

SHOPPERS STOP

November 9, 2023

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Mumbai- 400051
Stock Code: SHOPERSTOP

Kind Attention: Binoy Yohannan, Associate Vice President Surveillance

Dear Sir,

Subject: Clarification /Confirmation on news item appearing in “Media/Publication”

Reference No: NSE/CM/Surveillance/13551

We are in receipt of your email NSE/CM/Surveillance/13551 dated November 8, 2023, in reference to clarification/ confirmation on news item appearing in “Media / Publication”.

In respect of your request for clarification / confirmation on the news item in detail, we would like to clarify as under :

Query A - Whether such negotiations were taking place? If so, you are advised to provide the said information along with the sequence of events in chronological order from the start of negotiations/ events till date.

Response – The Company is in the business of running large format departmental stores. The Company currently operates around 100 departmental stores. The Company from time to time permits different vendors the opportunity to sell products through the stores on a consignment basis, etc. Consignment basis involves a mechanism by which vendors are permitted to stock certain products through the store for sale and small areas are demarcated in the store for such consignor for display of their products. Since the sale is on a consignment basis, there is no unsold product risk to the Company. The Company has perhaps more than hundred such agreements. These agreements are part of the ordinary course of business of the Company and are not strategic arrangements. They are like any other arrangements that a retail store has with any wholesaler or vendor or manufacturer to buy and sell goods. The arrangement of the Company with Napsa Private Limited (owner of the brand Vanity Wagon) (hereinafter referred to as “Napsa”) is also a consignment agreement. It is on an expirimental basis, wherein Napsa would be provided small counter in 6-7 Shoppers Stop store as of now for enabling the selling of clean beauty products; and depending on the response from the 6-7 stores, the Company would decide whether it would like to extend the arrangement further with Napsa to more stores. For the same, the Company has signed a Consignment Agreement dated July 14, 2023 under which like other brands being sold by the Company, Napsa products would be sold in mutually agreed stores and the same is expected to get the Company a revenue of approximately Rs.0.4 Crs in the first year and annually it may be Rs.0.8 Crs. This is far lower than any material event to be reported to the Stock Exchanges. The Company is a retailer selling multiple brand from its stores and has merely entered into a Consignment Agreement (arrangement for sale of the products) with Napsa and no strategic tie-up has been entered into with Napsa. Like other vendors Napsa has also partnered with the Company for selling their products through the Company. The Company also continues to sell other brands in the clean beauty products category as well.

The sequence of events are as follows :

- a) Like various brand owners / franchisee’s/ distributors whose products are being sold at Shoppers Stop stores, discussions were ininitiatewith Napsa in and around June, 2023 for selling of their clean beauty brands in the

Shoppers Stop Limited

Registered & Service Office : Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (W), Mumbai 400 064, Maharashtra.
T 022- 42497000 CIN : L51900MH1997PLC108798. Email : customercare@shoppersstop.com Website: www.shoppersstop.com
Toll Free No.:1800-419-6648 (9 am to 9 pm).

SHOPPERS STOP

Company stores, along with various other brands being sold. As mentioned above the Company enters into such agreements as part of its ordinary course.

- b) Pursuant to the discussions, a Consignment Agreement dated July 14, 2023 (effective from same date) was executed between the Company and Napsa. In terms of the Consignment Agreement, the number of stores where the Napsa products would be sold was to be mutually agreed and no exclusivity for clean beauty products is provided for.
- c) After being introduced in 1 (one) store on September 30, 2023 by way of display at a wall in a counter, Napsa products have been made available in aggregate 5 stores by mid of October, 2023. The total number of stores where Napsa products would be sold would be limited to 7 stores of the Company.
- d) Insofar as the media is concerned, we understand that Mr. Biju Kasim, CEO – Beauty has made a statement about welcoming the vendor to the fold. Only this part of the press release has been reviewed by the Company. Considering the size of the arrangement with Napsa, it appears that the press release does not provide a clear and comprehensible picture in light of what is explained above. There is no strategic tie-up insofar as the Company is concerned.
- e) No material event has occurred by way of the arrangement entered into by the Company with Napsa.

Query b- Whether you/company are aware of any information that has not been announced to the Exchanges which could explain the movement in the trading, if any? Further, you are advised to provide the said information and the reasons for not disclosing the same to the Exchange earlier as required under regulation 30 of the SEBI (LODR) Regulations, 2015.

Response - We wish to inform you that there is no information /announcement (including impending announcement) in respect of the Company, which may have occasioned the increase in volumes.

Query c- The material impact of this article on the Company.

Response – The news item has no material impact on the Company.

Further, we would like to reiterate that as always, the Company will continue to inform the stock exchanges about any price sensitive information as required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

Kindly take the same on record. We hope that the aforesaid clarifies the issue to your satisfaction. Please feel free to write to us for any other information that you may require.

Thanking you,

Yours faithfully,

For **Shoppers Stop Limited**

Vijay Kumar Gupta
Digitally signed by Vijay Kumar Gupta
Date: 2023.11.09 10:49:19 +05'30'

Vijay Kumar Gupta

Vice President – Legal, CS & Compliance Officer

ACS No: 14545

Encl A/a

Shoppers Stop Limited

Registered & Service Office : Umang Tower, 5th Floor, Mindspace, Off. Link Road, Malad (W), Mumbai 400 064, Maharashtra.
T 022- 42497000 CIN : L51900MH1997PLC108798. Email : customercare@shoppersstop.com Website: www.shoppersstop.com
Toll Free No.:1800-419-6648 (9 am to 9 pm).