 10.50%)	Repayable in 36 equal quarterly Installments from November 2018 to October 2021.	0.80	0.80
Kotak Mahindra Bank	9.25% (2020: Nil)	Repayable in 36 Equated quarterly Installments from August 2021 to July 2024.	0.12	-
Total Current borrowings			19.93	1.80

SHOPPERS STOP LIMITED
Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

		(All amounts in Rs. Crores)	
		As at	As at
		30 Sept 2020	31 March 2020
6.3	Current		
	From banks		
	- Secured	138.99	133.24
	From Others		
	- Unsecured	22.02	22.02
		<u>161.01</u>	<u>155.26</u>

6.4 Loan repayable on demand viz. Cash credit, Working capital loans and Other loans viz. short term loans, are secured by a first pari passu charge on credit card/debit card receivables (Escrow account), current assets and all movable fixed assets of the Group both present and future and an exclusive lien on lease deposits except ICICI Bank loan which is secured by first pari passu charge on the current assets and all the movable fixed assets of the Group both present and future excluding leasehold rights, lease deposits and shoppers stop brands. Loans amounting to Rs.138.99 Crores (2020 : 133.24 Crores) are further secured by corporate guarantees, joint and several, given by the Group.

6.5 Terms of the Facilities :-

Name of the Bank	Rate of Interest	Repayment Schedule	30 Sept 2020	31 March 2020
Secured :				
Axis Bank	8.65% (2020: 8.70%)	On demand	13.47	14.65
ICICI Bank (Cash Credit)	9.05% (2020: 8.70%)	On demand	1.50	13.79
Bank of India (Cash Credit)	8.85% (2020: 9.40%)	On demand	4.76	4.85
Kotak Mahindra Bank Ltd. (Cash Credit)	8.75% (2020: 8.75%)	On demand	45.10	32.00
Kotak Mahindra Bank Ltd. (Cash Credit)	9.80% (2020: 10.30%)	On demand	5.35	9.54
HDFC Bank Ltd. (Cash Credit)	9.00% (2020: 9.00%)	On demand	2.47	9.78
HDFC Bank Ltd. (Short term loan)	9.00% (2020: Nil)	On demand	5.58	-
IDFC Bank	9.75% (2020: 9.75%)	On demand	47.76	48.63
Yes Bank	9.15% (2020: 9.75%)	On demand	3.00	-
ICICI Bank	8.30% (2020: Nil)	Working Capital Demand Loan	10.00	-
			<u>138.99</u>	<u>133.24</u>
Unsecured :				
From other parties				
Hypercity Retail (India) Limited	10.75 % (2020 : 10.75%)	On demand	22.02	22.02
			<u>22.02</u>	<u>22.02</u>

SHOPPERS STOP LIMITED**Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020**

(All amounts in Rs. Crores)

	For the Half Year ended 30 September 2020	For the Half Year ended 30 September 2019
7 Revenue from contracts with customers		
Retail sale of merchandise	330.32	1,581.70
Other Retail operating revenue		
Net proceeds from SOR	14.61	82.80
Net income from concessionaire & consignment model	4.09	30.38
Facility management fees	1.36	11.75
Income from store displays and sponsorship	0.20	1.72
Gift Vouchers lapsed	-	6.62
Direct marketing	1.89	4.59
Income from franchisees	0.06	0.94
	22.21	138.80
	352.53	1,720.50

7.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Type of goods or service

Sale of goods(net of taxes)	330.32	1,581.69
Net proceeds from SOR	14.61	82.80
Net income from concessionaire & consignment model	4.09	30.38
Other operating income	3.51	25.63
Total Revenue from contracts with customers	352.53	1,720.50

India	352.53	1,720.50
Outside India	-	-

Timing of revenue recognition

Goods transferred at a point in time	349.02	1,694.87
Services transferred over time (Other operating income)	3.51	25.63
Total Revenue from contracts with customers	352.53	1,720.50

7.2 Contract balances

Trade receivables*	27.23	37.23
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*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	30 September 2020	30 September 2019
Revenue as per contracted price	531.73	2,431.38
Adjustments		
Loyalty points	(1.05)	(25.15)
Sales return	(0.23)	(111.47)
Discount	(177.92)	(574.26)
Revenue from contract with customers	352.53	1,720.50

SHOPPERS STOP LIMITED

Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

(All amounts in Rs. Crores)

8 Income tax expense recognised in profit or loss	For the half year ended 30 September 2020	For the half year ended 30 September 2019
Current income tax :		
Current income tax charge	-	10.83
Total	-	10.83
Deferred tax		
In respect of current period	(72.35)	13.86
Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (30 September 2019 : 25.17%)	-	2.13
	(72.35)	15.99
Income tax expense reported in the statement of profit and loss	(72.35)	26.82

OCI section - Deferred tax related to items recognised in OCI during the period:

	For the half year ended 30 September 2020	For the half year ended 30 September 2019
i) Remeasurement of employee defined benefit obligation	(0.15)	(0.27)
ii) Changes in fair value of equity instruments (Refer note 8.1)	-	-
Income tax charged to OCI	(0.15)	(0.27)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2020 and 30 September 2019 :

	For the half year ended 30 September 2020	For the half year ended 30 September 2019
Accounting Profit before income tax (before exceptional item)	(290.30)	18.54
Income tax expense calculated at 25.17% (30 September 2019 : 25.17%)	(73.07)	6.48
Effect of expenses that are not deductible in determining taxable profit		
Corporate social responsibility expenses	0.19	0.10
Interest disallowances u/s.14A	0.24	0.17
Adjustments in respect of current income tax of previous year		
Deferred tax reversal on opening balance on account of change in income tax rate (Refer note 8.2)	-	2.13
Others		
Deferred tax reversal on reserves created on IND-AS 116 Transition	-	18.41
Others	0.29	(0.47)
Income tax expense recognised in profit or loss	(72.35)	26.82

8.1 In the absence of reasonable certainty, the Group has not recognized deferred tax assets (DTA) on mark to market loss on equity shares of Future Retail Ltd for the half year ended 30 September 2019.

8.2 The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax and re-measured its Deferred tax assets basis the rate prescribed in the said section. The impact of this change has been recognised during the half year ended 30 September 2019.

Deferred tax reversal on opening balance on account of change in income tax rate to 25.17% (2019 : 25.17%)	-	2.13
Deferred tax reversal on reserves created on IND-AS 116 Transition	-	18.41

(All amounts in Rs. Crores)

As at 30 September 2020	As at 30 September 2019
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9 EARNING PER EQUITY SHARE**Calculated as follows:**

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

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

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

	As at 30 September 2020	As at 30 September 2019
(a) Profit attributable to equity share holders from continuing operations (Rs.in Crores)	(217.95)	(8.29)
(b) Loss attributable to equity share holders from discontinued operations (Rs.in Crores)	(0.00)	0.01
(c) Profit / (Loss) attributable to equity share holders (Rs.in Crores)	(217.95)	(8.28)
(d) Weighted Number of equity shares outstanding during the period	8,79,89,928	8,79,89,928
(e) Weighted Number of equity shares outstanding during the period after adjustment for dilution	8,79,89,928	8,79,89,928
(f) Nominal value per share (Rs.)	5.00	5.00
(g) Earning per Share		
Continuing operations		
Basic (Rs.)	(24.77)	(0.94)
Diluted (Rs.)	(24.77)	(0.94)
Discontinued operations		
Basic (Rs.)	-	(0.00)
Diluted (Rs.)	-	(0.00)
Continuing and Discontinued operations		
Basic (Rs.)	(24.77)	(0.94)
Diluted (Rs.)	(24.77)	(0.94)
Weighted Average number of Equity shares for basic EPS	8,79,89,928	8,79,89,928
<u>Effect of dilution :</u>		
Share options		
Weighted average number of Equity shares adjusted for the effect of dilution	8,79,89,928 *	8,79,89,928 *

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

10 Contingent Liabilities and Commitments:

As at 30 September 2020	As at 31 March 2020
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i) Contingent liabilities

a) Claims against the Company not acknowledged as debts comprise of :

Income tax claims disputed by the Company relating to disallowances aggregating #

142.60

142.60

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

Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating

- Service Tax other than on Rent (Refer note 11 (i))

-

11.20

- Service Tax on Rent (Refer note 11 (ii))

20.11

20.11

- VAT

0.01

0.01

- Custom Duty \$

0.47

0.47

\$ Aggrieved with the decision of custom department for demanding the payment of SAD refund of Rs. 0.42 Crores the Company has filed an appeal before CESTAT. Further, the company has received demand order of Rs.0.05 Crores on account of misclassification of imported goods. Against the said order the Company has filed an appeal before CESTAT. Both these matters are pending with CESTAT.

b) Others

0.25

0.25

c) Bank Guarantees

2.17

9.16

Note: Future cash outflows in respect of (a) and (b) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii) Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	19.18	45.35
b) Corporate guarantee given to banks jointly and severally : - Shoppers Stop Limited has given the corporate guarantee for loans taken by Crossword Bookstores Ltd. Rs.18.40 Crores (2020:Crossword Bookstores Ltd. Rs.18.40 Crores)	18.40	18.40

11 Service Tax

- i) The Service tax authority had raised demand through SCN amounting to Rs. 3.45 Crores (Basis Duty of ST) towards business support services (concessionaire business model) for the period from May'2006 to May'2007. The final liability after considering the penalty and interest amounting to Rs.11.20 Crores (deposit paid under protest Rs. 3.45 Crores). The Company had filed an appeal before Mumbai High Court. The Company subsequently filed for Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) and basis the final order, the matter is concluded without any further liability.
- ii) Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007, the Company has based on a legal advice, challenged the said levy and, inter-alia, its retrospective application. Pending the final disposal of the matter, which is presently before the Supreme Court, the Company continues not to provide for the retrospective levy aggregating to Rs.20.11 Crores out of the total demand of Rs.36.35 Crores for the period 1st June, 2007 to 31st March, 2010 which has paid under protest.

12 Related party disclosures

Names of related parties and description of relationship:

(a) Key Management Personnel	Executive Director & Chief Executive Officer	: Rajiv Suri (upto August 25, 2020)
	Non Executive Directors	: Ravi Raheja Neel Raheja B.S.Nagesh Nitin Sanghavi (upto July 31, 2020) Deepak Ghaisas Nirvik Singh Ameera Shah Manish Chokhani Amisha Prabhu Robert Bready William Kin (w.e.f. June 15, 2020) Karunakaran M
	Chief Financial Officer	
	<u>Company Secretary</u>	
	Holding Company (Shoppers Stop Limited)	Bharat Sanghavi
	Subsidiary Company (Crossword Bookstores Limited)	Valde Varghese (upto May 5 2019) Mukti Pandya (w.e.f. July 30,2019)
	Business Head (Crossword Bookstores Limited)	Maulik Desai (upto April 18, 2019)
	Chief Executive Officer (Crossword Bookstores Limited)	Chiragh Oberoi (w.e.f. September 23,2019)
(b) Directors	Ravi Raheja Neel Raheja	
(c) Entities in which a director is a director	Ivory Properties and Hotels Private Limited * Avacado Properties and Trading India Private Limited * Trion Properties Private Limited * Retailers Association of India K.Raheja Corp. Private Limited* Inorbit Malls (India) Private Limited* K.Raheja Private Limited*, Chalet Hotels Pvt Limited* Magna Warehousing & Distribution Private Limited* Juhu Beach Resorts Ltd.*, Genext Hardware and Parks Private Limited *	
(d) Entities in which other directors are directors / trustees	Sanghavi Associates Ltd., Trust for Retailers & Retailers Associates of India Trrain Circle Private Limited Trrain Foundation, JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt Ltd *	

Note 13 provides the information about the group's structure including the details of the subsidiaries. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period :

Nature	Entities in which a director is a director (refer (c) above)	Key Management Personnel	Total
Remuneration to managing director & chief executive officer (Mr.Rajiv Suri,chief executive officer was appointed as managing director & chief executive officer upto 25 August 2020)	-	1.79	1.79
Short term benefits	-	1.74	-
Post employment benefits **	-	0.05	-
Share based payments	-	-	-
		(2.40)	(2.40)
Remuneration to company secretary *	-	0.24	0.24
Short term benefits	-	0.23	-
Post employment benefits **	-	0.01	-
Share based payments	-	-	-
		(0.29)	(0.29)
Remuneration to chief financial officer *	-	0.56	0.56
Short term benefits	-	0.53	-
Post employment benefits **	-	0.03	-
Share based payments	-	-	-
		(0.88)	(0.88)

Nature	Entities in which a director is a director (refer (c) above)	Key Management Personnel	Total
Remuneration to company secretary of Subsidiary Co *	-	0.05	0.05
Short term benefits	-	0.05	-
Post employment benefits **	-	0.00	-
Share based payments	-	-	-
		(0.04)	(0.04)
Maulik Desai	-	-	-
Short term benefits	-	-	-
Post employment benefits **	-	-	-
Share based payments	-	-	-
		(0.07)	(0.07)
Chiragh Oberoi	-	0.27	0.27
Short term benefits	-	0.26	-
Post employment benefits **	-	0.01	-
Share based payments	-	-	-
		-	-
Other related party transactions			
Payment of variable Lease rent	0.77	-	0.77
	(2.95)	-	(2.95)
Ivory Properties and Hotels Private Limited *	0.68	-	-
	(2.87)	-	-
Inorbit Malls (India) Private Limited *	0.08	-	-
	(0.03)	-	-
Trion Properties Private Limited *	0.00	-	-
	(0.05)	-	-
Repayment of lease liability (Principal) - IND-AS 116	-	-	-
	(9.86)	-	(9.86)
Ivory Properties and Hotels Private Limited *	-	-	-
	(4.53)	-	-
Inorbit Malls (India) Private Limited *	-	-	-
	(4.86)	-	-
Trion Properties Private Limited *	-	-	-
	(0.47)	-	-
Repayment of finance charges - IND-AS 116	4.65	-	4.65
	(14.33)	-	(14.33)
Ivory Properties and Hotels Private Limited *	1.05	-	-
	(1.79)	-	-
Inorbit Malls (India) Private Limited *	1.87	-	-
	(7.05)	-	-
Chalet Hotels Ltd *	0.46	-	-
	(1.96)	-	-
Trion Properties Private Limited *	1.26	-	-
	(3.53)	-	-

SHOPPERS STOP LIMITED

Notes to Unaudited Consolidated Condensed Interim Financial Statements for the half year ended 30 September 2020

(All amounts in Rs. Crores, unless otherwise stated)

Waiver of Lease Rentals due to COVID-19 - IND-AS 116	21.47	-	21.47
	-	-	-
Ivory Properties and Hotels Private Limited *	5.27	-	-
	-	-	-
Inorbit Malls (India) Private Limited *	10.50	-	-
	-	-	-
Chalet Hotels Ltd *	2.96	-	-
	-	-	-
Trion Properties Private Limited *	2.74	-	-
	-	-	-
Payment of common area maintenance (Repair & Maintenance- Building)	5.92	-	5.92
	(5.88)	-	(5.88)
Ivory Properties and Hotels Private Limited *	-	-	-
	(0.16)	-	-
Inorbit Malls (India) Private Limited *	3.66	-	-
	(3.65)	-	-
Chalet Hotels Ltd *	0.35	-	-
	(0.64)	-	-
Trion Properties Private Limited *	1.91	-	-
	(1.43)	-	-

Reimbursement of Expenses	0.93	-	0.93
	(4.11)	(0.03)	(4.14)
Inorbit Malls (India) Private Limited *	0.33	-	-
	(2.80)	-	-
Trion Properties Private Limited *	0.38	-	-
	(0.76)	-	-
Chalet Hotels Ltd*	0.18	-	-
	(0.50)	-	-
Trrain Circle Pvt Ltd	0.04	-	-
	(0.04)	-	-
K.Raheja Corp.Pvt.Ltd.*	-	-	-
	(0.01)	-	-
B.S.Nagesh	-	-	-
	-	(0.03)	-
Deposits Paid	-	-	-
	(0.18)	-	(0.18)
Inorbit Malls (India) Private Limited *	-	-	-
	(0.18)	-	-
	-	-	-

Advance Rent	-	-	-
	(0.20)	-	(0.20)
Inorbit Malls (India) Private Limited *	-	-	-
	(0.20)	-	-
Expenses paid	0.09	-	0.09
	(0.61)	-	(0.61)
<u>Miscellaneous expenses</u>			
Juhu Beach Resorts Ltd.*	-	-	-
	(0.20)	-	-
Retailers Association of India	0.07	-	-
	(0.03)	-	-
Trrain Circle Pvt Ltd *	-	-	-
	(0.04)	-	-
<u>Salaries & Wages (Recruitment expenses)</u>			
Juhu Beach Resorts Ltd.*	-	-	-
	(0.04)	-	-
<u>Corporate Social Responsibility expenses</u>			
CSR- Trust for Retailers & Retail Association of India	0.02	-	-
	(0.30)	-	-
Commission and Sitting fees to non executive Directors	-	0.30	0.30
	-	(0.27)	(0.27)
Ravi Raheja	-	0.04	-
Neel Raheja	-	0.05	-
Nitin Sanghavi	-	0.04	-
Deepak Ghaisas	-	0.04	-
Nirvik Singh	-	0.05	-
Manish Chokhani	-	0.04	-
Ameera Shah	-	0.05	-
Robert Bready	-	0.01	-

The figure in bracket pertain to half year ended 30 September 2019

Balance outstanding at the period / year ended	30 September 2020	31 March 2020
Lease liability as per Ind-AS 116		
Ivory Properties and Hotels Private Limited *	25.47	30.45
Inorbit Malls (India) Private Limited *	134.84	140.68
Chalet Hotels Ltd*	41.88	43.17
Trion Properties Private Limited*	73.35	73.87
Receivables		
Ivory Properties and Hotels Private Limited *	8.43	10.16
Inorbit Malls (India) Private Limited *	7.38	8.70
Trion Properties Private Limited *	2.86	2.87
Chalet Hotels Ltd*	1.87	2.03

The Company has given corporate guarantee to banks for loans taken by subsidiaries - Refer note 10(ii)(b)

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

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the half year ended 30 September 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: RS. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

13 SUBSIDIARIES

a) The subsidiaries (which alongwith SSL Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are :

Name of subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
			30 September 2020	31 March 2020
Crossword Book Stores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees	India	100%	100%
Upasna Trading Limited	Supervising distribution and logistics operations (The Company is non-operational)	India	100%	100%
Shopper's Stop Services (India) Limited	The Company is non-operational	India	100%	100%
Shopper's Stop.Com (India) Limited	Retailing a variety of consumer products through online channel	India	100%	100%
Gateway Multichannel Retail (India) Limited	Catalogue retailing business (Discontinued operations) (The Company is non-operational)	India	100%	100%

14. Financial Instruments

A. Capital risk management

The Group's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders, and maintain a cost efficient capital structure and to keep the debt equity ratio below 1. The Group determines the amount of capital required for respective companies on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores, technology. The Group's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings. Majorly Group raise long term loan for its CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. The following table summarise the capital of the Group:

Capital	As at 30 September 2020	As at 31 March 2020
	Rs. in Crores	Rs. in Crores
Long term borrowings (including current maturities)	153.41	2.02
Interest accrued and not due on borrowings	0.62	0.09
Short term borrowings	161.01	155.26
Total debt *	315.04	157.37
Equity share capital	44.00	44.00
Other equity	(172.11)	22.64
Total Equity	(128.11)	66.64
Debt to Total Equity Ratio	(2.46:1)	2.36 :1

* Excluding lease liability as per Ind-AS 116

B. Financial risk management

A wide range of risks may affect the Group's business and operational / financial performance. The risks that could have significant influence on the Group are market risk, credit risk and liquidity risk. The Board of Directors of respective Companies reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Group's operational and financial performance.

(a) Market risk:

Market Risk is the risk that changes in market place could affect the future cash flows to the Group. The market risk for the Group arises primarily from product price risk, interest rate risk and, to some extent, foreign currency risk.

Product price risk: In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases, which are not in line with the levels of customers' discretionary, spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Interest risk: The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Group's profit before tax by approximately Rs.0.16 crores (2020 Rs.0.16 crores).

Currency risk: The Group's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Group fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward foreign exchange contracts.

Equity Price risk: The Group's listed and non listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Report on the equity portfolio are submitted to the Group's senior management on a regular basis.

(b) Credit risk:

Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Group. The credit risk for the Group primarily arises from credit exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

Trade and other receivables: The Group's retail business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, the Group is not exposed to concentration risks.

(c) Liquidity Risk:

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Group's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 5 years	Carrying amounts
	Rs. in Crores	Rs. in Crores	Rs. in Crores
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	68.75	-	68.75
At 30 September 2020			
Borrowings (long term and short term)	180.94	133.48	314.42
Interest payable	0.62	-	0.62
Lease liability	227.36	-	227.36
Trade payables and other accruals	1,416.04	-	1,416.04
Other financial liabilities	42.76	-	42.76

In respect of financial guarantee contracts, no amounts are recognised based on the results of the liability adequacy test for likely deficiency / defaults by the entities on whose behalf the Group has given guarantees, grounded on the Group's actual experience.

The Group has access to following financing facilities as at the end of reporting periods mentioned.

Particulars	As at	As at
	30 September 2020	31 March 2020
	Rs. in Crores	Rs. in Crores
Secured Working Capital Facilities		
Amount Used	136.91	131.92
Amount Unused	24.09	29.08
Total	161.00	161.00
Unsecured Working Capital Facilities		
Amount Used	-	-
Amount Unused	-	-
Total	-	-

C. Fair Value Measurements

(i) Financial assets and liabilities that are measured at amortised cost:

	As at	As at
	30 September 2020	31 March 2020
	Rs. in Crores	Rs. In Crores
Financial Assets (amortised cost):		
Trade receivables	27.23	34.07
Cash & Cash equivalents	2.86	4.03
Other bank balances	15.32	0.32
Other financial assets		
- Premises and other deposits	148.76	150.60
- Others	6.27	3.04
Total	200.44	192.06
Financial Liabilities (amortised cost):		
Borrowings - long term	133.48	0.22
Borrowings - short term	161.01	155.26
Trade payables	1,416.04	1,521.87
Other financial liabilities	62.68	70.64
Total	1,773.21	1,747.99

The fair values of the above financial assets and liabilities approximate their carrying amounts

(ii) Financial assets and liabilities that are measured at fair value on a recurring basis as at the end of each reporting period:

Financial assets / Financial liabilities	Fair value as at		Fair value hierarchy
	30 September 2020	31 March 2020	
Fair Value through Profit and Loss			
Investment in Mutual Funds	Assets Rs.70.60 Crores	Assets Rs 154.04 Crores	Level 2
Fair Value through OCI			
Investment in Future Retail Limited	Assets Rs.Nil	Assets Rs.36.46 Crores	Level 1

Valuation technique and key input used: Fair value is determined using discounted future cash flows which are estimated at the end of the reporting period, discounted at a rate that reflects the credit risk of the Group.

The fair values of the quoted instruments (Investment in Mutual funds and Future Retail Limited) are based on the price quotations at the reporting date.

(All amounts in Rs. Crores, unless otherwise stated)

15 Ind AS 116 Leases

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

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

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

The Group had total cash outflows attributed to finance cost of Rs. 81.82 Crores for the half year ended 30 September 2020 (total cash outflow for leases Rs.182.55 Crores for the half year ended 30 September 2019).

Covid-19-Related Rent Concessions :

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 -Leases, by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has applied the practical expedient by accounting the unconditional rent concessions in "Other income" in the Statement of Profit and Loss as under :

(Rs.in Crores)

For the Half Year Ended		For the Financial Year Ended
30 Sep 2020	30 Sep 2019	31 Mar 2020
154.66	-	-

The above unconditional rent concessions for the half year ended September 30 2020 includes Rs.28.11 Crores pertaining to periods after September 30, 2020.

16 Events after the reporting period

The Group has evaluated subsequent events from the balance sheet and determine that there are no material items to disclose other than those disclosed above.

17 The retail industry had been adversely impacted due to COVID-19. With easing of lockdown restrictions, the company's performance for the half year ended 30 September,2020 has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Company believes that this pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimize the impact of this unprecedented situation.As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

18 Amount appearing as zero "0.00" in financials are below the rounding off norm adopted by the Company.

In terms of our report of even date

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

Vijay Maniar

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Vijay Maniar
Partner
Membership No.36738

Mumbai: 30 October 2020

For and on Behalf of the Board of Directors

Nagesh
Satyanarayan
Basavanhalli

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

Karunakaran
Mohanasundaram

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Mohanasundaram
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Karunakaran M
Customer Care Associate &
Chief Financial Officer

Mumbai: 30 October 2020

NEEL CHANDRU
RAHEJA

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Neel Raheja
Director
(DIN : 00029010)

Bharat
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Sanghavi

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