

SEC/054/2016-17

August 9, 2016

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,

Enclosed please find herewith the certified true copy of Postal Ballot Notice which has been dispatched to the shareholders of the Company.

We request you to kindly take the same on record.

Thanking you,

Yours truly,
For Shoppers Stop Limited.

* Bharat Sanghavi
Company Secretary

SHOPPERS STOP LIMITED**Registered Office:** Eureka Towers, B Wing, 9th Floor, Mindspace, Link Road, Malad (W), Mumbai - 400 064.**Tel:** 022- 4249 7000 **E-mail:** investor@shoppersstop.com **Website:** www.shoppersstop.com**CIN:** L51900MH1997PLC108798**POSTAL BALLOT NOTICE**

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

To the members of the Company,

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 alongwith 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 Ms. Dhara Solanki, of M/s. V. Sundaram & Co., 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 Wednesday, September 7, 2016 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 e-vote not later than 5.00 p.m. on Wednesday, September 7, 2016.

The Scrutinizer will submit her report to the Chairman of the Company, or a person authorised by him, in writing and the Chairman, or such person as authorized, shall declare the result of the Postal Ballot at the Registered Office of the Company at 3:00 p.m. on Thursday, September 8, 2016. 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 re-appoint Mr. Govind Shrikhande (DIN 00029419) as a Managing Director of the Company for a period of (3) three years w.e.f. July 29, 2016 and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Govind Shrikhande as a Managing Director of the Company, who shall not be liable to retire by rotation, and designated as 'Customer Care Associate & Managing Director' for a period of 3 (three) years commencing from July 29, 2016 and for payment of the remuneration (i.e. by way of salary, performance-linked incentive, reward, bonus, benefits, perquisites, allowances, etc. or any combination thereof as permitted under law), not exceeding ten percent or such higher percentage of the net profits of the Company, as may be permitted under applicable laws, from time to time and upon the terms and conditions as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mr. Govind Shrikhande, the Company shall make payment of the remuneration payable to Mr. Govind Shrikhande as decided by the Board of Directors, subject to the approval of the Central Government, if required; and subject to such conditions and modifications as may be prescribed or imposed by the Central Government while granting such approval, as applicable. In case the remuneration is paid in excess of the limits permitted under the Companies Act, 2013 without the

sanction of the Central Government, Mr. Govind Shrikhande shall refund such amounts and pending such refund shall hold such amounts in trust for the Company.

RESOLVED FURTHER THAT the Board of Directors is empowered to decide the remuneration within the ceiling mentioned hereinabove, to any amount & other retirement benefits, as may be recommended by the Nomination and Remuneration & Corporate Governance Committee, based on merit, performance, appropriate factors and taking into account the Company's performance from time to time.

RESOLVED FURTHER THAT Mr. Govind Shrikhande be entitled to employee stock options as may be granted under Employee Stock Option Scheme(s) of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof or any of the officials authorised, be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

By Order of the Board of Directors

Mumbai, August 1, 2016

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 July 29, 2016.
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 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 July 29, 2016. A person who is not a Member as on the said date, shall treat this notice for information purposes only.
5. In compliance with provisions of Section 108 and 110 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirement) 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 through the physical Postal Ballot Form. The Company has engaged the services of Karvy Computershare Private Limited 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 Members cast their votes through both the modes, votes cast through e-voting shall prevail, and voting done by physical Postal Ballot Forms will be treated as invalid.
7. The voting period ends on 5.00 p.m. on Wednesday, September 7, 2016. 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 Wednesday, September 7, 2016. The postage cost of the self-addressed postage prepaid business reply envelope will be borne by the Company. However, envelopes containing Postal Ballots, 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 Wednesday, September 7, 2016 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 link 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 last date for the receipt of duly completed Postal Ballot Forms or E Voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
11. 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 September 7, 2016.
12. 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, 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/FII's /Trusts /Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through e-mail to vsundaramfcs1@hotmail.com with 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 August 9, 2016 till 5.00 p.m. on September 7, 2016. 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 xi of (A) above, to cast vote. Such Members can cast their vote online from 9.00 a.m. from August 9, 2016 till 5.00 p.m. on September 7, 2016.

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> (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.

The members of the Company by passing a special resolution, through postal ballot on September 13, 2013 had approved re-appointment of Mr. Govind Shrikhande as a Managing Director of the Company for a period of 3 years w.e.f. July 29, 2013 and payment of remuneration during his tenure. Thereafter, the members of the Company by passing special resolutions, through Postal Ballot on September 11, 2014 and March 31, 2015 respectively, had approved the remuneration payable to Mr. Shrikhande for the said tenure.

Based on the recommendation of Nomination and Remuneration & Corporate Governance Committee, the Board of Directors of the Company, at its meeting held on July 29, 2016, has, subject to approval of the members, approved the re-appointment of Mr. Govind Shrikhande, as a Managing Director, designated as a 'Customer Care Associate & Managing Director' of the Company for a further period of 3 (three) years with effect from July 29, 2016, and payment of the remuneration to Mr. Govind Shrikhande within a limit of ten percent or such higher percentage of the net profits of the Company, as provided under the provisions of the Companies Act, 2013.

For the financial year 2016-17, remuneration of a sum not exceeding Rs. 4,67,16,470/- has been approved by the Nomination and Remuneration & Corporate Governance Committee and the Board of Directors of the Company for Mr. Govind



Shrikhande. The remuneration for financial years 2017-18, 2018-19 and part of 2019-20 (i.e. upto July 28, 2019) shall be determined by the Nomination and Remuneration & Corporate Governance Committee & Board of Directors having regard to the provisions of the resolution approved by the members.

Further, under the Act, the definition of remuneration includes all perquisites (including perquisites under the Income-tax Act, 1961) and would therefore include perquisites on employee stock options that are granted and exercised by Mr. Govind Shrikhande. Accordingly, in case of inadequate profits, it is clarified that the previously approved amounts of remuneration payable would be exclusive of perquisites on employee stock options, and perquisites on employee stock options would be computed over and above the said approved amounts of remuneration.

In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mr. Govind Shrikhande, the Company shall make payment of the remuneration payable to Mr. Govind Shrikhande as decided by the Board of Directors, subject to the approval of the Central Government, if required, and subject to such conditions and modifications as may be prescribed or imposed by the Central Government while granting such approval, as applicable.

Mr. Govind Shrikhande shall perform such duties as shall from time to time be entrusted to him, subject to overall supervision, guidance and control of the Board of Directors of the Company. Other terms and conditions of his appointment are as follows:

1. In addition of the above remuneration, Mr. Shrikhande shall be also entitled to the following :
 - a. Participation in Employee Stock Option Scheme as may be announced by the Company from time to time.
 - b. Gratuity : Half a month's salary for each completed year of service.
 - c. Reimbursement of expenses actually and properly incurred by him for and in connection with the business of the Company.
2. Mr. Shrikhande shall not be entitled to receive any sitting fees for attending the meetings of the Board of Directors or the Committee(s) thereof.
3. The employment may be terminated by either party giving to the other party three months' notice.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The information as required under Schedule V of the Companies Act, 2013 is provided below:

I. GENERAL INFORMATION :

- a. **Nature of Industry :** The Company is in the business of operating Departmental and Speciality stores. The Company retails products of domestic and international branded apparel, footwear, perfumes, cosmetics, jewellery, leather products, accessories, home products and toys in its stores and also retails its private brands across various categories. These are complemented by personal care and various beauty related services. Promotions and events are an integral part of service offerings to the customers, which helps us create a unique shopping experience. Currently, the Company has 81 Shoppers Stop stores across the country (including 5 airport stores) and 16 HomeStop stores. Over the years, the Company has also begun operating a number of speciality stores, namely, Mothercare, Estee Lauder, MAC, Clinique and Bobbi Brown.
- b. **Date of commencement of commercial production:** The Company was incorporated on June 16, 1997 and has already commenced its business of Departmental and Speciality stores.
- c. **Financial Performance:** Financial performance of the Company during the last three years is as under:
(Rs. in Crores)

Sr. No.	Financial Year	Income	Profit After Tax
1	2013-14	2,939.59	37.00
2	2014-15	3,290.18	40.47
3	2015-16	3,654.07	25.18

- d. **Foreign Investment or Collaborations, if any :** 3.43% of the share capital of Company as on June 30, 2016 is held by non-resident Indians, foreign institutional & foreign institutional investors. There has been no foreign collaboration by the Company.



II. INFORMATION ABOUT THE APPOINTEE

Mr. Govind Shrikhande, 55, Managing Director, spearheads all the formats of the Company. In April 2001, Mr. Shrikhande joined the Company as Vice President: Buying & Merchandising, before becoming the Chief Operating Officer in the year 2004. He was promoted to the position of Chief Executive Officer in April 2006. Thereafter, he was appointed as Executive Director of the Company w.e.f. July 29, 2006 and then appointed as the Managing Director of the Company in the year 2010 and in 2013 for a period of 3 years each.

Since joining Shoppers Stop, Mr. Shrikhande has played a key role in the company's tremendous growth from 7 stores in 2001 to 97 stores (including 16 HomeStop stores) till date. He was also instrumental in the re-branding initiative of the brand – Shoppers Stop in the year 2008, which reinvigorated the brand, market positioning, and product and service offerings. Post this re-branding exercise, Shoppers Stop has emerged as the undisputed leader in The Bridge-To-Luxury Category of Department Stores in India.

To commemorate 25th year of "Shoppers Stop" in March 2016, the Company, as part of its Strategic Planning for Mission 2020, launched Refined Values and Redefined Vision.

Among the many awards, Shoppers Stop was recognised as "Most Admired Retail Company" by Business World five times in succession. 16th Images Most Admired Fashion Retailer: Omni-Channel Initiative: Multi Brand Award, as well as 1st prize - Commercial Building sector - State level for excellence in Energy Conservation and Management from Maharashtra Energy Development Agency (MEDA).

Before joining Shoppers Stop, Mr. Shrikhande spent more than 16 years working in leading textile and apparel companies, such as Mafatlal, Arvind, Arrow and Bombay Dyeing.

Mr. Shrikhande is a graduate of Textile Technology from Veermata Jijabai Technological Institute (VJTI), Mumbai, and is a management graduate from Symbiosis Institute of Business Management, Pune.

During the financial year 2015-16, Mr. Shrikhande was paid remuneration of Rs. 4,44,91,874/-. For the financial year 2016-17, a remuneration not exceeding Rs. 4,67,16,470/- has been approved by the Nomination and Remuneration & Corporate Governance Committee and the Board of Directors of the Company. The remuneration for financial years 2017-18, 2018-19 and part of 2019-20 (i.e. upto July 28, 2019) shall be determined by the Nomination and Remuneration & Corporate Governance Committee & Board of Directors having regard to the provisions of the resolution approved by the members.

Taking into consideration, his qualifications, expertise and experience, he is best suited for the responsibilities assigned to him by the Board of Directors. Further, in view of size of the Company, the profile of Mr. Govind Shrikhande, the responsibilities shouldered by him and the industry benchmarks, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to senior level counterparts of Mr. Shrikhande in other similar companies.

Mr. Shrikhande does not have any pecuniary relationship directly or indirectly with the Company, except for receiving remuneration as a Managing Director of the Company. He holds 300,019 equity shares of Rs. 5/- each of the Company. These equity shares have been allotted to Mr. Shrikhande, upon exercise of the Employee Stock Options granted to him, from time to time.

III. Other information

Reasons of loss or inadequate profits, Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:

The Company has earned profits during the last three financial years. Further, the Company has taken appropriate steps to ensure profitability in future.

IV. Disclosure

The requisite disclosure shall be made in Board of Directors Report.

During the financial year 2015-16, Mr. Shrikhande attended four board meetings i.e. on 30th April, 2015, 31st July, 2015, 30th October, 2015 and 29th January, 2016. In the current financial year 2016-17, he has attended both the board meetings held by the Company, i.e. on 3 May, 2016 and 29 July, 2016.



List of other Directorships and committee membership thereof of Mr. Shrikhande is as under:

List of other Directorships		List of chairmanship/ membership of committee in other companies			
Sr. No.	Name of the Company	Sr. No.	Name of the Company	Type of Committee	Position
1	Hypercity Retail (India) Limited	1	Hypercity Retail (India) Ltd.	Finance Committee	Member
2	Crossword Bookstores Limited	2	Crossword Bookstores Ltd.	Finance Committee	Chairman
3	Shopper's Stop .Com (India) Limited			Audit Committee	Chairman
4	Shopper's Stop Services (India) Limited				
5	Upasna Trading Limited				
6	Retailers Association's Skill Council of India				

Mr. Govind Shrikhande does not have any relationship with any directors, key managerial personnel or the promoters of the Company.

Except Mr. Govind Shrikhande, the Managing Director, none of the Directors or any key managerial personnel or the relatives of the directors or key managerial personnel are in any way concerned or interested, financially or otherwise, in the said resolution.

The Nomination and Remuneration & Corporate Governance Committee and Board of Directors of the Company recommends the passing of this resolution as Special Resolution and requests your approval for the same.

By Order of the Board of Directors

Mumbai, August 1, 2016



Bharat Sanghavi
Company Secretary

