REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NYKAA FASHION LIMITED AT ITS MEETING HELD ON OCTOBER 10, 2024 EXPLAINING THE EFFECT OF THE DRAFT SCHEME OF AMALGAMATION OF ILUMINAR MEDIA LIMITED WITH NYKAA FASHION LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

1. Background

1.1. The Board of Directors of Nykaa Fashion Limited ("**Board**") at its meeting held on October 10, 2024, have approved the draft Scheme of Amalgamation of Iluminar Media Limited ("**Transferor Company**") with Nykaa Fashion Limited ("**Transferee Company**" or "**Company**") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ("**Act**") ("**Scheme**").

1.2. Pursuant to the provisions of Section 232(2)(c) of the Act, the Board is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.4. Under the Scheme it is proposed to amalgamate the Company with the Transferee Company.

1.5. The following documents were, *inter alia,* placed before the Board:

(a) Draft Scheme, duly initialed by the Director/ Company Secretary of the Company for the purpose of identification;

(b) Shareholding pattern of the Company; and

(c) Certificate dated October 10, 2024, issued by V C Shah & Co (ICAI Firm Registration No. 109818W), the Statutory Auditors of the Company, confirming the accounting treatment in the prescribed manner in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles.

2. Share Entitlement Ratio Report | Share Entitlement Ratio

2.1. The Transferor Company is a wholly owned subsidiary of the Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Company with the Company.

2.2. Thus, in view of the above, the question of obtaining a Share Entitlement Ratio Report and facing valuation difficulties does not arise.

Registered Office: 104 Vasan Udyog Bhavan | Sun Mill Compound | S. B. Marg | Tulsi Pipe Road | Lower Parel (W) | Mumbai – 400013
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CIN: U18102MH2019PLC320627

3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company.

The Transferor Company is a wholly owned subsidiary of the Company. Thus, pursuant to the Scheme becoming effective, all the shares of the Transferor Company held by the Company will be cancelled. According, there will be no effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company. Further, there shall be no change in shareholding pattern of the Company, pursuant to the Scheme.

4. Effect of the Scheme on the KMPs of the Company

None of the KMPs of the Company have any interest in the Scheme except to the extent of the equity shares held by them, if any, in the Company. The Scheme will have no effect on the existing KMPs of the Company. The KMPs concerned of the Company will remain engaged in the Company without any interruption in their service.

In view of the Board, the Scheme would be in the best interest of all stakeholders of the Company.

By Order of the Board of Directors

For and on Behalf of NYKAA FASHION LIMITED

Name: P Ganesh
Director
DIN: 07202923
Place: Mumbai
Date: October 10, 2024

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