

SEC/065/2017-18

October 14, 2017

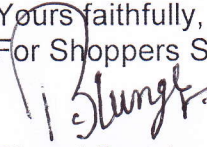
BSE Limited Mumbai Samachar Marg, Fort, Mumbai - 400 001. Stock Code : 532638	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex. Bandra. (East) Mumbai-400 051. SHOPERSTOP
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Dear Sirs,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find herewith Postal Ballot Notice dated October 5, 2017 and Postal Ballot Form thereto, sent to the shareholders of the Company, today, through permitted mode, seeking their approval, for sale/transfer/disposal of 77,158,778 Equity Shares of Rs.10 each of Hypercity Retail (India) Limited, a subsidiary company.

We request you to kindly take the same on record.

Yours faithfully,
For Shoppers Stop Limited.


Bharat Sanghavi
Company Secretary

Encl : aa

SHOPPERS STOP

SHOPPERS STOP LIMITED

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

Tel : 022- 4249 7000 **E-mail :** investor@shoppersstop.com **Website :** www.shoppersstop.com

CIN: L51900MH1997PLC108798

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, (the “Act”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, that the Resolution appended below is proposed to be passed by way of Postal Ballot / E-Voting. The Explanatory Statement pertaining to said Resolution setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form, for your consideration.

The Company has engaged the services of Karvy Computershare Private Limited (“Karvy”) for providing e-voting facilities in a secure manner. The Company has appointed Mr. Kaushal Dalal, Practicing Company Secretary, as the scrutinizer (“Scrutinizer”) for conducting the Postal Ballot/ E-voting process in a fair and transparent manner.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed. The duly completed Postal Ballot Form should reach the Scrutinizer not later than 5.00 p.m. on Monday, November 13, 2017, to be eligible for being considered, failing which it will be strictly deemed that no reply has been received from the Member. Members desiring to opt for e-voting are requested to read the instructions in the Notes forming part of the Notice. Members desiring to opt for e-voting as per the facilities arranged by the Company shall cast their vote not later than 5.00 p.m. on Monday, November 13, 2017.

The Scrutinizer will submit his report to the Chairman of the Company, or a person authorised by him, in writing and the Chairman, or such person as authorised, shall declare the result of the Postal Ballot at the Registered Office of the Company at 5.00 p.m. on Tuesday, November 14, 2017. The results of postal ballot (including e-voting) along with the Scrutinizer’s report will also be displayed on the Company’s website www.shoppersstop.com and shall be communicated to Stock Exchanges (BSE Limited and the National Stock Exchange of India Limited) and will also be published in English and Marathi newspapers thereafter.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 24(5) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the (“**Board**”) which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the Members of the Company be and is hereby accorded to sell/transfer or otherwise dispose-off in one or more tranches, 77,158,778 Equity Shares of Rs.10 each of Hypercity Retail (India) Limited, a subsidiary of the Company, at a consideration of Rs.43.3687 per equity share, aggregating to Rs.334.63 Crore (Rupees Three Hundred and Thirty Four Crore and Sixty Three Lac) subject to adjustments as agreed, to Future Retail Limited, *inter-alia*, on terms and conditions as provided in the explanatory statement, annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Mumbai
October 5, 2017**

**Bharat Sanghavi
Company Secretary**

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed herewith.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on October 6, 2017.
3. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent through permitted mode.
4. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on October 6, 2017. A person who is not a Member as on the said date, shall treat this notice for information purpose only.
5. In compliance with provisions of Sections 108 and 110 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of physical Postal Ballot Form. The Company has engaged the services of Karvy Computershare Private Limited ('Karvy') for the purpose of providing e-voting facility to all its Members. The instructions for electronic voting are set out below in this Notice.
6. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case any Member casts his votes through both the modes, votes cast through e-voting shall prevail, and voting done by physical Postal Ballot Form(s) will be treated as invalid.
7. The voting period ends on 5.00 p.m. on Monday, November 13, 2017. The e-voting module shall also be disabled by Karvy for voting thereafter.
8. Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the form duly completed and signed in the enclosed self-addressed postage prepaid business reply envelope, to the Scrutinizer at the address mentioned below, so as to reach the Scrutinizer not later than 5.00 p.m. on Monday, November 13, 2017. The postage cost of the self-addressed postage prepaid business reply envelope will be borne by the Company. However, envelopes containing Postal Ballot Forms, if sent by courier or ordinary / registered / speed post or if the Member delivers it in person (at the expense of such Member), will also be accepted.

The Scrutinizer,
C/o. Karvy Computershare Pvt. Ltd
(Unit : Shoppers Stop Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500032

The Postal Ballot Forms received after 5.00 p.m. on Monday, November 13, 2017 will be strictly rejected, and it will be deemed as if reply from such member has not been received.

9. A Member who wishes to obtain a printed Postal Ballot Form or a duplicate form can download the same from www.shoppersstop.com or www.evoting.karvy.com or obtain a physical Postal Ballot Form from Karvy, from above address or from the Registered Office of the Company.
10. The resolution, if passed by the requisite majority, shall be deemed to have been passed on Monday, November 13, 2017 i.e., the last date specified for receipt of duly completed Postal Ballot Forms or e-voting.
11. This Postal Ballot Notice is also placed on the website of the Company at www.shoppersstop.com and on the website of Karvy at <https://evoting.karvy.com>
12. The necessary documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days except public holidays, Saturday and Sunday between 11.00 a.m. and 1.00 p.m. up to November 13, 2017.
13. Voting through electronic means (E-Voting)

A. In case a Member receives email copy of the Notice of Postal Ballot [for members whose email IDs are registered with the Company/ Depository Participant(s)]:

- i. Open your web browser during voting period and navigate to "<https://evoting.karvy.com>".
- ii. Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP/Client ID will be your user-ID

User – ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. System will prompt you to change your password and update any contact details like mobile number, email ID etc. on 1st login. Members will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(\$,@,#). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy e-Voting platform. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- vii. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any company, then your existing login id and password are to be used.
- viii. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the members do not want to cast, select 'ABSTAIN'.
- ix. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- x. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi. Corporate / Institutional Members (Corporate/FIs/FILs /Trusts /Mutual Funds/Banks, etc) are required to send scanned certified true copy (PDF format) of the relevant Board Resolution / Authority letter to the Scrutinizer through e-mail to team@cskda.com with a copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- xii. Members can cast their vote online from 9.00 a.m. on October 15, 2017 till 5.00 p.m. on November 13, 2017. The voting shall not be allowed beyond this time schedule.
- xiii. Please contact Karvy's toll free No. 1800 345 4001 for any further clarifications.

B. In case a Member receives physical copy of the Notice of Postal Ballot [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy].

- i. Initial password is provided at the bottom of Postal Ballot Form, in the following format:

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN

In case a Member is desirous of casting his/her vote online through the e-voting process, please follow all steps from Sl. No. i to xiii of (A) above, to cast vote. Such Members can cast their vote online from 9.00 a.m. on October 15, 2017 till 5.00 p.m. on November 13, 2017. In case a Member does not wish to exercise his/her voting right through the e-voting process, please follow the instructions mentioned in the Postal Ballot Form enclosed with this notice.

- ii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of [https:// evoting.karvy.com](https://evoting.karvy.com) (Karvy Website) or contact Mr. S.V. Raju, (Unit: Shoppers Stop Ltd.) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1800 345 4001 for any further clarifications. If you are already registered with Karvy for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that no Company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease to exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ National Company Law Tribunal.

Hypercity Retail (India) Ltd's (Hypercity), turnover exceeds 20% of the consolidated turnover of the Company in the immediately preceding accounting year, accordingly, Hypercity is considered as material subsidiary of the Company and any sale, transfer or disposal of Hypercity's shares which reduces, Company's shareholding in Hypercity, to less than 50% or ceases to exercise of control over Hypercity, shall require approval of the shareholders of the Company, through a special resolution.

Hypercity was incorporated on May 27, 2004 at Mumbai as Rainbow Retail Private Limited. The name of Hypercity was changed to Hypercity Retail (India) Private Limited on March 4, 2005 and later to Hypercity Retail (India) Limited on March 30, 2007. Hypercity has 19 premium Hypermarket stores, spread across in Mumbai, Bengaluru, Delhi – NCR, Hyderabad, Amritsar, Bhopal, Vadodara and Ahmedabad, admeasuring a total retail area of appx. 1.24 mn sq. ft. During the financial year 2016-17, the turnover of Hypercity was Rs.1,191 crore and loss after tax was Rs.84.74 crore. The accumulated losses of Hypercity as on March 31, 2017 were Rs.711.78 crore.

The Company has acquired 77,158,778 Equity Shares of Rs.10 each of Hypercity, constituting 51.09% of its equity share capital, over a period of time, at a total consideration of Rs.393.10 crore. In keeping with accounting prudence and conservativeness, the Company made a provision of Rs.36 crore in the financial year 2016-17, towards diminution in value of its investment in Hypercity.

The balance 48.45% and 0.46% of Hypercity's shareholding (aggregating to 73,871,528 Equity shares of Rs.10 each) is held by entities forming part of K.Raheja Corp. Group and Mr. B.S.Nagesh, respectively. Mr.B.S.Nagesh is Non-Executive Vice Chairman of the Company & Chairman of Hypercity.

Whilst Hypercity had already hit EBIDTA profitability at a store-level, the focus in current financial year was to achieve company-level EBIDTA profitability and then subsequently, achieve PAT profitability in the next year. To achieve the profitability objective, Hypercity was exploring fund raising as well as strategic partnership / opportunities so that it could get scale and reach profitability at an earlier date. Under these circumstances, the Company proposes to sell/transfer or otherwise dispose-off in one or more tranches, these Equity Shares to Future Retail Ltd; (Purchaser). Further, the remaining shareholders of Hypercity (Other Sellers), also propose to sell and transfer their equity shareholding in Hypercity to the Purchaser on the same terms and conditions, as agreed by and between the Company and the Purchaser. The Company believes that this deal with the Purchaser has come at an opportune time. Hypercity has built and nurtured the business for the last 10 years & the Company believes that it is the right time to divest our stake to the Purchaser. Future Retail Limited, the Purchaser is one of the leading players in the Hypermarket business and food & grocery segment. They have the legacy, intent and the scale to take this business to its rightful success.

As on date, the Company, Purchaser, Hypercity and Other Sellers have executed a non-binding term sheet. Pursuant to this term sheet, the consideration to the Company would be paid by issue and allotment of 4,756,823 equity shares of Rs.2/- each of Future Retail Limited as Share Consideration and Rs.79.19 crore as Cash Consideration by the Purchaser. The Other Sellers would be paid by issue and allotment of 4,554,164 equity shares of Rs.2/- each of Future Retail Limited as Share Consideration and Rs.75.81 crore as Cash Consideration by the Purchaser, based on their respective equity shareholding in Hypercity.

Further, the said Consideration payable to the Company and Other Sellers, may vary, subject to such adjustments that may be agreed in the Share Purchase Agreement to be executed.

The Board of Directors of the Company believe that the proposed disposal of shares of Hypercity, is in the best interest of the Company and its shareholders. The Board of Directors, therefore, recommends the Special Resolution for your approval.

The Directors of the Company and their respective relatives may be deemed to be concerned or interested in this Special Resolution considering their directorship and shareholding in Hypercity and in the Company and their interest of the selling shareholders. Key managerial personnel and their relatives are not in any way concerned or interested, financially or otherwise, in the resolution.

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

**Mumbai
October 5, 2017**

**Bharat Sanghavi
Company Secretary**

SHOPPERS STOP LIMITED

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

Tel : 022- 4249 7000 **E-mail :** investor@shoppersstop.com **Website :** www.shoppersstop.com

CIN: L51900MH1997PLC108798

POSTAL BALLOT FORM

Serial No. :

1. Name and Registered Address of the Sole/First :
named member (in block letters)

2. Name(s) of the Joint Holder(s) (if any) (in block :
letters)

3. Registered Folio No./DP ID & Client ID No.* :
(*Applicable to members holding shares in
dematerialised form)

4. Number of Shares held :

5. I / We hereby exercise my / our vote in respect of special resolution to be passed through postal ballot for the business stated in the Postal Ballot Notice dated October 5, 2017 of the Company by conveying my/ our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:

Sr. No.	Description	No. of shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	To approve sale/transfer/disposal of 77,158,778 Equity Shares of Rs.10 each of Hypercity Retail (India) Limited, a subsidiary company.			

Place :

Date :

(Signature of the Member)

Electronic Voting Particulars

EVEN (E- Voting Event Number)	USER ID	PASSWORD/PIN

Note: Please read the instructions carefully printed overleaf before exercising the vote through this form. For e-voting, please refer the instructions provided in Postal Ballot Notice.

INSTRUCTIONS:

1. A Member desiring to exercise his/her vote by postal ballot may complete this postal ballot form and send it to the Scrutinizer in the attached postage pre-paid self-addressed envelope. However, any envelope containing postal ballot form, if deposited in person or if sent by courier/post at the expense of the Member will also be accepted.
2. Alternatively, a Member may vote through electronic mode as per the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.
3. The pre-paid self-addressed envelope bears the postal address of the Scrutinizer appointed by the Company.
4. This Form should be completed and signed by the Member (as per specimen signature registered with the Company or furnished by the National Securities Depository Ltd. / Central Depository Services (India) Ltd., as the case may be in respect of shares held in physical form or dematerialised form respectively). In case of joint holding, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member.
5. The consent must be accorded by recording the assent in the Column 'FOR' and dissent in the Column 'AGAINST' by placing a tick mark (✓) in the appropriate column, as the case may be, before mailing the Postal Ballot Form. Incomplete, unsigned, improperly or incorrectly tick marked (✓) Postal Ballot Form shall be rejected. The assent or dissent received in any other form shall not be considered valid.
6. The votes of a Member will be considered invalid on any of the following grounds:
 - a. If the form other than the one issued by the company is used;
 - b. If the Postal Ballot form has not been signed by or on behalf of the Member;
 - c. If the Member's signature on the Postal Ballot form does not match the specimen signatures as stated in point no. 4 ;
 - d. If the Member has marked his / her / its vote both for 'Assent' and also for 'Dissent' to the 'Resolution' in such a manner that the aggregate Shares voted for 'Assent' and 'Dissent' exceeds total number of Shares held;
 - e. If the Member has made any amendment to the Resolution or imposed any condition while exercising his vote.
 - f. If the Postal Ballot Form is incomplete or incorrectly filled;
 - g. If the Postal Ballot Form is received torn or defaced or mutilated such that it is difficult for the Scrutinizer to identify either the Member or the number of votes, or whether the votes are for 'Assent' or 'Dissent', or if the signature could not be verified, or one or more of the above grounds.
7. Kindly ensure that the duly completed Postal Ballot Form reaches the Scrutinizer not later than 5.00 p.m. on Monday, November 13, 2017. The Postal Ballot Forms received after this timeline, will be strictly rejected, and it will be deemed as if reply from such member has not been received.
8. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on the cut-off date i.e. October 6, 2017.
9. In case of shares held by companies, trusts, societies etc. the duly completed postal ballot form should be accompanied by a certified true copy of the Board Resolution/Authority letter.
10. Members are requested not to send any other paper along with the postal ballot form in the enclosed postage pre-paid self-addressed envelope. Any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. A Member who wishes to obtain a duplicate Postal Ballot Form can download the same from www.shoppersstop.com or www.evoting.karvy.com or obtain it from Karvy Computershare Pvt. Ltd; Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad –500032 or from the Registered Office of the Company.
12. The voting period commences from 9.00 a.m. on October 15, 2017 to 5.00 p.m. on November 13, 2017. During this period, members of the Company may cast their vote electronically. The instructions in this regard are provided in Postal Ballot Notice.