

Nuance Group (India) Pvt. Ltd. (Nuance)	Rs. 20 crores	The Company has forayed into airport retailing through Nuance Group (India) Private Limited; a 50:50, joint venture company, formed with The Nuance Group AG, Switzerland; to handle the operations at the duty free zones at international airport. Nuance has opened duty free store at Bengaluru international airport. As on March 31, 2013, the Company has already invested Rs. 36.41 crores for its 50% stake of its share capital. The Company has also provided a Corporate Guarantee to an extent of Rs. 8.25 Crores to a bank, in respect of loans sanctioned by the bank to Nuance. It is expected that Nuance would require additional inflow of capital for further expansion in view of the increased privatisation of airports and to meet Nuance's existing requirements. The decision on whether to make or not to make the proposed exposure will be taken by the Board at the appropriate time. The resolution, insofar as this exposure is concerned, only proposes to obtain the relevant enabling permission and does not indicate any decision of the Board in this regard.	None of the Directors are interested or concerned.
Timezone Entertainment Pvt. Ltd. (Timezone)	Rs. 10 crores	Timezone is in the business of running family entertainment centres and currently operates 20 outlets in 12 cities of India. As on March 31, 2013, the Company has already invested Rs. 13.34 crores for its 33.87% stake of share capital of Timezone. The Company has also provided Inter Corporate Deposits to an extent of Rs.4 Crores and a Corporate Guarantee to an extent of Rs. 5.14 Crores to a bank, in respect of loans sanctioned by the bank to Timezone. It is expected that for meeting requirements in relation to existing outlets as well as proposed additional outlets, additional funding would be required. The decision on whether to make or not to make the proposed exposure will be taken by the Board at the appropriate time. The resolution, insofar as this exposure is concerned, only proposes to obtain the relevant enabling permission and does not indicate any decision of the Board in this regard.	None of the Directors are interested or concerned.

As required under the provisions of section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the approval of shareholders is being sought for making the aforesaid Inter Corporate Investments / providing Inter Corporate Loans / Inter Corporate Guarantees/ Security(s) by means of Postal Ballot.

The aforesaid loans/ advances/ investments/ guarantees/ securities etc may be made/ given by the Company out of the share capital, internal accruals, or borrowings or in such other manner and in such proportion as the Board thinks appropriate, in one or more tranches, provided that in case of loans, the interest rate shall not be lower than the prevailing bank rate or such other rate as may be prescribed by relevant authorities from time to time.

The Board of Directors recommends the passing of this Special Resolution.

Item No. 4

For the development of Gateway Multichannel Retail (India) Limited, a wholly owned subsidiary of the Company (hereinafter referred to as "Subsidiary"), it is proposed to transfer, sell or otherwise dispose off the business conducted by the Company with ELCA Cosmetics Private Limited ("ELCA CPL") together with the brands Estee Lauder, Clinique, M.A.C, Bobbi Brown and other related business brands, fixed assets, current assets, rights, liabilities/ obligations of all nature and kind, along with its employees (collectively referred as "EL Business Undertaking"), on a 'Slump Sale basis' i.e. on an as-is-where-is basis as a 'Going Concern' to the Subsidiary. The Company believes that the strategy so adopted shall add long term value to the Company.

The Company operates its retail business under various business categories and to give greater focus to the core business of each of its categories and to strengthen competencies and facilitate further transparent benchmarking with its peers, the Company has identified its business conducted with ELCA CPL as a distinct business to be spun off to the Subsidiary.

The Company has an agreement(s) with ELCA CPL as per its business requirements for all its stores nationwide. The business arrangements would further boost the revenue generation capacity of EL Business Undertaking in the coming years. EL Business Undertaking is a chain of stores offering renowned, high-quality, and technologically advanced skincare, makeup and fragrance products under one roof.

As on date, there are 27 M.A.C, 15 Clinique, and 7 Estee Lauder stores i.e EL Business Undertaking stores located at various cities in India. The Company has a gross retail turnover of Rs. 2,259.69 crore for the Financial Year 2012-13, of which Rs.93.79 crore was contributed by EL Business Undertaking.

As on March 31, 2013, EL Business Undertaking is valued at Rs. 63.46 Crore by an independent valuer, which will be used for the purpose of this transaction, subject to adjustment of net current assets from the valuation date to the actual date of transfer. The total consideration will not be less than Rs.63.46 crore.

The transfer of EL Business Undertaking to the Subsidiary will serve manifold purposes, including but not limiting to aiding in growth of the Subsidiary and generation of revenue which in turn will benefit the shareholders of the Company. Further, the generation of revenue pursuant to the transfer of EL Business Undertaking to the Subsidiary, will enable repayment of any existing debts of the Subsidiary, in due course.

In light of the above, it is proposed to sell and transfer EL Business Undertaking on a 'Slump Sale basis' i.e. on an as-is-where-is basis as a 'Going Concern' to the Subsidiary, at a consideration not less than Rs. 63.46 Crore (Rupees sixty three crores and forty six lacs). The employees working in EL Business Undertaking on the effective date will be transferred along with accrued benefits to the Subsidiary.

The effective date of the transaction would be June 20, 2013 or such other dates as may be decided by the Board.

In terms of section 293(1)(a) of the Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, any proposal to sell, lease or otherwise dispose of the whole or the substantially the whole, of any such undertaking requires the approval of the shareholders by way of an ordinary resolution through Postal Ballot. The Board of Directors recommends the passing of this resolution.

None of the Directors of the Company is concerned or interested in the resolution.

Mumbai, May 15, 2013

By Order of the Board of Directors

Registered & Service Office:

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Prashant Mehta
Vice President - Legal &
Company Secretary

