



February 06, 2024

**National Stock Exchange of India Limited**  
**Symbol: NYKAA**

**BSE Limited**  
**Scrip Code: 543384**

Dear Sirs,

**Subject: Outcome of the Board meeting of FSN E-Commerce Ventures Limited (“Company” or “Transferee Company”) held on February 6, 2024 and disclosure under Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (“SEBI Listing Regulations”)**

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We wish to inform you that the Board of Directors of the Company (“**the Board**”), at its meeting held today i.e., February 06, 2024, has considered to undertake group businesses restructuring initiatives to achieve various strategic objectives. The key objective of these initiatives is towards bringing in operational synergies by streamlining business operations and placing them with the entity that carries the relevant expertise & consolidation of owned brands business in the Company which is aimed to be completed over a period of time. The Board has approved the following:

**1. Further investment by the Company in Nykaa Fashion Limited by way of rights issue**

We wish to inform that the Board, has approved the investment by way of equity in Nykaa Fashion Limited on a rights issue basis. The funds invested will be utilised towards the repayment of loans given by the Company to Nykaa Fashion Limited.

In terms of the SEBI Listing Regulations read with SEBI Circular No CIR/CFD/CMD/4/2015 dated 9 September 2015, we are furnishing herewith the relevant details of the transaction as **Annexure A**.

**2. Acquisition of Lingerie & Athleisure business by way of slump sale from Nykaa Fashion Limited to FSN E-Commerce Ventures Limited**

We wish to inform that the Board, has approved to acquire the Athleisure and Lingerie business of the Nykaa Fashion Limited (“**Transferor Company**”), which is a wholly owned subsidiary of the Company, as a going concern on a slump sale basis, in accordance with the business transfer agreement (“**BTA**”) to be entered between the Company and the Transferor Company. This transaction is subject to the condition’s precedents stated in BTA.

In terms of the SEBI Listing Regulations read with SEBI Circular No CIR/CFD/CMD/4/2015 dated 9 September 2015, we are furnishing herewith the relevant details of the transaction as **Annexure B**.

**3. Demerger of e-b2b business from FSN Distribution Limited to Nykaa E-Retail Limited**

We wish to inform that the Board, has approved the Scheme of Arrangement between FSN Distribution Limited (“**Demerged Company**”) and Nykaa E-Retail Limited (“**Resulting Company**”), for demerger of e-b2b business from the Demerged Company into the Resulting Company, under sections 230-232 of the Companies Act, 2013 and rules and regulations made thereunder (“**Demerger**”). The Demerged Company and the Resulting Company are wholly owned subsidiaries of the Company.



The Scheme as aforesaid is subject to the necessary approvals by National Company Law Tribunal, shareholders and creditors of the both the Companies and such other regulatory approvals as may be required.

In terms of the SEBI Listing Regulations read with SEBI Circular No CIR/CFD/CMD/4/2015 dated September 09, 2015, we are furnishing herewith the relevant details of the transaction as **Annexure C**.

This intimation is for your information and dissemination.

**For FSN E-Commerce Ventures Limited**

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**Sujeet Jain**  
**Chief Legal and Regulatory Officer,**  
**Company Secretary & Compliance Officer**  
**Membership No.: F6144**

Encl.: as above

**Brief details of the Transaction**

Sr. No.	Particulars	Details
a.	Name of the target entity, details in brief such as size, turnover etc.	<p>Nykaa Fashion Limited is a wholly owned subsidiary of the Company.</p> <p>Nykaa Fashion Limited was incorporated on February 04, 2019 under the Companies Act, 2013 in India. It is engaged in the business of selling and distribution of fashion garments and fashion accessories through online channels i.e., its online platforms or websites, other online applications and retail outlets, general trade and modern trade.</p>
b.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”	Yes, since Nykaa Fashion Limited is a wholly owned subsidiary of the Company, this transaction is being conducted at “arms length”.
c.	Industry to which the entity being acquired belongs	Fashion Industry.
d.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>The Company is making strategic investment for providing long term funds to Nykaa Fashion Limited.</p> <p>On completion of the said transaction, Nykaa Fashion Limited will continue to remain a wholly owned subsidiary of the Company.</p>
e.	Brief details of any governmental or regulatory approvals required for the acquisition	None.
f.	Indicative time period for completion of the acquisition	The investment is expected to be completed by March 31, 2024.
g.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash.
h.	Cost of acquisition or the price at which the shares are acquired	Subscription to equity shares of face value of ₹10/- per share, offered on rights issue basis.
i.	Percentage of shareholding/ control acquired and/ or number of shares acquired	<p>The Company will be acquiring 15,00,00,000 equity shares of Nykaa Fashion Limited of the face value of ₹10/- per share for an amount not exceeding in aggregate INR 1500 million, on a rights basis.</p> <p>On completion of the said transaction, Nykaa Fashion Limited will continue to remain a wholly owned subsidiary of the Company.</p>
j.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Nykaa Fashion Limited was incorporated on February 04, 2019 under the Companies Act, 2013 in India. It is engaged in the business of selling and distribution of fashion garments and fashion accessories through online channels i.e., its online platforms or websites, other online applications and retail outlets, general trade and modern trade.</p>



## FSN E-Commerce Ventures Limited

Sr. No.	Particulars	Details								
		Details of Turnover: <table border="1"><thead><tr><th>Year</th><th>Revenue (in Rs. million)</th></tr></thead><tbody><tr><td>FY 2022-23:</td><td>4,326</td></tr><tr><td>FY 2021-22:</td><td>3,294</td></tr><tr><td>FY 2020-21:</td><td>1,438</td></tr></tbody></table>	Year	Revenue (in Rs. million)	FY 2022-23:	4,326	FY 2021-22:	3,294	FY 2020-21:	1,438
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FY 2022-23:	4,326									
FY 2021-22:	3,294									
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**Brief details of the Transaction**

Sr. No.	Particulars	Details
a)	Name of the target entity, details in brief such as size, turnover etc.;	It is proposed to acquire Lingerie & Athleisure business of Nykaa Fashion Limited (“ <b>Transferor Company</b> ”), which is a wholly owned subsidiary of the Company. The turnover of Lingerie & Athleisure business is INR [626 million] for 9-month period ended 31 December 2023
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”	Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, the transfer of the Lingerie & Athleisure business from the Transferor Company to the Transferee Company pursuant to the BTA will be a related party transaction.  However, the transaction is exempt from purview of regulations governing related party transactions. The BTA will be implemented on an arms’ length basis.
c)	Industry to which the entity being acquired belongs;	Fashion Industry
d)	Objects and effects of acquisition	Realignment of business
e)	Brief details of any governmental or regulatory approvals required for the Acquisition	None
f)	Indicative time period for completion of the acquisition	The expected date of completion of the acquisition shall be March 31, 2024
g)	Nature of consideration	Cash consideration
h)	Cost of acquisition	INR [2,290 million]/- (Indian Rupees Two Thousand Two Hundred Ninety Million only)
i)	percentage of shareholding / control acquired and / or number of shares acquired;	Not Applicable
j)	brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>The Transferor Company is a public unlisted company incorporated on February 04, 2019, under the provisions of the Companies Act, 2013 with its registered office at Mumbai, Maharashtra, India.</p> <p>The Transferor Company is engaged in the business of selling and distribution of fashion garments and fashion accessories through online channels, retail outlets, general trade and modern trade.</p> <p>It is proposed to acquire Lingerie &amp; Athleisure business of the Transferor Company.</p> <p><u>Historical turnover of Lingerie &amp; Athleisure:</u>  FY24 (9 month) – INR [626 million]  FY23 – INR [439 million]  FY22 – INR [144 million]  FY21 – INR [21 million]</p>

**Brief details of Demerger**

Sr. No.	Particulars	Details
a)	Brief details of the division to be demerged	<p><b><u>e-B2B Business</u></b></p> <p>The e-B2B Business of the Demerged Company means and includes “Superstore by Nykaa” which is a tech led distribution business, focused on beauty and personal care products, which is proposed to be demerged to the Resulting Company under the Scheme.</p>
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p>The turnover of the demerged division i.e. e-B2B Business of the Demerged Company for the financial year ending March 31, 2023 was INR 1,532 Million.</p> <p>The turnover of the e-B2B Business is 94% to the total turnover of the Demerged Company and 3.7% of the Resulting Company, respectively, in the financial year ending March 31, 2023.</p>
c)	Rationale for demerger	<ol style="list-style-type: none"> <li>1. The demerger of the entire activities, business, operations and undertaking of the Demerged Company forming part of the e-B2B Business from the other businesses of the Demerged Company, pursuant to the Scheme, will enable the Demerged Company and the Resulting Company to concentrate its resources and managerial bandwidth entirely to such businesses which would enable focused strategy, better coordination and cohesiveness in their working and assist in standardization of its business processes.</li> <li>2. The proposed restructuring pursuant to the Scheme is expected, <i>inter alia</i>, to result in following benefits: <ol style="list-style-type: none"> <li>(i) consolidating similar businesses having similar risk and return profiles to enhance operational synergies;</li> <li>(ii) effective utilization of warehouse and office spaces by consolidating businesses;</li> <li>(iii) onboarding brands in e-B2B business and giving access to new age consumer-first brands to Pan India market (including tier 2 &amp; 3); and</li> <li>(iv) Optimization in technology and overhead costs.</li> </ol> </li> </ol>
d)	Brief details of change in shareholding pattern (if any) of all entities	<p>The proposed Scheme is between two wholly owned subsidiaries of the Company i.e. FSN Distribution Limited and Nykaa E-Retail Limited, respectively. As consideration for the proposed Scheme, the Resulting Company shall issue its equity shares to the equity shareholders of the Demerged Company i.e. to the Company.</p> <p>Accordingly, pursuant to the Scheme there will be no change in the shareholding pattern of, the Demerged Company and the Resulting Company, respectively.</p>



e)	In case of cash consideration – amount or otherwise share exchange ratio	No cash consideration is payable under the proposed Scheme. For the demerger, transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company on a going concern basis, the Resulting Company shall issue and allot on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Effective date ( <i>as defined in the Scheme</i> ), as under:  1 (One) fully paid up equity share of INR 10 (Indian Rupees Ten only) each of the Resulting Company credited as fully paid up, for every 1 (One) equity share of INR 10 (Indian Rupees Ten only) each of the Demerged Company.
f)	Whether listing would be sought for the resulting entity	Not Applicable