

Directors' Report

Shopper's Stop.Com (India) Ltd.

Dear Members,

Your Directors hereby present the Ninth Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended March 31, 2010.

Financial Performance

Particulars	(Amount in Rupees)	
	Year ended March 31, 2010	Year ended March 31, 2009
Other Income	—	—
Total Revenues	—	—
Loss before Depreciation & Tax	(32,141)	(28,793)
Less: Depreciation	—	—
Loss before Taxation	(32,141)	(28,793)
Less: Taxation	—	—
Loss after Taxation	(32,141)	(28,793)
Add/(Less): Balance brought forward from previous year	(114,294)	(85,501)
Balance carried forward	(146,435)	(114,294)

Dividend

Your Directors do not recommend dividend on account of loss incurred by the Company.

Share Capital

During the year under review there has been no change in the authorised, issued and paid up share capital of the Company.

Fixed Deposits

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Govind Shrikhande, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that:

1. In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. We had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2010 and of the loss of the Company for the year ended on that date;

3. We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. We had prepared the accounts for the financial year ended 31 March, 2010 on a 'going concern' basis.

Auditors

It is proposed to appoint M/s. G. M. Kapadia & Co., Chartered Accountants, Mumbai as Auditors of the Company in place of the retiring auditors, M/s. Dixit Dattatray & Associates, Chartered Accountants, Mumbai. The retiring auditors have expressed their inability to seek re-appointment as statutory auditors of the Company after the conclusion of the ensuing Annual General Meeting.

The Board of Directors would like to thank M/s. Dixit Dattatray & Associates, Chartered Accountants, the outgoing Auditors, for their services rendered to the Company during their association as Statutory Auditors.

The Board of Directors recommends the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company.

Conservations of Energy and Technology absorption and Foreign Exchange Earnings and Outgo

The brief of the particulars in respect of various steps and initiatives taken regarding conservation of energy and technology absorption and its disclosure as stipulated by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are as under:

- Optimised lighting by providing energy efficient lamps;
- Energy auditing

Your Company does not have any Foreign Exchange Earnings and Outgo.

Other Information

Your Company does not have any employees as on 31 March, 2010, hence the provisions of Section 217 (2A) of the Companies Act, 1956 is not applicable.

Acknowledgement

We are deeply grateful to Shopper's Stop Ltd., the Holding Company, for the confidence and faith that they have reposed in us.

For and on behalf of the Board of Directors

Mumbai
7 April, 2010

B. S. Nagesh
Chairman

**To,
The Shareholders of Shopper's Stop.Com (India) Limited**

1. We have audited the attached Balance Sheet of Shopper's Stop.Com (India) Limited as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Though the Company has stopped its operations since February 2001, the accounts for the year have been prepared on going concern basis for reason stated in Note (2) of Schedule 6.
5. Further to our comments in the Annexure referred to above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far, as appears from our examination of books.
 - c) In our opinion, the Balance Sheet and the Profit & Loss Account & Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with books of account.
 - d) On the basis of the written representations received from the Directors as on 31st March, 2010 and the information and explanations given to us, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of Section 274(1)(g) of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010; and
 - ii) in the case of the Profit and Loss Account, of the Loss for the period ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Dixit Dattatray & Associates

Chartered Accountants

D. B. Dixit

Proprietor

Membership No. 40032

(Firm Regd. No. 102665W)

Place : Mumbai

Date : 7 April, 2010

(Referred to in Para 3 of our report of even date)

As required by the Companies (Auditor's Report) Order, 2003, on the basis of such checks as we considered appropriate, we report that:

1. The nature of the Company's business/activities for the period are such that the requirement of items (x), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
2. The Company does not own any Fixed Assets as at 31st March, 2010. Hence, the question of maintaining proper fixed assets record and physical verification of fixed assets does not arise.
3. The Company did not have any inventory as at 31st March, 2010.
4. The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956.
5. Clause 4 (v) of the Companies (Auditor's Report) Order, 2003 regarding the adequate internal control procedures for the purchase of inventory and fixed assets and for the sale of goods is not applicable to the Company.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. Clause 4 (vii) of the Companies (Auditor's Report) Order, 2003 regarding the adequacy of internal audit system is not applicable to the Company.
8. Clause 4 (viii) pertaining to the maintenance of cost records under Section 209(1) (d) of the Companies Act, is not applicable to the Company.
9. The Company did not have any employee during the year and hence depositing of the Employees' State Insurance and Provident Fund does not arise.
10. According to the books and records examined by us and the information and explanations given to us, there were no undisputed amounts payable in respect of Income tax, Wealth-tax, Sales tax, Customs duty and Excise duty which have remained outstanding as at 31st March, 2010 for a period exceeding six months from the date they became payable.
11. The Company has not taken any loans from financial institution or bank or debenture holder.
12. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
13. According to the information and explanations given to us and the records of the Company examined by us, no fraud on or by the Company has been noticed or reported during the period.

For Dixit Dattatray & Associates

Chartered Accountants

D. B. Dixit

Proprietor

Membership No. 40032

(Firm Regd. No. 102665W)

Place : Mumbai

Date : 7 April, 2010

Balance Sheet as at 31 March, 2010

Shopper's Stop.Com (India) Ltd.

(All amounts in Indian Rupees)			
	Schedule	Mar-10	Mar-09
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	500,000	500,000
		500,000	500,000
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and bank balances	2	2,182	7,328
Loans and advances	3	358,009	381,746
		360,191	389,074
Less: CURRENT LIABILITIES AND PROVISIONS	4	6,626	3,368
Net current assets		353,565	385,706
PROFIT & LOSS ACCOUNT - DEBIT BALANCE			
		146,435	114,294
		500,000	500,000

The accompanying Schedules 1 to 7 are an integral part of the financial statements.

As per our report of even date.

For Dixit Dattatray & Associates

Chartered Accountants

D. B. Dixit

Proprietor

Membership No. 40032

Place : Mumbai

Dated : 7 April, 2010

For Shopper's Stop.Com (India) Ltd.

Govind Shrikhande

Director

Chandrashekhar B. Navalkar

Director

Profit and Loss Account
for the year ended 31 March, 2010

Shopper's Stop.Com (India) Ltd.

(All amounts in Indian Rupees)

	Schedule	Year ended Mar-10	Year ended Mar-09
INCOME			
Sales and operating income		—	—
Other Income		—	—
		—	—
EXPENDITURE			
Other Operating expenses		—	—
Administrative expenses	5	32,141	28,793
		32,141	28,793
LOSS BEFORE TAX		(32,141)	(28,793)
PROVISION FOR TAX		—	—
LOSS FOR THE YEAR		(32,141)	(28,793)
Balance brought forward from previous year		(114,294)	(85,501)
BALANCE CARRIED TO BALANCE SHEET		(146,435)	(114,294)

The accompanying Schedules 1 to 7 are an integral part of the financial statements.

As per our report of even date.

For Dixit Dattatray & Associates
Chartered Accountants

D. B. Dixit
Proprietor
Membership No. 40032

Place : Mumbai
Dated : 7 April, 2010

For Shopper's Stop.Com (India) Ltd.

Govind Shrikhande
Director

Chandrashekhar B. Navalkar
Director

Statement of Cash Flows for the year ended 31 March, 2010

Shopper's Stop.Com (India) Ltd.

(All amounts in Indian Rupees)

	Mar-10	Mar-09
Cash flows from operating activities		
Net Loss before tax	(32,141)	(28,793)
Operating Loss before working capital changes	(32,141)	(28,793)
Decrease in Loans and Advances	23,737	32,478
Increase/(Decrease) in current liabilities and provisions	3,258	(4,761)
Cash generated from operations	(5,146)	(1,076)
Net cash from operating activities	(5,146)	(1,076)
Cash flow from investing activities	—	—
Cash flows from financing activities	—	—
Net decrease in cash and cash equivalents	(5,146)	(1,076)
Cash and cash equivalents as at beginning of the year	7,328	8,404
Cash and cash equivalents as at the end of the year	2,182	7,328
	(5,146)	(1,076)

For Dixit Dattatray & Associates

Chartered Accountants

D. B. DixitProprietor
Membership No. 40032

Place : Mumbai

Dated: 7 April, 2010

For Shopper's Stop.Com (India) Ltd.**Govind Shrikhande**

Director

Chandrashekhar B. Navalkar

Director

(All amounts in Indian Rupees)

	Mar-10	Mar-09
1. SHARE CAPITAL		
Authorised :		
2,50,000 equity shares of Rs. 10/- each	2,500,000	2,500,000
Issued, Subscribed and paid up :		
50,000 equity shares of Rs. 10/- each fully paid-up	500,000	500,000
(All the above shares are held by Holding Company - Shopper's Stop Ltd. and its nominees)		
2. CASH AND BANK BALANCES		
Cash on hand	60	60
Balances with scheduled banks:		
– Current accounts	2,122	7,268
	2,182	7,328
3. LOANS AND ADVANCES (unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received (including Rs. 204,248 due from Holding Company)	358,009	381,746
	358,009	381,746
4. CURRENT LIABILITIES AND PROVISIONS		
Sundry creditors	6,626	3,368
Provision for tax	—	—
	6,626	3,368
5. ADMINISTRATIVE EXPENSES		
Auditors remuneration - Audit fees	6,628	12,492
Other administrative expenses	23,013	13,801
Profession tax	2,500	2,500
	32,141	28,793

6. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2010**SIGNIFICANT ACCOUNTING POLICIES**

1. Basis of Accounting:

The Company follows accrual system of accounts and the historical cost convention in accordance with the generally accepted accounting practices. Revenue are recognised and expenses are accounted on accrual basis with necessary provision for all known liabilities.

2. Operations of the Company have been closed in February 2001. However accounts have been prepared on going concern basis as the Company proposes to restructure its operations.

3. Previous years figure have been regrouped/rearranged wherever necessary.

7. RELATED PARTY DISCLOSURES

Following are the transaction with related parties during the Financial Year Ended 31st March, 2010

(All amounts in Indian Rupees)

Nature	Holding	Associates	Key Management Personnel	Total
Loan Received Back				
Shopper's Stop Limited	23,737.00	–	–	23,737.00
	(29,464.00)	–	–	(29,464.00)
Advance Given				
Shopper's Stop Limited	–	–	–	–
Balance outstanding at the year end	204,248.00	–	–	204,248.00
	(227,985.00)	–	–	(227,985.00)

The figure in bracket pertain to previous year.

Names of related parties and description of relationship :

Holding Company : Shopper's Stop Limited

Associates : Upasna Trading Limited, Shopper's Stop Services (India) Limited, Crossword Bookstores Limited, Gateway Multichannel Retail (India) Limited, Nuance Group (India) Private Limited, Timezone Entertainment Private Limited

Key Management Personnel : B. S. Nagesh, Yasin Virani, C. B. Navalkar, Govind Shrikhande

Balance Sheet Abstract and
Company's General Business Profile

Shopper's Stop.Com (India) Ltd.

I) Registration Details :

Registration No.	11-124178	State Code	11
Balance Sheet Date	31/03/2010		

II) Capital Raised during the year (Rs. '000) :

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private placement	NIL

III) Position of mobilisation and deployment of funds (Rs. '000) :

Total Liabilities	500	Total Assets	500
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Sources of Funds

Paid-up capital	500	Reserve & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	354	Misc. Expenditure	NIL
Accumulated Losses	146		

IV) Performance of Company:

Turnover (including Other Income)	—	Total Expenditure	32
Profit/(Loss) Before Tax	(32)	Profit/(Loss) After Tax	(32)
Earning Per Share in Rs.	NIL	Dividend	NIL

**V) Generic Names of Three Principal Products/Services of Company
(as per Monetary Terms)**

Item Code No.	: Not Applicable
Product Description	: Not Applicable

As per our report of even date.

For Shoppers' Stop.Com (India) Ltd.

For Dixit Dattatray & Associates
Chartered Accountants

Govind Shrikhande
Director

D.B. Dixit
Proprietor
Membership No. 40032

Chandrashekhar B. Navalkar
Director

Mumbai
Dated : 7 April, 2010