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to the financial statements for the year ended 31 March 2018

1. GENERAL BACKGROUND

Shoppers Stop Limited ('SSL' or 'the Company') is a Company limited by shares and is domiciled in India. The Company was incorporated on 16 June 1997. The Company's registered office is at Umang Tower, 5th Floor, Mindspace, Off Link Road, Malad (West) Mumbai - 400 064, Maharashtra, India.

The Company is engaged in the business of retailing a variety of household and consumer products through departmental stores. At 31 March 2018, the Company operated through 83 such departmental stores located in different cities of India.

The financial statements were approved for issue by the board of directors on 27 April 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

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

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

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

Fair Value Measurement

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

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

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

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

2.2 Summary of significant accounting policies

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

2.3 Revenue recognition

2.3.1 Revenue is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

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

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

Where the Company is the principal in the transaction the Sales are recorded at their gross values. Where the Company is effectively the agent in the transaction the cost of the merchandise is disclosed as a deduction from the gross value. (Refer Note 20)

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

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

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

2.3.5 Dividend and Interest income: Dividend income from investments is recognised when the Company's right to receive payment has been established. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.4 Inventories

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

2.5 Property, Plant and Equipment and Intangible Assets

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

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

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to the financial statements for the year ended 31 March 2018

Property, Plant and Equipment:	Useful Life as Prescribed by Schedule II of the Companies Act, 2013 (In Years)	Estimated Useful Life (In Years)
Air conditioning and other equipment	5	5 to 17
Furniture, fixtures and other fittings	10	5 to 10
Computer Equipment (other than desktops and laptops)	6	5 to 6
Desktops and laptops	3	3
Leasehold Improvements	On lease term	5 to 17
Office Equipment	5	2 to 6
Vehicles	8	8
Intangible assets:		
Computer Software		6
Trademark and Patents	10	10

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

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

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

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

2.5.4 Deemed cost on transition to Ind AS: The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible Assets as of 1 April 2015 (transition date) measured as per the previous GAAP, and use that carrying value as its deemed cost as of the transition date.

2.6 Financial Instruments

Classification:

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

Measurement:

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

Debt instruments:

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

Amortised cost:

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

Fair value through other comprehensive income (FVOCI):

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

Fair value through profit and loss:

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

Equity instruments:

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

Impairment of financial assets:

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

Derecognition of financial assets:

A financial asset is derecognised only when -the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial

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asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

2.6.1 Investments in subsidiaries and joint ventures: The Company has elected to account for its equity investments in subsidiaries and joint ventures under Ind AS 27 on Separate Financial Statements, at cost. At the end of each reporting period the Company assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

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

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

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

2.7 Taxation

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

2.7.1 Current tax: The tax currently payable is based on the estimated taxable profit for the year and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.

2.7.2 Deferred tax:

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

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

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

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

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

2.8 Employee benefits

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

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

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

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

Defined benefit costs are composed of:

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

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

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

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

Other long-term benefits: Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future

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cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9 Share based payment arrangements:

Equity-settled share-based payments to employees of the Company and employees of subsidiary companies are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 35. The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity at the end of year. At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is the lessess:

Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Where the Company is the Lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in the property, plant and equipment. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

2.11Foreign Currency transactions

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

2.12Borrowing Costs

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS 23 are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2.14 Cash and cash equivalents

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

2.15 Cash dividend and non-cash distribution to equity holders

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

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

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

2.16 Earnings Per Share

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

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

2.A CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Impairment of equity investment in a subsidiary Company

The accumulated losses of a subsidiary Company viz. Crossword Bookstores Ltd. ('Crossword'), have eroded its net worth. Crossword is taking ongoing steps to revamp its business operations, including store right sizing and brand positioning.

Based on its future business plans and strategic growth projections, the Company has determined that no impairment is required at this stage. Further, the Company has historically also given guarantees to banks for loans taken by Crossword. Till date, the Company has had no cash outflows against such guarantees and therefore no provision has been considered necessary.

Income Tax

As stated in Note 26, tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Company adjudges taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment,

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these are booked in the period in which they are agreed or on final closure of assessment.

Useful lives of property, plant and equipment and, intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2018, there were no changes in useful lives of property plant and equipment and intangible assets other than those resulting from store closures / shifting of premises.

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

Point award schemes

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

Service tax on renting of immovable properties given for commercial use

As stated in Note 30, the Company has challenged the retrospective levy of service tax on renting of immovable properties given for commercial use and pending the final disposal of the matter, which is presently before the Supreme Court, the Company continues not to provide for the retrospective levy.

Inventories

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

Employee Benefits

Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 36.

(All amounts in ₹ Lacs)

	Leasehold improvements	Air conditioning and other equipments	Furniture, fixtures and other fittings	Office Equipments	Computers	Vehicles	Total PPE	Trademarks	Software	Total Intangible assets
Property, Plant and Equipment and Intangible Assets										
Cost										
As at 31 March 2016	21,027.84	20,695.38	19,072.33	914.14	3,955.16	65.96	65,730.81	106.96	5,811.91	5,918.87
Additions	1,799.63	2,756.50	2,830.71	531.22	1,919.67	-	9,837.73	-	2,320.10	2,320.10
Disposal	(1,051.42)	(926.03)	(545.89)	(14.08)	(18.45)	-	(2,555.87)	-	(0.28)	(0.28)
As at 31 March 2017	21,776.05	22,525.85	21,357.15	1,431.28	5,856.38	65.96	73,012.67	106.96	8,131.73	8,238.69
Additions	2,857.98	2,671.68	3,412.75	311.45	1,047.69	-	10,301.55	14.93	2,210.97	2,225.90
Disposal	(73.46)	(315.49)	(428.68)	(6.60)	(133.45)	-	(957.67)	-	-	-
As at 31 March 2018	24,560.57	24,882.04	24,341.22	1,736.13	6,770.62	65.96	82,356.55	121.89	10,342.70	10,464.59
Depreciation and Amortisation										
As at 31 March 2016	(1,770.35)	(1,655.56)	(2,682.86)	(217.65)	(1,164.20)	(6.01)	(7,496.63)	(26.02)	(980.14)	(1,006.16)
Depreciation and amortisation expense for the year (Refer note iii)	(2,385.45)	(2,533.97)	(3,670.41)	(331.39)	(1,003.98)	(8.24)	(9,933.44)	(21.68)	(1,597.49)	(1,619.17)
Disposal	999.44	845.24	462.68	13.13	15.78	-	2,336.27	-	-	-
As at 31 March 2017	(3,156.36)	(3,344.29)	(5,890.59)	(535.91)	(2,152.40)	(14.25)	(15,093.80)	(47.70)	(2,577.63)	(2,625.33)
Depreciation and amortisation expense for the year (Refer note iii)	(2,396.11)	(2,443.61)	(3,218.26)	(291.39)	(1,166.56)	(8.24)	(9,524.18)	(17.00)	(1,651.36)	(1,668.36)
Disposal	54.73	295.60	378.81	5.76	133.21	-	868.11	-	-	-
As at 31 March 2018	(5,497.74)	(5,492.30)	(8,730.04)	(821.54)	(3,185.75)	(22.49)	(23,749.87)	(64.70)	(4,228.99)	(4,293.69)
Net Book Value										
As at 31 March 2017	18,619.69	19,181.56	15,466.56	895.37	3,703.98	51.71	57,918.87	59.26	5,554.11	5,613.36
As at 31 March 2018	19,062.84	19,389.74	15,611.18	914.59	3,584.87	43.47	58,606.69	57.19	6,113.72	6,170.91

Notes:

i) Movable assets have been pledged to secure borrowings of the Company (Refer Note 15).

ii) Intangible assets includes mainly computer softwares where the remaining useful life ranging from 1 year to 6 years.

iii) Depreciation for the year includes accelerated amounts aggregating to ₹ 1,640.73 Lacs (2017: ₹ 2,251.00 Lacs) on account of change in estimate of useful lives of property, plant & equipment resulting from store closures/shifting premises.

iv) During the year, the Company has capitalised the following expenses to cost of Property, plant and equipement/Capital work-in-progress

	As at 31 March 2018	As at 31 March 2017
Employee Costs	306.85	327.11
Travelling	43.34	31.12
Consultancy	351.03	408.55
Miscellanous expenditure	56.96	43.01
Total	**758.18**	**809.79**

NOTES

to the financial statements for the year ended 31 March 2018

(All amounts in ₹ Lacs)

	Capital work in progress	Intangible assets under developement
3. Capital work-in-progress and Intangible assets under development		
Cost		
As at 31 March 2016	2,781.81	14.34
Additions	8,637.74	2,508.40
Capitalisation	(10,164.63)	(2,089.67)
As at 31 March 2017	1,254.92	433.07
Additions	9,629.23	1,879.20
Capitalisation	(9,350.01)	(2,030.97)
As at 31 March 2018	**1,534.14**	**281.30**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
4. Investments – Non-Current		
a) (Unquoted at cost unless otherwise stated)		
Investments in equity instruments		
i) In subsidiary companies		
Shoppers' Stop Services (India) Limited		
50,000 (2017: 50,000) Equity Shares of ₹ 10/- each Fully Paid	5.00	5.00
Less: Impairment in value	(5.00)	(5.00)
	-	-
Upasna Trading Limited		
5,000 (2017: 5,000) Equity Shares of ₹ 100/- each Fully Paid	5.00	5.00
Less: Impairment in value	(5.00)	(5.00)
	-	-
Shoppers' Stop.com (India) Limited		
50,000 (2017: 50,000) Equity shares of ₹ 10/- each Fully Paid	5.00	5.00
Less: Impairment in value	(5.00)	(5.00)
	-	-
Gateway Multichannel Retail (India) Limited		
50,000 (2017: 50,000) Equity shares of ₹ 10/- each Fully Paid	5.00	5.00
Less: Impairment in value	(5.00)	(5.00)
	-	-
Crossword Bookstores Limited		
1,35,62,500 (2017: 1,35,62,500) Equity shares of ₹ 10/- each Fully Paid	3,505.93	3,505.93
Hypercity Retail (India) Limited		
Nil (2017: 7,37,58,511) Equity Shares of ₹ 10/- each Fully Paid	-	37,779.83
Less: Impairment in value (refer note 31)	-	(3,600.00)
	-	34,179.83
ii) In Joint Ventures		
Timezone Entertainment Private Limited		
Nil (2017: 244,46,247) Equity Shares of ₹ 10/- each Fully Paid (Refer Note 31)	-	2,444.62
Less: Impairment in value	-	-
	-	2,444.62
Nuance Group (India) Private Limited		
Nil (2017: 414,10,000) Equity Shares of ₹ 10/- each Fully Paid (Refer Note 31)	-	4,141.00
Less: Impairment in value	-	(3,561.00)
	-	580.00
iii) Other investments		
(At fair value through Profit and Loss)		
Stargaze Properties Private Limited		
1,000 (2017: 1,000) equity shares of ₹ 10/- each Fully paid	0.10	0.10

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
Retailers Association of India		
10,000 (2017:10,000) equity shares of ₹ 10/- each Fully paid	1.00	1.00
Retailers Association's Skill Council of India	0.50	0.50
500 (2017: 500) equity shares of ₹ 100/- each Fully paid		
Nuance Group Fashion & Luxury Duty Free Private Limited	-	0.05
Nil (2017: 500) equity shares of ₹ 10/- each Fully paid		
Aesthetic Realtors Private Limited		
66 (2017: 66) Equity Shares of ₹ 10/- each Fully Paid	0.01	0.01
Less: Impairment in value	(0.01)	(0.01)
	(0.00)	(0.00)
iv) Deemed equity investments in:*		
Hypercity Retail (India) Limited	-	79.53
Crossword Bookstores Limited	9.12	9.02
* Being share options to employees of subsidiary companies		
Total (A)	**3,516.65**	**40,800.58**
b) Quoted (fair value through Other Comprehensive Income)		
Investments in equity instruments		
Future Retail Limited		
47,56,823 (2017: Nil) equity shares of ₹ 2/- each Fully paid, Refer Note 31	**26,241.01**	-
Total (B)	**26,241.01**	-
Total (A) + (B)	**29,757.66**	**40,800.58**
4. Investments – Current		
Quoted (At fair value through Profit and Loss)		
Investments in mutual funds		
L & T Mutual Fund	600.97	-
25,220 (2017: Nil) units in Liquid fund – Direct Growth Plan		
ICICI Prudential Mutual Fund	600.73	-
2,49,970 (2017: Nil) units in Money market fund – Direct Growth Plan		
JM Financial Mutual Fund High Liquidity fund – Direct – Growth	200.35	-
42,115 (2017: Nil) units in High Liquidity fund – Direct Growth Plan		
Axis Mutual Fund	601.14	-
31,187 (2017: Nil) units in Liquid fund – Direct Growth plan		
Total	**2,003.55**	-
Aggregate value of quoted investment	**28,244.56**	-
Aggregate value of unquoted investment	**3,516.65**	40,800.58
Aggregate amount of impairment in value of investments	**20.00**	7,181.00

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
5. Loans		
Non-current (Unsecured)		
Loans to subsidiairy companies (Refer note 38)		
- Considered good	766.26	10,348.59
- Considered doubtful	2,329.10	2,329.10
	3,095.36	12,677.69
Less: Allowance for doubtful loans	2,329.10	2,329.10
	766.26	**10,348.59**

5.1 The above loans are given for general corporate and business purposes. They are interest bearing and repayable on demand. The loans are carried at amortised cost.

5.2 These financial assets have been pledged to secured borrowings of the Company (Refer note 15).

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to the financial statements for the year ended 31 March 2018

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
6. Other Financial Assets		
(unsecured)		
Non-current		
Premises and other deposits		
- Considered good	11,312.50	12,985.47
- Considered doubtful	357.38	337.38
	11,669.88	13,322.85
Less: Allowance for doubtful deposits	357.38	337.38
	11,312.50	12,985.47
Other Bank Balance		
- Bank deposits more than 12 months maturity from balance sheet date	114.09	-
	11,426.59	**12,985.47**
Current		
Advances for goods and rendering of services		
- Considered good	-	3,322.95
- Considered doubtful	-	731.76
	-	4,054.71
Less: Allowance for doubtful advances	-	731.76
	-	3,322.95
Advances to employees	53.87	247.24
Advances to subsidiary companies (refer note 38)	4.23	228.95
Premises and other deposits (unsecured, considered good)	154.39	-
Other receivables		
- Considered good	331.56	-
- Considered doubtful	344.94	-
	676.50	-
Less: Allowance for doubtful advances	344.94	-
	331.56	-
	544.05	**3,799.14**

6.1 These are carried at amortised cost.
6.2 These have been pledged to secure borrowings of the Company (Refer note 15).

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
7. Deferred tax assets / Liabilities (net)		
Deferred tax assets	1,987.77	1,168.29
Deferred tax liabilities	(10.17)	(739.07)
	1,977.60	**429.22**

NOTES
to the financial statements for the year ended 31 March 2018

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2018	As at March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Deferrred tax assets / (liabilities) relates to the following:				
Deferred tax Liabilities				
Property, plant and equipment & Intangible assets	(10.17)	(739.07)	(728.90)	(31.15)
				-
Deferred tax Assets				-
Provision for doubtful debts / advances	437.22	344.21	(93.00)	114.88
Provision for expenses	372.41	145.04	(227.39)	13.07
Employee benefits	358.40	397.17	38.77	144.00
Deferred Revenue on point reward schemes	64.30	151.90	87.61	(234.34)
Lease Deposits	176.48	129.97	(46.51)	61.96
MTM on Future Retail Ltd Shares	72.47	-	(72.47)	-
Short-Term Capital Loss	506.49	-	(506.49)	-
Net deferred tax assets / (liabilities)	**1,977.60**	**429.22**	**(1,548.38)**	**68.42**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
8. Other Assets		
(Unsecured, considered good)		
Non-current		
Capital Advances	930.14	660.66
Service tax deposited under protest (Note 30)	3,541.34	3,541.34
Advance Income tax (Net of provision)	1,144.84	877.33
Prepaid Expenses	3,899.89	3,089.70
	9,516.21	**8,169.03**
Current		
Recoverables – Statutory dues	10,349.49	1,174.29
Advance for Goods & Services		
- Considered good	3,584.12	1,289.34
- Considered doubtful	309.69	-
	3,893.81	1,289.34
Less: Allowance for doubtful advances	309.69	-
	3,584.12	1,289.34
Prepaid Expenses	1,710.02	-
Other assets		
- Considered good	285.53	-
- Considered doubtful	236.00	-
	521.53	-
Less: Allowance for doubtful assets	236.00	-
	285.53	-
	15,929.16	**2,463.63**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
9. Inventories		
(At lower of cost and Net realisable value)		
Stock-in-trade: Retail merchandise	**32,842.43**	**35,276.50**

9.1 Inventories have been pledged as security for borrowings. (Refer note 15)
9.2 The mode of valuation of inventories has been stated in Note 2.4.

NOTES

to the financial statements for the year ended 31 March 2018

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
10. Trade receivables – current		
(Unsecured)		
Considered good	4,372.44	3,574.66
Considered doubtful	30.47	30.47
	4,402.91	3,605.13
	(30.47)	(30.47)
Less: Impairment allowance for doubtful debts	**4,372.44**	**3,574.66**

10.1 Trade receivables are carried at amortised cost.

10.2 These financial assets have been pledged to secure borrowings of the Company (Refer note 15).

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

10.4 For terms and conditions relating to related party receivables, Refer Note No. 38.

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

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
11. Cash and cash equivalents		
Balance with banks in current accounts	69.57	82.81
Cash on hand	388.06	212.22
Less: Impairment allowance for doubtful debts	**457.63**	**295.03**

11.1 These financial assets have been pledged to secure borrowings (Refer note 15).

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

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

	As at 31 March 2018	As at 31 March 2017
Balance with banks in current accounts	69.57	82.81
Cash on hand	388.06	212.22
	457.63	295.03
Less : Bank overdraft / Cash credit (Refer Note 15)	(761.12)	(8,993.61)
	(303.49)	**(8,698.58)**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
12. Other bank balances		
Margin money accounts (under lien against bank guarantee)	65.18	207.29
Earmarked accounts (for unpaid dividend)	0.38	0.38
	65.57	**207.67**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
13. Share capital		
13.1 Authorised		
200,000,000 equity shares of ₹ 5/- each	**10,000.00**	**10,000.00**
13.2 Issued, subscribed and fully paid-up shares		
87,960,689 (2017: 83,504,744) equity shares of ₹ 5/- each fully paid-up	4,398.03	4,175.24
	4,398.03	**4,175.24**

NOTES

Particulars:	31 March 2018 Numbers	31 March 2018 ₹ Lacs	31 March 2017 Numbers	31 March 2017 ₹ Lacs
13.3 Reconciliation of number of equity shares:				
Balance at the beginning of the year	835,04,744	4,175.24	834,61,946	4,173.10
Issued during the year (Refer Note 13.6)	44,55,945	222.79	42,798	2.14
Balance at the end of the year	**879,60,689**	**4,398.03**	**835,04,744**	**4,175.24**

Name of the Shareholder	As at 31 March 2018 Shares held (Nos)	As at 31 March 2018 Shares held (%)	As at 31 March 2017 Shares held (Nos)	As at 31 March 2017 Shares held (%)
13.4 Details of shareholders holding more than 5% shares as at 31 March:				
Palm Shelter Estate Development LLP	11,813,300	13.43%	11,813,300	14.15%
Anbee Construction LLP	10,386,401	11.81%	10,386,401	12.44%
Cape Trading LLP	10,386,401	11.81%	10,386,401	12.44%
Reliance Capital Trustee Co. Ltd. A/C Reliance Equity Opportunities Fund	6,346,491	7.22%	6,225,905	7.46%
Raghukool Estate Development LLP	5,593,300	6.36%	5,593,300	6.70%
Capstan Trading LLP	5,459,768	6.21%	5,459,768	6.54%
Casa Maria Properties LLP	5,253,300	5.97%	5,253,300	6.29%

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

13.6 The Board of Directors and the shareholders of the Company at their meetings held on 23 September 2017 and 18 October 2017 respectively have approved issue of 43,95,925 equity shares of ₹ 5 each at an issue price of ₹ 407.78 per equity share to Amazon.com NV Investment Holdings LLC, on a preferential basis. On 12 January 2018, the Company has allotted these equity shares, which are pari passu in all respect.

The Company has issued and allotted 60,020 number of shares under Share options schemes to certain employees- Refer Note 35.

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
14. Other equity		
Securities premium reserve	65,439.81	47,521.31
General reserves	1,909.19	1,909.19
Retained earnings	23,528.09	22,242.92
Share options outstanding account	61.50	226.95
	90,938.59	**71,900.37**

For addition and deductions under each of the above heads see Statement of changes in equity.

14.1 Securities premium reserve

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

14.2 General reserve

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

14.3 Share options outstanding account

Share options outstanding account relates to share options granted by the Company to certain employees under share option plan. Further information about share based payments to employees is set out in Note 35.

NOTES

to the financial statements for the year ended 31 March 2018

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
15. Borrowings		
Non-current		
Term Loans (Secured) from banks	7,976.77	37,294.31
Less: Current maturities (Refer note 17)	4,000.00	16,297.63
	3,976.77	**20,996.68**

15.1 Term Loans are secured by a first pari passu charge on stock,book debts, hypothecation charge on credit card/debit card receivables (Escrow account) and all the movable fixed assets of the Company, both present & future except ICICI Bank Term loans which is secured by 1 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.

15.2 Terms of the Facilities:-

Name of the Bank	Rate of Interest	Repayment Schedule	Loan Balance 31 March 2018	Loan Balance 31 March 2017
Non-current borrowings				
HDFC Bank	Nil (2017: 10.40%)	12 quarterly equal installments from 10 January 2015.	-	1,249.70
HDFC Bank	Nil (2017: 10.40%)	14 equal quarterly installments from 01 June 2015.	-	1,070.60
HDFC Bank	Nil (2017: 9.50%)	12 equal quarterly installments from 30 June 2017	-	4,993.56
ICICI Bank	Nil (2017: 9.70%)	15 equal quarterly installments from 01 September 2014.	-	1,332.69
ICICI Bank	Nil (2017: 9.70%)	12 equal quarterly installments from 01 December 2015.	-	5,788.06
IDBI Bank	9.45% (2017: 9.95%)	10 equal quarterly installments from 09 December 2017.	7,976.77	9,992.48
Kotak Mahindra Bank	Nil (2017: 10.40%)	12 equal quarterly installments from 08 December 2015	-	2,500.00
Kotak Mahindra Bank	Nil (2017: 9.75%)	Repayable on 30 September 2017.	-	2,000.00
Kotak Mahindra Bank	Nil (2017:9.25%)	Repayable in 12 equal quarterly installments from 03 December 2017	-	4,992.22
Abu Dhabi Commercial Bank	Nil (2017: 10.25%)	12 equal quarterly installments from 10 September 2016	-	3,375.00
Total Non-current borrowings			**7,976.77**	**37,294.31**
Current maturities of long-term borrowings				
HDFC Bank	Nil (2017: 10.40)	12 quarterly equal installements from 10 January 2015.	-	1,250.01
HDFC Bank	Nil (2017: 10.40%)	14 equal quarterly installments from 01 June 2015.	-	714.29
HDFC Bank	Nil (2017: 9.50%)	12 equal quarterly installments from 30 June 2017	-	1,666.67
ICICI Bank	Nil (2017: 9.70%)	15 equal quarterly installments from 01 September 2014.	-	1,333.33
ICICI Bank	Nil (2017: 9.70%)	12 equal quarterly installments from 01 December 2015.	-	3,333.34
IDBI Bank	9.45% (2017: 9.95%)	10 equal quarterly installments from 09 December 2017.	4,000.00	2,000.00
Kotak Mahindra Bank	Nil (2017: 10.40%)	12 equal quarterly installments from 08 December 2015	-	1,666.66
Kotak Mahindra Bank	Nil (2017: 9.75%)	Repayable on 30 September 2017.	-	2,000.00
Kotak Mahindra Bank	Nil (2017:9.25%)	Repayable in 12 equal quarterly installments from 03 December 2017	-	833.33
Abu Dhabi Commercial Bank	Nil (2017: 10.25%)	12 equal quarterly installments from 10 September 2016	-	1,500.00
Total Current borrowings			**4,000.00**	**16,297.63**

15.3 Borrowings are carried at amortised cost.

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
15A. Current		
From banks		
- Secured	761.12	15,295.86
- Unsecured	-	5,000.00
	761.12	**20,295.86**

15A.1 Secured Loans are secured by a first pari passu charge on stock,book debts, hypothecation charge on credit card/ debit card receivables (Escrow account) and all the movable fixed assets of the Company, both present & future except ICICI Bank loan which is secured by first pari passu charge on the current assets and all the movable fixed assets of the Company both present & future excluding leasehold rights, lease deposits & Shoppers Stop brands.

15A.2 Terms of the Facilities:-

Name of the Bank	Rate of Interest	Repayment Schedule	Loan Balance 31 March 2018	Loan Balance 31 March 2017
Secured:				
Axis Bank	9.25% (2017: 9.15%)	On demand	234.14	1,051.12
Axis Bank (Working Capital Demand Loan)	Nil (2017: 8.45%)	Maturity on 05 May 2017	-	1,500.00
Axis Bank (Line of Credit)	Nil(2017: 8.40%)	Nil, For 2017, Maturity on 08 May 2017 & 10 May 2017	-	4,000.00
ICICI Bank (Cash Credit)	9.25% (2017: 9.25%)	On demand	1.15	2,085.79
IDBI Bank (Cash Credit)	10.25% (2017: 10.50%)	On demand	153.05	467.07
IDBI Bank (Vendor Financing)	Nil (2017: 9.50%)	On Maturity	-	802.25
Kotak Mahindra Bank Ltd. (Cash Credit)	9.00% (2017: 9.95%)	On demand	146.47	5,389.63
HDFC Bank Ltd. (Cash Credit)	10.55% (2017: Nil)	On demand	13.30	-
Yes Bank	10.75% (2017:Nil)	On demand	0.80	-
IDFC Bank	9.05% (2017: Nil)	On demand	212.21	-
			761.12	**15,295.86**
Unsecured				
ICICI Bank (One Time STL) Unsecured	Nil (2017: 8.40%)	Nil, For 2017, Maturity on 07 June 2017	-	5,000.00
			-	**5,000.00**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
16. Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	460.17	579.62
- Total outstanding dues of creditors other than micro enterprises and small enterprises	48,401.06	32,439.66
	48,861.23	**33,019.28**

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

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to the financial statements for the year ended 31 March 2018

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
17. Other financial liabilities		
Other financial liabilities measured at amortised cost		
Current maturities of long term borrowings	4,000.00	16,297.63
Interest accrued but not due on borrowings	0.13	165.88
Unpaid dividends	0.38	0.38
Creditors for capital expenditure	2,313.17	1,217.19
Accrued payroll	1,478.82	1,836.32
Security deposits	98.15	100.32
Related parties payables (Refer Note 38)	140.34	109.85
	8,030.99	**19,727.57**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
18. Provisions		
Provision for employee benefits:		
Gratuity	193.22	200.82
Leave encashment	601.18	516.04
	794.40	**716.86**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
19. Other current liabilities		
Statutory liabilities	7,695.12	2,305.15
Award schemes and gift vouchers	10,760.22	10,432.73
Others	35.72	-
	18,491.06	**12,737.88**

(All amounts in ₹ Lacs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
20. Revenue from operations		
Retail Sale of Merchandise		
Own merchandise - Gross of tax	387,316.73	367,500.86
Concessionaire / Consignment merchandise – Gross of tax	26,259.14	32,595.04
	413,575.87	400,095.90
Less: Goods & Service tax / Value added tax	41,985.29	19,073.24
Less: Cost of concessionaire / consignment merchandise	17,497.26	21,838.13
	354,093.32	**359,184.53**
Other Retail operating revenue		
Facility management fees	2,578.98	2,617.58
Gift vouchers lapsed	1,721.92	1,765.52
Income from store displays and sponsorship	54.69	162.35
Direct marketing	700.00	830.80
Other	-	243.47
	5,055.59	5,619.72
	359,148.91	**364,804.25**

(All amounts in ₹ Lacs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
20.1 Gross volume of retail business comprises:-	387,316.73	367,500.86
Own merchandise	26,259.14	32,595.04
Concessionaire / Consignment merchandise	5,055.59	5,619.72
Other Retail operating revenue	**418,631.46**	**405,715.62**

(All amounts in ₹ Lacs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
21 Other income		
Interest on financial assets:		
Inter-corporate deposit to subsidiary companies (Refer Note 38)	719.60	1,998.92
On mutual fund investment	76.17	-
Bank deposits	69.32	55.62
lease deposits measured at amortised cost	666.71	780.33
Miscellaneous income	70.23	122.11
	1,602.03	**2,956.98**

(All amounts in ₹ Lacs)

		For the year ended 31 March 2018	For the year ended 31 March 2017
22a. Purchase of Stock-in-trade			
Retail Merchandise			
Apparels		129,823.99	131,200.02
Non-apparels		89,081.76	94,226.79
	(A)	**218,905.75**	**225,426.81**
22b.Changes in inventories of stock in trade			
Opening inventory		35,276.50	38,587.11
Closing inventory		32,842.43	35,276.50
Decrease	(B)	**2,434.07**	**3,310.61**
22c.Cost of inventories recognised as an expenses*	(A)+(B)	221,339.82	228,737.42
* Includes write-downs / offs (net) of inventory to net realisable value on account of old season stock and shrinkages arising from stock count.		1,264.33	1,577.83

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(All amounts in ₹ Lacs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
23. Employee costs		
Salaries and Wages	27,272.68	24,991.31
Contribution to provident and other funds (Refer note 36)	1,881.63	1,698.71
Share-based payments cost *	10.63	65.22
Staff welfare expenses	969.83	595.13
	30,134.77	**27,350.37**

* Measured at fair value.
For details of share options granted by the Company to the certain employees, Refer Note 35.

(All amounts in ₹ Lacs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
24. Finance costs		
Interest on borrowings	3,551.46	5,758.24
Bank charges	64.66	86.77
	3,616.12	**5,845.01**

(All amounts in ₹ Lacs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
25. Other expenses		
Lease rent and hire charges (Note 27.1)	35,973.06	34,797.41
Business conducting fees	1,441.11	1,442.62
Rates and taxes	2,605.70	8,482.65
Repairs and maintenance		
- Buildings	8,339.19	7,992.48
- Others	1,007.63	1,222.12
Legal and professional fees (Note 27.2)	1,107.26	738.67
Housekeeping charges	1,798.05	1,703.96
Security charges	2,743.04	2,803.05
Computer expenses	2,492.69	2,596.46
Conveyance and travelling expenses	2,158.20	1,682.74
Electricity charges	9,168.52	9,354.67
Advertisement and publicity	5,554.09	5,788.54
Sales promotion	4,184.97	3,249.50
Charges on credit card transactions	2,656.78	2,558.27
Allowances for bad and doubtful financial assets*	240.65	308.00
Loss on sale of property, plant and equipment (net)	54.13	1.49
Foreign exchange gain / loss (net)	(16.27)	48.61
Corporate Social Responsibility expenses	84.08	74.32
Miscellaneous expenses	4,917.83	4,618.74
	86,510.72	**89,464.30**

*excludes exceptional items

(All amounts in ₹ Lacs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
26. Income tax expense recognised in profit or loss		
Current income tax:	3,897.31	2,641.88
Current income tax charge	(593.29)	(548.09)
Adjustments in respect of current income tax of previous year	3,304.01	2,093.79
Total		
Deferred tax:	(1,548.38)	(594.34)
In respect of current year	-	525.92
In respect of prior years	(1,548.38)	(68.42)
Total		
Income tax expense reported in the statement of profit and loss	**1,755.63**	**2,025.37**

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Net loss / (gain) on remeasurements of defined benefit plans	43.22	13.89
Net (gain) / loss on revaluation of cash flow hedges	-	-
Unrealised (gain) / loss on MTM - FRL	72.48	-
Income tax expense charged to OCI	**115.70**	**13.89**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax (Before exceptional item)	7,956.97	4,811.52
Income tax expense calculated at 34.608 %	2,753.75	1,665.17
Effect of expenses that are not deductible in determining taxable profit	161.20	382.38
Adjustments in respect of current income tax of previous year	(593.30)	-
Others	(566.02)	(22.17)
Income tax expense recognised in profit or loss	**1,755.63**	**2,025.37**

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
27.1. Leases		
Operating lease commitment as lessee		
Expenses recognised in the statement of profit and loss		
a) Minimum lease payments	11,487.10	12,236.85
b) Contingent rent	24,485.96	21,526.63
Variable rent for certain stores is payable in accordance with the lease agreement as the higher of (a) fixed minimum guarantee amount and (b) revenue share percentage.		
c) The future minimum rental payments in respect of non cancellable lease for premises are as follows:		
Within one year	5,740.86	4,911.46
After one year but not more than five years	7,353.04	4,928.26
More than five years	-	-
The agreements are executed for periods ranging from 24 to 288 months with a non-cancellable period at the beginning of the agreement ranging from 24 to 108 months and having a renewable clause.		
27.2 Payments to Auditors (excluding taxes):		

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(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
i) Audit fees	53.00	50.00
ii) Other matters	11.46	22.37
iii) Out of pocket expenses	2.26	0.90
	66.72	**73.27**
27.3 Expenditure related to corporate social responsibility as per Section 135 of the Companies Act,2013 read with schedule VIII thereof ₹ 84.16 Lacs (2017: ₹ 74.32 Lacs)		
a) Gross amount required to be spent by the Company is ₹ 84.16 Lacs (2017 ₹ 74.32 lacs)		
b) Details of amount spent are as under:		
Construction/acquisition of an asset	-	-
On purpose other than above – Livelihood creation –	64.08	74.32
For the persons with disabilities (Employment linked training)		
c) Ensuring environmental sustainability (Swachh Bharat)	20.08	
Total	**84.16**	**74.32**
d) Details of expenditure paid to related party, in relation to CSR expenditure. Refer Note 38		

28. Earning Per Equity Share

Basic EPS amounts are calculated by dividing the profit / (loss) for the year attributable to equity holders of the Company by weighted average number of equity shares outstanding during the year.

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

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

	As at 31 March 2018	As at 31 March 2017
(a) Profit / (Loss) attributable to equity share holders (₹ In lacs)	1,160.38	(1,993.85)
(b) Weighted Number of equity shares outstanding during the year	84,476,182	83,497,550
(c) Weighted Number of equity shares outstanding during the year after adjustment for dilution	84,491,999	83,497,550
(d) Nominal value per share (₹)	5	5
(e) EPS:		
Basic (₹)	1.37	(2.39)
Diluted (₹)	1.37	(2.39)
Weighted Average number of Equity shares for basic EPS	84,476,182	83,497,550
Effect of dilution:		
Share options	15,817	-*
Weighted average number of Equity shares adjusted for the effect of dilution	84,491,999	83,497,550

* Anti dilutive

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to the financial statements for the year ended 31 March 2018

(All amounts in ₹ Lacs)

	As at 31 March 2018	As at 31 March 2017
29. Contingent liabilities and commitments:		
i) Contingent liabilities		
a) Claims against the Company not acknowledged as debts,comprising of:		
Income tax claims disputed by the Company relating to disallowances aggregating	240.00	1,036.41
Indirect tax claims disputed by the Company relating to issues of applicability and classification aggregating		
- Service Tax other than on Rent	1,120.42	1,120.42
- Service Tax on Rent (Refer Note 30)	1,659.56	1,659.56
- VAT	5.79	8.23
- Customs Duty	42.61	42.60
Third party claims arising from disputes relating to contracts aggregating	-	236.74
b) Other matters	25.00	25.00
Note: Future cash outflows in respect of (a) above are determinable only on receipt of judgements / decisions pending with various forums / authorities.		
c) Bank Guarantees	538.89	538.26
ii) Commitments		
a) Estimated amount of contracts remaining to be executred on capital account and not provided for	2,206.80	3,290.56
b) Corporate guarantee given to bank jointly and severally:		
- With joint venture partner for loans taken by Joint venture entity	-	2,325.00
- With the promoter group Company for loans taken by Crossword Bookstores Ltd. ₹ 2,340.00 Lacs (2017: Hypercity Retail (India) Ltd. ₹ 31,583.00 Lacs and Crossword Bookstores Ltd. ₹ 1,800.00 Lacs)	2,340.00	33,383.00

30. 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, and 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 ₹ 1,659.56 lacs for the period 1 June, 2007 to 31 March, 2010.

31. Exceptional Items:

i) During the year, In terms of the Share Purchase Agreement executed with Future Retail Limited and approval accorded by the members through postal ballot, the Company disposed of 77,158,778 equity shares of ₹ 10/- each constituting 51.09% of the share capital of Hypercity Retail (India) Ltd.; its material subsidiary to Future Retail Limited on 30 November 2017. Accordingly, Hypercity ceases to be subsidiary of the Company. The Company was allotted 4,756,823 equity shares of ₹ 2/- each at an issue price of ₹ 537/ - per equity share by Future Retail Limited and received cash consideration in terms of the aforesaid Share Purchase Agreement. Accordingly, the Company has recorded a net loss of ₹ 4,886.75 lacs in the current financial year which has been disclosed as an exceptional item. (31 March 2017 impairment loss of ₹ 3,600 lacs).

ii) During the year, the Company has disposed off its 40% shareholding in Nuance Group (India) Pvt. Ltd (NGIPL) to The Nuance Group AG, Switzerland, at a consideration of ₹ 600 lacs on 6 October 2017. With the disposal of this shareholding, the Shareholders Agreement executed with them, stands terminated and accordingly, NGIPL ceases to be an associate Company of the Company.Accordingly, the Company has recorded a net gain of ₹ 20 lacs in the current financial year which has been disclosed as an exceptional item. (31 March 2017 impairment of ₹ 1,180 lacs).

iii) During the year, the Company has disposed off its 48.42% shareholding in Timezone Entertainment Private Ltd. (TEPL) to Timezone West Asia Pte. Ltd., at a consideration of ₹ 2,270.40 lacs on 15 February 2018. With the disposal of this shareholding, the joint venture agreement executed in this regard, stands terminated and accordingly, TEPL ceases to be an associate Company of the Company. Accordingly, the Company has recorded a net loss of ₹ 174.21 lacs in the current financial year which has been disclosed as an exceptional item.

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to the financial statements for the year ended 31 March 2018

32. Segment Reporting

The Company is primarily engaged in the business of retail trade through retail and departmental store facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.

i) The Company operates in a single geographical environment i.e. in india.

ii) No single customer contributed 10% or more to Company's revenue.

33. Dividends

The Board of Directos has recommended dividend of ₹ 0.75 per share of ₹ 5 each for the financial year 2017-18. The payment is subject to the approval of members at the annual general meeting.

34. Derivatives/Forward Foreign Exchange Contracts

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading and speculative purposes.

It is the policy of the Company to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Company also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out of 6 months within 40% to 50% of the exposure generated.

Adjustments are made to the initial carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following are the outstanding Forward Exchange Contracts entered into by the Company as at 31 March 2018.

Particulars	31 March 2018			31 March 2017		
Number of Contracts	1	1	1	1	1	2
Type	Buy	Buy	Buy	Buy	Buy	Buy
Foreign currency (in lacs)	0.27 EURO	0.06 GBP	1.86 USD	0.04 AED	0.37 GBP	2.59 USD
INR Equivalent (in lacs)	22.20	5.77	121.43	0.64	29.81	168.71

b) Unhedged Foreign Currency exposure

There are no foreign currency exposures that have not been hedged by a derivative instrument or otherwise at the end of the year.

35. Share-Based Payments

The expense recognised for employee services received during the year is shown in the following table:

	Year ended 31 March 2018	Year ended 31 March 2017
Expense arising on Employee Stock Option Scheme	10.63	65.22
Total expense arising from share-based payment transactions	**10.63**	**65.22**

35.1 Employee share option plan of the Company

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

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options are granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The Contractual term of each option granted is three years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The following share-based payment arrangements were in existence during the current and prior years:

Options series	Number	Grant date	Expiry date	Exercise Price (₹)	Fair value at grant date (₹)
Granted on 9 June 2012	200,000	09.06.2,012	09.06.2,015	297.00	115.70
Granted on 28 August 2013	200,000	28.08.2,013	28.08.2,016	344.00	124.00
Granted on 29 April 2014	160,675	29.04.2,014	29.04.2,017	362.00	123.21
Granted on 31 July 2015	3,275	31.07.2,015	31.07.2,018	404.00	124.35

All options vested based on the pre determined vesting schedule (i.e. three years) from the date of grant and expire after 12 months from the last date of vesting schedule, six months from the date of retirement or twelve months after the resignation of the employee, whichever is the earlier.

35.2 Fair value of share options granted in the year

There are no new grants during the F.Y. 2017-18.

35.3 Movements in share options during the year

Number of Employee Stock Option Outstanding:	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
	31 March 2018		31 March 2017	
Outstanding at the beginning of the year	211,124	353.61	340,975	339.62
Granted during the year	-	-	-	-
Lapsed/Cancelled during the year	101,185	-	98,298	-
Exercised during the year	60,020	345.99	31,553	299.35
Surrendered during the year	-	-	-	-
Outstanding at the end of the year	49,919	363.07	211,124	353.61

Of the above outstanding share options, 49,919 (2017: 1,69,757) shares are exercisable at the end of the respective reporting periods.

Details of year wise grant and exercise:

Year / (date of Grant)	Options granted (net of lapsed)	Exercised till 31.03.2016	Exercised in 2016-17	Exercised till 31.03.2017	Outstanding 31.03.2017	Exercised in 2017-18	Outstanding 31.03.2018
2009-10 (29.04.2009)	958,740	958,740	-	958,740	-	-	-
2009-10 (24.03.2010)	358,200	358,200	-	358,200	-	-	-
2011-12 (29.04.2011)	124,100	124,100	-	124,100	-	-	-
2012-13 (09.06.2012)	101,807	71,829	29,978	101,807	-	-	-
2013-14 (28.08.2013)	42,512	27,054	1,575	28,629	106,042	13,883	-
2014-15 (29.04.2014)	104,586	10,494	-	10,494	101,807	44,173	49,919
2015-16 (31.07.2015)	1,964	-	-	-	3,275	1,964	-
			31,553	**1,581,970**	**211,124**	**60,020**	**49,919**

35.4 Share options exercise during the year

The following share options were exercised during the year

Options series	Number Exercised	Exercise date	Weighted Average Share price at exercise date (₹)
Granted on 28 August 2013	13,883	17.09.2017	344
Granted on 29 April 2014	3,938	17.09.2017	362
	4,887	26.10.2017	362
	20,159	30.11.2017	362
	5,571	31.01.2018	362
	9,618	19.03.2018	362
Granted on 31 July 2015	1,964	31.01.2018	404

35.5 The weighted average contractual life of the options outstanding is 3.08 years.

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36. Employee Benefits

36.1 Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹ 1,158.15 Lacs (2017: ₹ 1,111.81 Lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense. Information about the contributions to defined contribution plans for key managerial personnel is disclosed in note 38.

36.2 Defined benefit plan

The Company sponsors funded defined benefit (Gratuity) plan for qualifying employees, covered under the Payment of Gratuity Act, 1972. The defined benefit plan is administered by a third-party insurer (Life Insurance Corporation of India). This third-party insurer is responsible for the investment policy with regard to the assets of the plan.

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

a) The principal actuarial risks to which the Company is exposed are investment risk, interest rate risk, salary risk and longevity risk.

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

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

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	7.40% p.a.	7.15% p.a.
Expected rate of salary increase	4.00% p.a.	4.00% p.a.
Average Longevity at retirement age for current beneficiaries of the plan (years)	Indian Assured Lives Mortality 2006-08	
Rate of employee turnover		
Upto 5 Year	34.00% p.a.	11.00% p.a.
Above 5 Year	11.00% p.a.	11.00% p.a.

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	252.28	221.26
Net interest cost	14.35	11.91
Components of defined benefits costs recognised in profit or loss.	**266.63**	**233.17**
Remeasurements on the net defined benefit liability:		
- Return on plan assets, excluding amount included in interest expense/ (income)	(16.14)	(14.63)
- Actuarial (gain) / loss from change in demographic assumptions	(107.12)	-
- Actuarial (gain) / loss from change in financial assumptions	(22.44)	44.46
- Actuarial (gain) / loss from change in experience adjustments	20.79	(69.96)
Total amount recognised in other comprehensive income	**(124.91)**	**(40.13)**
Total	**141.72**	**193.04**

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

Particulars	As at 31 March, 2018	As at 31 March, 2017
Present value of funded defined benefit obligation	1,343.48	1,341.11
Fair value of plan assets	1,150.26	1,140.29
Net asset arising from defined benefit obligation	**193.22**	**200.82**

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of obligations as at beginning of the year	1,341.10	1,208.01
Current service cost	252.28	221.26
Interest cost	95.82	92.95
Remeasurements (gains) / losses:		
- Actuarial (gain) / loss from change in demographic assumptions	(107.12)	-
- Actuarial (gain) / loss from change in financial assumptions	(22.44)	44.46
- Actuarial (gain) / loss from change in experience adjustments	20.79	(69.96)
Benefits paid	(236.95)	(155.64)
Closing defined benefit obligation	**1,343.48**	**1,341.10**

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening fair value of plan assets	1,140.29	1,053.23
Interest income	81.47	81.04
Remeasurement (gains) / losses:		
- Return on plan assets, excluding amount included in net interest expense	16.14	14.63
Contributions from the employer	149.31	147.03
Benefits paid / transferred	(236.95)	(155.64)
Closing fair value of plan assets	**1,150.26**	**1,140.29**

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

Particulars	31 March 2018	31 March 2017
Defined benefit obligation (base)	1,343.48	1,341.11

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +1%)	1,425.08	1,270.61	1,429.68	1,262.23
% change compared to base due to sensitivity	6.10%	-5.40%	6.60%	-5.90%
Salary growth rate (- / +1%)	1,267.67	1,427.05	1,259.23	1,431.61
% change compared to base due to sensitivity	-5.60%	6.20%	-6.10%	-6.70%
Attrition rate (- / +50%)	1,277.24	1,355.65	1,244.52	1,379.02
% change compared to base due to sensitivity	-4.90%	0.90%	-7.20%	-2.80%
Mortality rate (- / +10%)	1,343.02	1,343.93	1,340.69	1,341.53
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%

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

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

There in no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note 36.2b above.

h) **Asset liability matching strategies:**

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

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

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

b) The Company expects to contribute ₹ 380.03 lacs to its gratuity plan for the next year.

c) Weighted average duration of the defined benefit obligation is 6 years (based on discounted cashflows).

Expected cash flows over the next (valued on undiscounted basis):	₹ In lacs
1 year	295.41
2 to 5 years	632.02
6 to 10 years	545.64
More than 10 years	814.29

37. Subsidiaries and Joint Ventures.

37.1 Details of the Company's subsidiaries at the end of the reporting period are as follows:

Sr. No.	Name of subsidiary	Principal activity	Place of incorporate and operation	Proportion of ownership interest and voting rights held As at 31 March 2018	Proportion of ownership interest and voting rights held As at 31 March 2017
1	Hypercity Retail (India) Limited (Refer Note 31)	Retailing a variety of household and consumer products (including food, groceries, fashion and other general merchandise) through departmental stores	India	-	51.04%
2	Crossword Bookstores Limited	Retailing in books and other allied items through departmental stores operated by self or by franchisees	India	100%	100%
3	Shoppers' Stop Services (India) Limited	Services	India	100%	100%
4	Upasna Trading Limited	Supervising distribution and logistics operations	India	100%	100%
5	Shoppers' Stop.com (India) Limited	Services	India	100%	100%
6	Gateway Multichannel Retail (India) Limited	Catalogue retailing	India	100%	100%

37.2 The Company has given corporate guarantee to banks for loans taken by subsidiaries – Refer Note 29 (ii) (b).

37.3 Interest In Joint Ventures:
The Company's interests, as a venturer, in a jointly controlled entities are as follows:

Name	Principal activity	Place of incorporate and operation	Proportion of ownership interest and voting rights held As at 31 March 2018	Proportion of ownership interest and voting rights held As at 31 March 2017
Nuance Group (India) Private Limited (Refer Note 31)	Airport retailing	India	-	50.00%
Timezone Entertainment Private Limited (Refer Note 31)	Entertainment	India	-	48.42%

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38. Related Party Disclosures

Names of related parties and description of relationship:

(a)	Subsidiaries	Hypercity Retail (India) Limited (upto 30 November 2017) Crossword Bookstores Limited Gateway Multi Channel Retail (India) Limited. Upasna Trading Limited. Shoppers Stop Services (India) Limited. Shoppers Stop.com (India) Limited.	
(b)	Key Management Personnel	Executive Director:	Govind Shrikhande
		Non Executive Directors:	Chandru L. Raheja Ravi Raheja Neel Raheja B.S. Nagesh Nitin Sanghavi Deepak Ghaisas Nirvik Singh Abanti Sankaranarayanan Gareth Thomas (upto 26 October 2017) Manish Chokhani
		Chief Executive Officer	Rajiv Suri (w.e.f 09 January 2018)
		Chief Financial Officer	Sanjay Chakravarti (upto 22 December 2017)
		Company Secretary	Bharat Sanghavi
(c)	Promoter directors	C.L. Raheja, Ravi C. Raheja, Neel C. Raheja	
(d)	Entities in which director is director	Ivory Properties and Hotels Private Limited*, K. Raheja Corp. Private Limited* K. Raheja Private Limited*, Inorbit Malls (India) Private Limited*, Avacado Properties and Trading India Private Limited*, Chalet Hotels Private Limited* Trion Properties Private Limited*, Magna Warehousing & Distribution Private Limited*, Retailers Association of India	
(e)	Entities in which other directors are directors / trustees	Sanghavi Associates Ltd., Trrain Foundation; Trust for Retailers & Retail Association of India	
(f)	Joint Ventures	Nuance Group (India) Private Limited (upto 06 October 2017) Timezone Entertainment Private Limited. (upto 15 February 2018)	

Following are the transactions with related parties

Nature	Subsidiaries	Entities in which the directors are directors/ trustees (refer d and e above)	Joint Ventures	Key Management Personnel	Total
Trading transactions					
Purchase of Merchandise	**14.75**	**-**	**-**	**-**	**14.75**
Crossword Bookstores Limited	3.11	-	-	-	-
Hypercity Retail (India) Limited	11.64	-	-	-	-
	(29.26)	-	-	-	(29.26)
Loan to related parties					
Loan Given	**11,900.00**	**-**	**-**	**-**	**11,900.00**
Hypercity Retail (India) Limited	11,900.00	-	-	-	-
	(6,719.00)	-	-	-	(6,719.00)

Nature	Subsidiaries	Entities in which the directors are directors/ trustees (refer d and e above)	Joint Ventures	Key Management Personnel	Total
Recovery of Loan	**21,319.00**	**-**	**-**	**-**	**21,319.00**
Hypercity Retail (India) Limited	21,319.00	-	-	-	-
Gateway Multi Channel Retail (India) Limited	-	-	-	-	-
	(11,800.00)	-	-	-	(11,800.00)
Compensation to key management personnel					
Remuneration to managing director	**-**	**-**	**-**	**499.16**	**499.16**
Short-term benefits	-	-	-	480.71	480.71
Post employment benefits	-	-	-	18.45	18.45
Share based payments		-	-	-	
	-	-	-	(453.92)	(453.92)
Remuneration to Company Secretary				**43.63**	**43.63**
Short term benefits	-	-	-	42.31	
Post employment benefits	-	-	-	0.46	
Share based payments	-	-	-	0.86	
				(68.23)	(68.23)
Remuneration to Chief Executive Officer				**100.22**	**100.22**
Short term benefits	-	-	-	100.22	
Post employment benefits	-	-	-	-	
Share based payments	-	-	-	-	
				(267.43)	(267.43)
Remuneration to Chief Financial Officer				**100.65**	**100.65**
Short term benefits	-	-	-	100.65	
Post employment benefits	-	-	-	-	
Share based payments	-	-	-	-	
	-	-	-	(104.72)	(104.72)
Other related party transactions					
Purchase of Assets	**10.39**	**-**	**-**	**-**	**10.39**
Hypercity Retail (India) Limited	0.90	-	-	-	-
Crossword Bookstores Ltd	9.49	-	-	-	
	-	-	-	-	-
Payment of conducting fees/ Lease Rent/ Common Area Maintenance Charges	**74.14**	**6,318.50**	**-**	**-**	**6,392.64**
Ivory Properties and Hotels Private Limited*	-	1,716.44	-	-	-
Inorbit Malls (India) Private Limited*	-	3,098.49	-	-	-
Hypercity Retail (India) Limited	74.14	-	-	-	-
Chalet Hotels Private Limited*		143.79			
Genext Hardware and Parks Private Limited*		172.55			
Trion Properties Private Limited*	-	975.83	-	-	-
	(83.64)	(6,331.68)			(6,415.32)

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Nature	Subsidiaries	Entities in which the directors are directors/ trustees (refer d and e above)	Joint Ventures	Key Management Personnel	Total
Expenses Paid	**-**	**95.14**	**-**	**0.95**	**96.09**
B. S. Nagesh	-	-	-	0.95	
K. Raheja Corp. Pvt. Ltd.*	-	1.63	-	-	
Juhu Beach Resorts Limited*	-	0.10	-	-	
JW Marriott Sahar Mumbai unit of Chalet Hotels Pvt. Ltd.*	-	5.14	-	-	
Retailers Association of India	-	5.51	-	-	
Sanghavi Associates Ltd.	-	10.06	-	-	
Trrain Circle Pvt. Ltd.		0.77	-	-	
CSR – Trust for Retailers & Retail Association of India	-	64.00	-	-	
Inorbit Malls (India) Private Limited*	-	7.94	-	-	
	(21.84)	(83.75)		(1.25)	(106.84)
Share based payment costs					**-**
Hypercity Retail (India) Limited	-	-	-	-	
Crossword Bookstores Limited	-	-	-	-	
	(19.40)	-	-	-	(19.40)
SOH Expenses Paid	**-**	**-**	**-**	**-**	**-**
Hypercity Retail (India) Limited	-	-	-	-	
	(40.30)				(40.30)
Interest Received	**719.60**	**-**	**-**	**-**	**719.60**
Crossword Bookstores Limited	88.12				
Hypercity Retail (India) Limited	631.48	-	-	-	-
	(1,998.93)	-	-	-	(1,998.93)
Deposits Paid	**-**	**71.03**	**-**	**-**	**71.03**
Inorbit Malls (India) Private Limited*	-	49.64			
Trion Properties Private Limited*	-	0.88	-	-	-
Genext Hardware and Parks Private Limited*		20.52			
	-	(50.70)	-	-	(50.70)
Reimbursement of Expenses paid	**38.72**	**683.13**	**-**	**-**	**721.86**
Inorbit Malls (India) Private Limited*	-	527.38	-	-	-
Crossword Bookstores Limited	21.36	-	-	-	
Hypercity Retail (India) Limited	17.37	-	-	-	-
Trion Properties Private Limited*	-	155.75	-	-	-
	(66.72)	(94.19)	-	-	(160.91)
Expenses recovered	**334.86**	**-**	**-**	**-**	**334.86**
Hypercity Retail (India) Limited	6.34	-	-	-	-
Crossword Bookstores Limited	328.62				
	(521.83)	-	-	-	(521.83)
Investments made	**-**	**-**	**-**	**-**	**-**
Hypercity Retail (India) Limited - Preference Shares	-	-	-	-	-
Timezone Entertainment Pvt. Ltd.	-	-	-	-	-
	(5,023.28)	-	-	-	(5,023.28)

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Nature	Subsidiaries	Entities in which the directors are directors/ trustees (refer d and e above)	Joint Ventures	Key Management Personnel	Total
Deposit received back	**-**	**197.18**	**-**	**-**	**197.18**
Trion Properties Private Limited*	-	197.18			
	(116.72)	-	-	-	(116.72)
Transfer of Loyalty Points	**35.44**	**-**	**-**	**-**	**35.44**
Hypercity Retail (India) Limited	35.44	-	-	-	
	-	-	-	-	-
Receipt of Loyalty points	**20.61**	**-**	**-**	**-**	**20.61**
Hypercity Retail (India) Limited	20.61	-	-	-	
	-	-	-	-	-
Sharing of Group Loyalty Data (Income)	**-**	**-**	**-**	**-**	**-**
Crossword Bookstores Limited	-	-	-	-	-
Hypercity Retail (India) Limited	-	-	-	-	-
	(8.60)				(8.60)
Sharing of Group Loyalty Data (Expenses)	**-**	**-**	**-**	**-**	**-**
Crossword Bookstores Limited	-	-	-	-	-
Hypercity Retail (India) Limited	-	-	-	-	-
	(2.66)	-	-	-	(2.66)
Commission and Sitting fees to Non-Executive Directors					
Chandru L. Raheja				3.50	
Ravi Raheja				4.60	
Neel Raheja				3.50	
B.S. Nagesh				6.50	
Nitin Sanghavi				8.10	
Deepak Ghaisas				9.70	
Nirvik Singh				3.50	
Abanti Sankaranarayanan				3.50	
Gareth Thomas				1.00	
Manish Chokhani				6.70	
	-	-	-	(48.80)	(48.80)

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Balance outstanding at the year end		
Payable		
Upasna Trading Limited	109.37	
	(109.85)	Cr.
Receivables		
Shoppers Stop Services (India) Limited	1.51	
	(1.48)	Dr.
Shoppers Stop.Com (India) Limited	2.72	
	(2.69)	Dr.
Hypercity Retail (India) Limited	63.58	
	(9,653.23)	Dr.
Ivory Properties and Hotels Private Limited*	1,010.52	
	(963.47)	Dr.
Inorbit Malls (India) Private Limited*	846.31	
	(769.99)	Dr.
Genext Hardware and Parks Private Limited*	179.55	
	-	Dr.
Gateway Multi Channel Retail (India) Limited	2,329.10	#
	(2,329.10)	Dr.
# All the amount is provided for in the books		
Timezone Entertainment Private Limited	-	
	-	Dr.
Trion Properties Private Limited*	285.96	
	(454.16)	Dr.
Crossword Bookstores Limited	744.74	
	(1,000.08)	Dr.

The Company has given corporate guarantee to banks for loans taken by subsidiaries – Refer Note 29(ii)(b)
The figure in bracket pertain to previous year.

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ 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.

39. Financial Instruments

A. Capital risk management

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

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarises the capital of the Company:

Capital	As at 31 March 2018 ₹ in lacs	As at 31 March 2017 ₹ in lacs
Long term borrowings (including current maturities)	7,976.77	37,294.31
Short term borrowings	761.12	20,295.86
Total debt	**8,737.89**	**57,590.17**
Equity share capital	4,398.03	4,175.24
Other equity	90,938.59	71,900.37
Total equity	**95,336.62**	**76,075.61**
Debt Equity Ratio	0.09	0.76

The Company's objective is to keep the debt equity ratio below 1 which it has achieved in both these years.

B. Financial risk management

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

(a) Market risk:

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

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

Interest risk: The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Company has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Company's profit before tax by approximately ₹ 188 lacs (2017: ₹ 283 lacs).

Currency risk: The Company's significant transactions are in Indian Rupees and therefore there is minimal foreign currency risk. Generally, the Company fully covers the foreign currency risk for transactions in foreign currency which are primarily for import of merchandise, by entering into forward cover contracts to hedge foreign currency exposure. Also Refer Note 34 for the forward cover contracts outstanding at the end of the reporting period.

(b) Credit risk:

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

Trade and other receivables: The Company's retail business is predominantly on 'cash and carry' basis which is largely through credit card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional

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customers is managed by the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

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

(c) Liquidity Risk:

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

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

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

	Less than 1 year	Between 1 and 5 years	Carrying amounts
At 31 March 2017	₹ in lacs	₹ in lacs	₹ in lacs
Borrowings (long term and short term)	36,593.49	20,996.68	57,590.17
Interest payable	165.88		165.88
Trade payables and other accruals	33,019.28		33,019.28
At 31 March 2018			
Borrowings (long term and short term)	4761.12	3976.77	8,737.89
Interest payable	0.13		0.13
Trade payables and other accruals	48,861.23		48,861.23

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

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned.

Undrawn financing facility	As at 31 March 2018 ₹ in lacs	As at 31 March 2017 ₹ in lacs
Secured Working Capital Facilities		
Amount Used	464.14	14,688.58
Amount Unused	31,735.86	12,511.42
Total	**32,200.00**	**27,200.00**
Unsecured Working Capital Facilities		
Amount Used	-	5,802.25
Amount Unused	2,500.00	3,697.75
Total	**2,500.00**	**9,500.00**

C. **Fair Value Measurements**

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

	As at 31 March 2018 ₹ in lacs	As at 31 March 2017 ₹ in lacs
Financial Assets (amortised cost):		
Loans to subsidiary companies	766.26	10,348.59
Trade receivables	4,372.44	3,574.66
Cash & Cash equivalents	457.63	295.03
Other bank balances	65.57	207.67
Other financial assets	11,970.64	16,784.61
- Premises and other deposits	11,426.59	12,985.47
- Others	544.05	3,799.14
Financial Liabilities (amortised cost):		
Borrowings – long term	3,976.77	20,996.68
Borrowings – short term	4,761.12	36,593.49
Trade payables	48,861.23	33,019.28
Other financial liabilities	4,030.99	3429.94

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

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

Financial assets / Financial liabilities	Fair value as at 31 March 2018	Fair value as at 31 March 2017	Fair value hierarchy
Fair Value through Profit and Loss			
Forward foreign currency contracts	Assets ₹ 0.39 lacs	Liabilities ₹ 0.26 lacs	Level 2
Investment in Mutual Funds	Assets ₹ 2,003.55 lacs	Nil	Level 1
Fair Value through OCI			
Investment in Future Retail Limited	Assets ₹ 26,241.01lacs	Nil	Level 1

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

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

40. STANDARDS ISSUED BUT NOT YET EFFECTIVE

IND-AS 115 was notified on 28 March 2018 and is effective for the Company in the first quarter of fiscal 2019. The Company has established an implementation team to implement IND-AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes and additional disclosure requirements that may be necessary. A reliable estimates of the quantitative impact of IND-AS 115 on the financial statements will only be possible once the implementation project has been completed.

41. The previous year figures have been audited by an audit firm other than S R B C & Co LLP. The previous year's figures have been regrouped / reclassified wherever necessary.

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
Partner
Membership No. 36738

Mumbai: 27 April 2018

For and on Behalf of the Board of Directors

C.L. Raheja
Chairman
DIN: 00027979

Ravi Raheja
Director
DIN: 00028044

Govind S. Shrikhande
Customer Care Associate &
Managing Director
DIN: 00029419

Vijay Jain
Customer Care Associate &
Dy. Chief Financial Officer

Bharat Sanghavi
Customer Care Associate &
Company Secretary

Mumbai: 27 April 2018