FSN E-Commerce Ventures Limited

August 02, 2025

National Stock Exchange of India Limited **BSE Limited**

Symbol: NYKAA **Scrip Code: 543384**

Dear Sir / Madam,

Subject: Notice of 13th Annual General Meeting and Integrated Annual Report for FY 2024-25

The 13th Annual General Meeting ('AGM') of FSN E-Commerce Ventures Limited ('Company') will be held on Monday, August 25, 2025, at 10:30 a.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OVAM) in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), read with the circulars issued in this regard from time to time, the latest being 09/2024 dated September 09, 2024 issued by the Ministry of Corporate Affairs (MCA).

Pursuant to Regulation 30 and 34(1) of the Listing Regulations, please find enclosed herewith the Integrated Annual Report of the Company, including the Business Responsibility and Sustainability Report, for the Financial Year (FY) 2024-25 and the Notice convening the 13th AGM.

In accordance with the aforesaid circulars and circular dated October 03, 2024, issued by SEBI, the Integrated Annual Report for the FY 2024-25 and the Notice convening the 13th AGM is being sent to all the Members of the Company whose e-mail addresses are registered with the Company / Registrar and Transfer Agent ('RTA') / Depository Participant(s). The same is also uploaded on the Company's website at www.nykaa.com/annual-report/lp.

Further, pursuant to Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to those shareholders whose email addresses are not registered with the Company/RTA/Depositories, providing the weblinks for accessing the Integrated Annual Report and the Notice convening the 13th AGM.

Thanking You.

Yours faithfully,
For FSN E-Commerce Ventures Limited
Neelabja Chakrabarty
Digitally signed by Neelabja Chakrabarty
Date: 2025.08.02 17:45:49 +05'30'
Neelabja Chakrabarty
Company Secretary & Compliance Officer

Encl: as above

NYKAA



WINNING EVERY MOMENT

FSN E-COMMERCE VENTURES LIMITED

INTEGRATED REPORT | 2024-25



FY2025 was a year of transformative success

₹15,604 crores
GMV
(↑25% YoY growth)

₹7,950 crores
Net revenue (NR)
(↑24% YoY growth)

43.7%
Gross margin
(↑84 bps YoY growth)

₹474 crores
EBITDA
(6% NR/↑37% YoY growth)

₹72 crores
PAT
(0.9% NR/↑81% YoY growth)

Key Highlights

Customers
42 Mn+
Cumulative customer base
(↑28% YoY growth)

Beauty stores
237
Stores
(Largest beauty retail network in India) [50 new stores added in FY2025 - highest ever]

3x
GMV
Scale up for Superstore by Nykaa in two years

8,600+
Brands
(Beauty + Fashion) [Highest-ever brands launches in a financial year]

12
House of Nykaa brands
(Beauty + Fashion)

Consumer immersion initiatives

NYKAALAND
India's biggest festival

NYKAA WALI SHAADI
Among top 10 OTT shows*

NYKAA PLAY

STEP by STEP WITH NYKAA

*Several weeks post launch

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Learn more about us at
www.nykaa.com









WINNING EVERY MOMENT

At Nykaa, every choice made, every experience created and every innovation sparked is shaped by a **single vision:** to uplift and delight our customers, empower our people, honour our partners and cherish our communities.

We have expanded our horizons by bringing the world's most coveted brands and seamlessly integrating them into your daily routines. Our **omnichannel journey** now touches more lives, bridging the gap between discovery and delight.

Winning Every Moment means crafting experiences that are immersive, personalised and effortless—from the spark of inspiration to the joy of unboxing.

It means investing in our greatest asset—**our people.** By nurturing an inclusive culture and amplifying every voice, we innovate boldly and serve passionately.

It means **giving back,** standing shoulder to shoulder with communities and championing sustainability at every turn.

As we look ahead, our dedication remains firm: to make every moment with Nykaa a moment won—
for you, for our people and for our planet.

About the report

Welcome to FSN E-Commerce Ventures Limited's (Nykaa), fourth Integrated Annual Report. We are committed to the principles of Integrated Reporting, which reflect our strategic thinking and dedication to creating long-term value.

This report highlights the impact of our operations on individuals, businesses and society as a whole, enabling stakeholders to assess our potential for value creation over the short, medium and long term. It demonstrates our commitment to growth and our capability to implement strategies that deliver significant financial and non-financial value for all stakeholders.

Reporting scope and boundary

The report contains information about FSN E-Commerce Ventures Limited (Nykaa) as well as its standalone enterprise and material subsidiary companies.

Reporting period

This Integrated Annual Report covers the period from April 1, 2024, to March 31, 2025.

Reporting framework, standards and guidelines

This report has been prepared following the <IR> framework published by the International Financial Reporting Standards Foundation (IFRS). It also aligns with the relevant United Nations Sustainable Development Goals (UN SDGs).

The financial and statutory information presented in this report complies with the following regulations:

- The Companies Act, 2013 (and the associated Rules)
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- Indian Accounting Standards (Ind AS)
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Secretarial Standards issued by the Institute of Company Secretaries of India

Responsibility statement

The management recognises its obligation to ensure the integrity, transparency and accuracy of the information presented in the Integrated Report, while addressing all critical business issues relevant to the organisation and its stakeholders.

Assurance

The statutory auditor, S.R. Batliboi & Associates LLP, has assured the financial statements. The Independent Auditor's Report is included as part of this report. Additionally, all non-financial performance-related information has been internally verified and assured by the management.

Refer to the Independent Auditor's Report on **pages 248** and **324**.

Materiality

We apply the principle of materiality in assessing which information is to be included in our Integrated Report.

Top priority material issues

Consumer financial protection
Page 52

Privacy and data security
Page 99

Product safety and quality
Page 103

Business ethics and values
Page 101

Human capital development
Page 95

Transparent marketing and labelling
Pages 99 and **103**

Labour management
Page 103

Raw materials/product sourcing
Page 103

Key stakeholders

- Investors
- Customers
- Business partners
- Employees
- Communities
- Regulators
- Environment

Fair usage of third-party trademarks

All third-party trademarks mentioned by Nykaa are the property of their respective owners. References to these trademarks are for identification purposes related to our engagements with the brand owners and are considered fair use under trademark law.

Feedback

For queries and feedback, please write to us at:
nykaacompanysecretary@nykaa.com

NYKAA at a glance

India's leading omnichannel beauty and lifestyle retailer

We are India's leading and preferred omnichannel retailer for beauty and lifestyle categories. Over the years, Nykaa has steadily captured the hearts of consumers, serving over 42 million customers through our online platforms and 237 offline beauty destinations and empowering 2.76 lakh retailers in the unorganised BPC market, while building loyal communities through engaging and educational content.

With our House of Nykaa, we continue to build our house of brands, focusing sharply on innovation and consumer delight and consistently delivering inspiration and high-performing products to our consumers.

Vision

Bring inspiration and joy to people, everywhere, everyday.

Mission

To create a world where our consumers have access to a finely curated, authentic assortment of products and services that delight and elevate the human spirit.

Values

- Be bold and be good
- Be better everyday
- Be the customer's champion
- One Nykaa
- A culture of belonging
- Sustainability in every action



Business verticals

At Nykaa, we are not just a retailer; we are the creators and builders of India's beauty and fashion market. Nykaa has cumulatively served over 42 million customers across its beauty and fashion platforms.

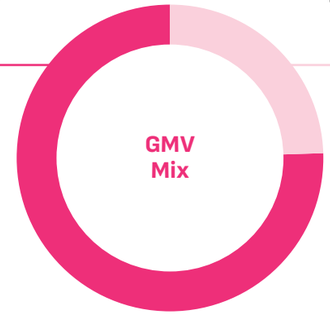
In beauty, we have established a robust omnichannel presence, combining our online beauty platform along with the largest network of 237 beauty physical stores nationwide. This allows us to serve over 34 million beauty customers by providing access to more than 4,200 global and domestic beauty brands. Additionally, Nykaa empowers 2.76 lakh retailers in the unorganised BPC market by utilising technology and customer demand data across 1,100 Indian cities.

Nykaa fashion offers a curated selection of the latest trends from over 4,400 global and domestic brands. Our fashion platform has been able to emerge as the #1 platform of choice for all the latest trends/styles in Fashion.

Through the House of Nykaa offerings in both beauty and fashion, Nykaa addresses gaps in the Indian market by providing curated assortments tailored to local preferences. As of March 31, 2025, the House of Nykaa portfolio includes seven beauty brands and five fashion brands. Many of our House of Nykaa brands have been able to achieve a significant scale.



Beauty
75.5%



Fashion
24.4%



₹15,604 crores
Business verticals GMV mix % (FY2025)

42 Mn+
Cumulative customer base

19 Mn
Annual unique transacting customers

Strategic priorities

- Driving customer acquisition and retention across the funnel journey
- Deep relationships with a diverse set of domestic and international brands
- Penetrating across the value chain and channels to address the larger TAM
- Creating, acquiring and scaling a portfolio of independent and new-age consumer-first brands
- Developing new ways of selling and a holistic consumer connection

Beauty brands that impress and empower

AESTURA, CHANEL, CharlotteTilbury, CLINIQUE, Dr.Jart+, d'you, ESTĒE LAUDER, Eucerin, FENTY BEAUTY BY RIHANNA, FOREST ESSENTIALS, foxtale, ghd good hair day, HUDABEAUTY, HYPHEN, KAMA AYURVEDA, L'ORÉAL PARIS, L'ORÉAL PROFESSIONNEL, NARS, numbuzin, DOT & KEY SKINCARE, NYKAA cosmetics, Kay Beauty, NYKAA WANDERLUST, earth rhythm, NYKAA PERFUMERY, NYKAA collection

Key Highlights*

4,200+
Beauty and personal care brands

7
House of Nykaa beauty brands

~45
Global store brands

~95
FMCG brands

~300
Prestige brands

~430
D2C brands

*All brand count as on March 31, 2025



Beauty brandscape

Defining India's beauty narrative

At the core of our beauty journey is a dynamic multi-brand retail platform that not only builds categories but also serves as the preferred destination for marquee global brands and promising homegrown labels.

A seamless, omnichannel approach combines the tactile experience of brick-and-mortar stores with the convenience and peace of mind offered by online shopping. This dual strategy not only enhances customer engagement but also serves as an effective channel for customer acquisition, ensuring that personalisation is woven into every interaction.

Nykaa — bringing the best of global premium brands to India

CHANEL · Supergoop! · AESTURA · YVES SAINT LAURENT · OBAGI · NARS

House of Nykaa – Beauty

7
Distinct brands

13 Mn+
Customers

38,000+
Physical points of sale

~₹1,700 crores
GMV (48% five-year CAGR)

House of Nykaa — Beauty

High-growth/Matured
Dot & Key + Kay Beauty + Nykaa Cosmetics

Strategy
Maintaining momentum with marketing investment and channel expansion

Emerging
Nykaa Wanderlust + Nykaa Perfumery + Earth Rhythm + Nykaa Collection

Strategy
Drive awareness, brand-building and enhance category/assortment depth

Omnichannel footprint

Digital and retail
Nykaa.com + Nykaa multi-brand physical stores

Brand-owned channels
D2C sites and Nykaa kiosks

Other channels
General trade, major marketplaces; GCC/Mauritius/UK coming soon

Nykaa's scale in premium beauty

#1
Nykaa's sustained leadership position in omnichannel premium beauty in India

9x
Premium customer annual consumption value versus average

40%+
Five-year omnichannel CAGR for premium beauty

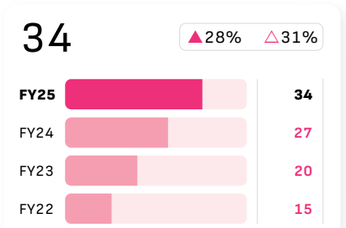
$395
Average annual spending by our top 10% customers

Empowered elegance + online revolution = beauty boom

The affordability of discretionary categories, such as beauty, is seeing a significant upswing. This change coincides with a surge in the number of women completing graduate and postgraduate degrees, as well as a new generation of digitally savvy individuals poised to dominate the workforce. Driving this growth further is the rise in online shopping, with a notable increase in beauty shoppers turning to digital platforms. The future looks bright as these trends reshape the beauty industry landscape.

Beauty in numbers: our growing customer community

Cumulative customer base (Mn)



▲YoY △FY22 -25 CAGR



Capturing youthful vibes

We recently signed Rasha Thadani as our ambassador and she truly embodies the young, fun spirit that the brand aims to capture.

Elevating everyday: the art of tailored beauty regimens

A crucial element of our premiumisation strategy is to develop tailored beauty regimens that cater to diverse needs and occasions for beauty consumption. This approach aligns with the trend of 'stepification' creating structured routines that elevate everyday beauty practices into enjoyable, ritualised experiences.

Content IPs on the Nykaa platform

STEPIFICATION of BEAUTY · NYKAA CSMS · HEALTHY HAIR HABITS · PREP COVER SET BY NYKAA · NYKAA PLAY Beauty's Biggest Playground · TREND CAST · BIGGEST BEAUTY Binge · ON THE RISE · NEW & NOW

Pioneering prestige: leading the luxe market

- In 2016, we became the first online retailer for Estée Lauder, marking the beginning of the prestige market
- We were the first omnichannel retailer for the L'Oréal Luxe brand portfolio
- We import and exclusively retail brands such as Charlotte Tilbury, Murad, Sol de Janeiro and many others
- We are recognised as the first multi-brand outlet speciality retailer for Dior, Jo Malone and Tom Ford
- Additionally, we were the first multi-brand retailer to launch Chanel in India

NYKAA WALI SHAADI · GET READY WITH NYKAA · NYKAA DERMA CLINICS

Core capabilities and strategy

Brand-building playbook
In-house R&D, packaging excellence and 360° marketing

Portfolio strategy

- **Dominance in makeup:** Nykaa Cosmetics + Kay Beauty
- **Winning skincare:** Dot & Key (#1) + Earth Rhythm (clean beauty)
- **Investing in growth:** Wanderlust (bath and body) + Perfumery (luxury fragrances)
- **Capturing white spaces:** Nykaa Collection multi-liners

Fashion brands that dazzle and defy

Large national/ international brands

PUMA, FOREVER NEW, VERO MODA, ALDO, GUESS, VICTORIA'S SECRET, U.S. POLO ASSN. SINCE 1890, RARE RABBIT, ACCESSORIZE LONDON, SKECHERS, TOMMY HILFIGER, Calvin Klein

International brands

Foot Locker, CIDER, REVOLVE, LIPSY LONDON, LITTLE MISTRESS, NA-KD

House of Nykaa – fashion brands

TWENTY DRESSES, RSVP, Nykd by Nykaa, KICA, gajra gang

Key Highlights*

4,400+
Fashion brands

500+
D2C brands

100+
National brands

1,000+
International brands

5
House of Nykaa – Fashion

*All brand count as on March 31, 2025



Fashion brandscape

Pushing the frontiers of couture

Nykaa Fashion retails over 4,400 brands across the spectrum, from luxury to everyday wear, leveraging a technology-driven, discovery-oriented platform. This approach ensures targeted engagement across diverse demographics and geographic regions, effectively catering to a broad range of consumers.



Emerging strength and curation-driven growth

Fashion is our fastest-growing non-beauty segment, powered by a curated marketplace model.

GMV (₹ crores)

3,804 △12%

FY25	3,804
FY24	3,385

Revenue (₹ crores)

675 △19%

FY25	675
FY24	568

Share of total GMV (%)

24

FY25	24
FY24	27

Customer loyalty

8 Mn
Cumulative Customer Base

Growth trajectory

24%
Share of the overall GMV in FY2025

New arrivals

800+
Brands launched in FY2025

Next-gen and tech-driven

- **Premium segment:** 70% on iOS/ premium Android
- **Trend-focused:** 85% Gen Z and young millennials
- **Platform recall:** #2 overall, #1 for 'latest trends'
- **Best-in-class AOV:** ~2× industry average; new-season sales ~2×

House of Nykaa – Fashion

High-growth/Matured

Nykd + Twenty Dresses

Strategy

Maintaining momentum with marketing investment and channel expansion

Emerging

RSVP + Gajra Gang + KICA

Strategy

Drive awareness, brand-building and enhance category/assortment depth

Discovery-first Experience

Best of both worlds

Editorial-led curation, smart recommendations, high trust in authentication—fashion meets inspiration

CEO's commentary

Unleashing potential: a landmark year in beauty and fashion



Falguni Nayar, *Executive Chairperson, Managing Director & CEO*

Dear Shareholders,

Your Company delivered a robust performance in FY2025. We remained committed to our long-term vision, striking a balance between growth, customer acquisition and profitability. Our focus on operational excellence strengthened our core verticals of beauty and fashion, while we expanded our B2B footprint and continued building a compelling portfolio of owned brands. At the same time, we made strategic investments in innovation, technology and customer experience — levers that will shape the next phase of growth.

Your Company has witnessed a consolidated revenue from operations of ₹7,950 crores, representing a 24% growth over the previous year. We achieved an EBITDA of ₹474 crores, an increase of 37% from a year earlier and an EBITDA margin of 6%, up by 54 bps YoY. Nykaa remains committed to driving sustainable growth while maintaining a sharp focus on profitability, even as we continue to invest in future-ready capabilities.

Today, Nykaa stands as a thoughtfully architected portfolio of synergistic yet distinct businesses, each built with a long-term vision and deep consumer insight. At its core, your Company brings together four powerful growth engines — Beauty, Fashion, B2B and our House of Brands — each contributing uniquely to Nykaa's evolving narrative. This strategic amalgamation reflects our belief in the power of category depth, operational excellence and education-led consumer engagement.

“Today, Nykaa stands as a thoughtfully architected portfolio of synergistic yet distinct businesses, each built with a long-term vision and deep consumer insight. At its core, your Company brings together four powerful growth engines — Beauty, Fashion, B2B and our House of Brands — each contributing uniquely to Nykaa's evolving narrative.”

India is on everyone's radar

India today stands at the cusp of a consumption renaissance. With GDP per capita expected to rise from $2,600 in FY2025 to $4,500 by FY2030 and a growing middle class inching towards better lifestyles, the next decade will be shaped by aspirational consumption. Lifestyle categories — especially Beauty and Fashion — are expected to benefit disproportionately from this tailwind, accounting for nearly a quarter of discretionary spending[1].

The Indian Beauty and Personal Care (BPC) market is set to grow from $24 billion in FY2025 to $40–45 billion by FY2030, a CAGR that underscores both the under-penetration of the category and the heightened relevance of self-expression, wellness and grooming[2]. The world's most prominent beauty brands are betting big on India, making it the beauty market's brightest opportunity.

At Nykaa, we are deeply attuned to this structural shift. We have built our platforms for the new Indian consumer — one who is informed, expressive and digitally engaged.

The Gen Z phenomenon

India's Gen Z population, born between 1997 and 2012, is emerging as the most consequential cohort in shaping consumption. Although they account for 26% of the population, they are expected to influence nearly 50% of all spending by FY2030. Even today, they directly account for 23% of purchases but significantly shape the remaining 77% by influencing household decision-making[3].

In categories like beauty, fashion and footwear, where identity and self-expression matter, Gen Z's influence is even more pronounced. They expect brands to be inclusive, socially aware, transparent and constantly innovating. At Nykaa, we are building with and for Gen Z through bold product innovation, content-led discovery and platforms that reflect their values and voice.



[1]Source: Bain Report - How India Shops Online 2025; EY; IMF
[2]Source: Redseer - India's Got Retail, 2025; Kearney - India's Massive Untapped Growth Opportunity in Luxury Beauty
[3]Source: BCG (the $2 trillion Opportunity: How Gen Z is Shaping the New India)

Affluence enabling higher consumption

As consumer incomes rise, we see disproportionate increases in spending on Beauty and Fashion. Data shows that individuals earning over $15,000 per year spend five times more on beauty and three times more on fashion than entry-level earners[4]. At Nykaa, this trend is evident in our Average Customer Value (ACV), which increases 4.5 times by the fifth year and 8.5 times by the tenth year of the customer journey.

This deepening engagement reaffirms the enduring love our consumers have for Nykaa — not just for our brands and products, but for the experience and community we have built. We see each customer not as a transaction, but as a long-term relationship that matures, evolves and deepens over time.

Transforming consumer journeys using AI

Innovating across the ecosystem for consumers as well as brand partners, AI is already at the core of our platform and influencing consumer experiences. At Nykaa, we have embraced AI across our value chain — from consumer experience to engineering productivity.

Unlocking smarter discovery with semantic search, our LLM models go beyond keywords to understand the consumer's intent. They return optimised discovery journeys that match not just keywords, but also attributes, reviews, claims, and educational content.

Building exponential productivity with AI, our engineering teams use AI Copilots to accelerate product development, generating code and improving efficiencies, thus freeing up precious developer time to focus on solving more complex problems.

Pioneering multi-brand retail excellence in Beauty

Our Beauty business continues to be India's largest and most trusted omnichannel beauty platform. In FY2025, we reached a GMV of ₹11,775 crores, with over 34 million cumulative customers and 237 retail stores, both representing four times the growth over the past five years. We now have 15.8 million unique transacting customers, who placed about 55 million orders this year alone.

With a market share of over 30%, we remain the go-to destination for beauty in India. Our strength lies in the depth of assortment, trusted curation and a seamless omnichannel experience. As more global brands enter India and as Indian brands expand, we remain their preferred partner, offering a full-stack ecosystem from discovery to distribution. Our 360-degree marketing capabilities offer brands a comprehensive approach to storytelling, encompassing data-driven insights and experiential touchpoints. Over the years, we have developed industry-shaping IP that is redefining the beauty experience in India.

Nykaaland, our flagship consumer festival, brought together over 25,000 beauty enthusiasts and the most iconic brands under one roof, delivering immersive, sensorial experiences that celebrated beauty in all its forms. With Nykaa Wali Shaadi, we created a one-stop destination for wedding beauty and fashion, blending inspiration, expert advice and curated assortments to support every bride's unique journey. Our 'Stepification of Beauty' approach has led the way in consumer education, demystifying routines, building category awareness and empowering users with knowledge across skincare, haircare and makeup.

To further enhance interactivity and real-time engagement, we introduced NykaaPlay — a gamified in-app shopping experience that enables consumers to connect live with makeup artists, professionals and content creators. This blend of learning and entertainment has transformed passive browsing into engaging, shoppable conversations, further strengthening our platform as a destination for discovery and delight.

Through each of these innovations, we continue to build not just a marketplace, but a movement that educates, inspires and elevates the beauty experience for millions across India.

Superstore- serving the underserved

This year, the B2B business scaled sustainably, reaching ₹941 crores in GMV, with 276,000 transacting retailers across 1,100 cities. eB2B remains a substantial addressable opportunity, driven by the needs of three key players. The first of these is underserved GT markets, where, although core SKUs contribute 70% of sales and the 30% non-core SKUs are estimated to be underserved by $3 billion. The second driver is the underserved D2C brands. Representing ~16% of the beauty brand mix in India, as D2C brands reach their mid/growth scale, they will look to expand offline in an economical distribution setup. The third driver is the growth in the digitisation of retailers. Low-cost smartphones and the internet make technology accessible to small retailers, enabling them to benefit from and offer digital payments.

Already, 89% of eB2B's sales come from Tier-II+ cities. With a portfolio offering national, regional and D2C brands across HUL, P&G, Dabur, Marico, Plum and Dot & Key to name a few, Superstore leverages tech-led disruption to differentiate itself. By enabling discovery of new brands via technology and content, Superstore increases retailers' earning potential while simultaneously empowering brands with data and driving targeted customer plans, ultimately leading to higher retailer spend and improved retention.

Curated couture: the Nykaa Fashion experience

Nykaa Fashion has experienced high growth since its inception, demonstrating a strong product-market fit, underpinned by robust business health metrics. With a GMV of ₹3,804 crores and a cumulative customer base of 8 million, Nykaa Fashion boasts a best-in-class AOV, which is twice that of the industry's average. The business aims to bring consumers delight by being a highly curated fashion platform with personalised discovery and high trust. With over 4,400 brands listed, Nykaa Fashion offers curated selections from D2C brands, large national brands, international brands and homegrown hidden gems.

Nykaa Fashion is innovative in its approach and has established key international brand partnerships through diverse tech and operating models that cater to the brand's needs, from offering full-stack enterprise solutions as in the case of Foot Locker, to multi-marketplace enablement, as in the case of Revolve.

> "This year, House of Nykaa crossed a GMV of ₹2,100 crores, emerging as a clear house of brands business that has amassed immense consumer love across specific, thoughtfully built brands."

House of Nykaa brands

This year, House of Nykaa crossed a GMV of ₹2,100 crores, emerging as a clear house of brands business that has amassed immense consumer love across specific, thoughtfully built brands. The beauty owned brands business is now among India's top two homegrown beauty brands portfolios, reaching a GMV of ₹1,695 crores, up 55% YoY. Having served over 13 million customers to date, we sell our beauty owned brands in over 38,000 physical distribution points. We remain steadfast in our vision to deliver efficacious products that solve real problems, innovations that bring world-class trends to consumers, all while cultivating consumer love. We bring together the best of both worlds — traditional brand-building rigour along with startup-style agility.

Nykaa Cosmetics, a brand created nearly a decade ago, remains positioned as India's trendiest brand. With a ₹350 crores-GMV, the brand has the #1 liquid lipstick and #1 nail polish positions on the platform, establishing its right to win with iconic legacy ranges and innovative launches that have strong Gen Z appeal. This year, the brand welcomed Rasha Thadani as its brand ambassador.

Kay Beauty, India's largest celebrity beauty brand co-created with celebrity Katrina Kaif, crossed a GMV of ₹240 crores, led by strong innovation. The Hydra Creme lipstick range achieved immense virality, solidifying its position as the #1 lipstick range on the platform since its launch. Emboldened by the consumer love it received, the brand expanded to sell in the GCC under Nysaa. Despite being in the early days, it is among the top five beauty brands for the retailer.

Dot & Key, India's #1 skincare brand, crossed a GMV of ₹900 crores, growing over 12x since its acquisition in September 2021. The brand is top-ranked in key categories and leverages breakthrough innovation and powerful brand-building to create stellar products.

Looking forward, we have a clear growth strategy. The first pillar is to maintain our dominance in the makeup industry. The second pillar is winning in skincare with Dot & Key, the #1 skincare brand and Earth Rhythm, our clean beauty brand. The third pillar involves investing in high-growth categories, as exemplified by our sensorial travel-inspired Bath & Body Works brand, Nykaa Wanderlust and Nykaa Perfumery, a luxury French fragrance brand.

Sustainability in every action

At Nykaa, we remain deeply committed to serving the needs of all our stakeholders — from our valued consumers to the communities we engage with, from broader society to the environment we all share. Our approach to value creation is grounded in responsibility and care. Inclusivity is equally at the heart of how we build our teams. As an equal opportunity employer, we believe that our diversity is a strategic strength, enriching our culture and enabling us to better serve a diverse and evolving India.

Nykaa continues to evolve as a dynamic and resilient organisation — one that embraces change, values progress and remains rooted in a culture of innovation and continuous learning. At the heart of it all are our people — their passion, agility and commitment shape the Nykaa of today and power the Nykaa of tomorrow. Our values remain our north star, guiding every decision we make and every step we take as we build with purpose.

As I look ahead, I am energised by the possibilities that lie before us. With a clear focus on our consumers, a strong foundation of governance and an unwavering commitment to performance excellence, I truly believe Nykaa is well-positioned to shape the next chapter of beauty and lifestyle retail in India.

I remain deeply grateful for the trust placed in us by our shareholders, customers, brand partners and the wider ecosystem. Your belief in our journey continues to inspire us to build thoughtfully, act responsibly and create long-term value for all.

Best,

Falguni Nayar
Executive Chairperson, Managing Director & CEO

[4] Source: PwC - How India Spends, sample size of three million users

Message from the CFO

Scaling with discipline: driving profitable growth and financial strength



P Ganesh, *Chief Financial Officer*

Dear Shareholders,

FY2025 was a landmark year for Nykaa, defined by strong execution and financial discipline. We delivered robust and consistent growth, demonstrating our resilience in a challenging macroeconomic environment. We reinforced our leadership by making strategic investments to enhance the customer journey, from introducing new categories to strengthening our omnichannel presence and establishing a world-class brand portfolio. These efforts were underpinned by a sharp focus on efficiency, resulting in improved profitability and a significantly stronger balance sheet.

In FY2025, our consolidated GMV grew by 25% YoY to ₹15,604 crores—an industry-leading growth rate in Beauty and Fashion—driven by focused execution on our strategic pillars. Revenue from operations also increased by 24% YoY to ₹7,950 crores.

Our focus on operational efficiency has helped drive efficiencies in operating costs. Our multi-year effort to expand our warehouse infrastructure has brought us closer to our customers, resulting in a marked improvement in delivery timelines and an enhanced customer experience. As part of this effort, we had significantly ramped up our warehousing network in FY2023. As of March 31, 2025, we operated 44 warehouses across 15 cities, which enabled us to reduce fulfilment expenses (as a percentage of NSV) from 13.3% in FY2020 to 9.5% in FY2025 and improve delivery timelines from 4.5 to 2.0 days. These efficiencies were driven by reduced reliance on air and split shipments, reinforcing our focus on operational efficiency and sustained growth. By leveraging our robust fulfilment infrastructure of 44 warehouses across 15 cities, we have significantly enhanced our delivery capabilities to elevate the customer experience on our platform. This strategic advantage has enabled us to achieve same day/next-day delivery for 80% of beauty order volume across the top 8 cities and 70% of beauty orders within the top 110 cities. In a testament to our commitment to customer convenience, we successfully launched 'Nykaa Now' in the last quarter of FY2025, a service that is rapidly gaining healthy traction. Through the Nykaa Now proposition, we are uniquely positioned ourselves to offer the country's most extensive beauty assortment with delivery within two hours across 7 major cities. To facilitate this expedited service, we have strategically launched 40 new rapid stores in these key urban centres, specifically dedicated to ensuring swift fulfilment of beauty orders.

We increased our marketing investments in FY2025 to focus on long-term category creation and customer acquisition. Key initiatives like Nykaaland and Nykaawali Shaadi aimed to boost brand equity, resulting in marketing expenses rising to 12.5% of revenue (up from 11.6% in FY2024). This strategy helped us acquire over nine million new customers, growing our cumulative customer base to over 42 million—an increase of 28% YoY.

Simultaneously, we have seen the benefits of scale in our operational and employee costs, which has led to cost optimisation. Employee expenses have decreased to 8.4% of revenue in FY2025 (down from 8.8% in FY2024) and other expenses have decreased to 4.8% (down from 5.1% in FY2024).

We further strengthened profitability in FY2025, achieving a consolidated EBITDA margin of 6%, up from 5.4% in FY2024, supported by strong operating leverage and underscoring our focus on unit economics. As a result, our PAT rose to ₹72 crores, reflecting a robust 81% YoY growth.

We also focused on strengthening our balance sheet through efficient capex utilisation and improving ROCE. With peak capital expenditures (capex) in FY2022 and FY2023, now behind us, we are now seeing the benefits of these investments. Total capex in FY2025 stood at ₹128 crores (excludes goodwill/trademarks on account of M&A), up 11% YoY, primarily directed towards expanding our beauty store network (the highest number of stores added in a single year) and investments in technology and automation. Capex as a percentage of revenue improved to 1.6% in FY2025, compared to 1.8% in FY2024 and 3.6% in FY2023.

To date, Nykaa has raised a modest equity capital of $140 million across private and public markets. With a disciplined approach to capital deployment, we have built three core business verticals—Beauty, Fashion and International—achieving a revenue of ₹7,950 crores ($935 million) in FY2025. Our continued focus on capital efficiency has led to a consistent improvement in ROCE, which rose to 11.3% in FY2025 from 4.6% in FY2020. Working capital as a percentage of revenue from operations improved from 12.1% in FY2020 to 9.0% in FY2025.

Our beauty business continued to deliver strong results in all quarters of FY2025, with GMV growing 30% YoY to ₹11,775 crores. Growth was driven by multiple levers — accelerated new customer acquisition (up 34% YoY) and deepening partnerships with global and domestic brands. As of March 31, 2025, we offered India's largest beauty assortment with over 4,200 brands across beauty and personal care categories.

Our physical store network expanded significantly, adding 50 new stores in FY2025—the highest in a single year—bringing the total to 237 across 79 cities. Retail space grew 45% YoY to 2.5 lakh square feet, with GMV from physical stores increasing 31% YoY.

The beauty brands portfolio under the House of Nykaa grew GMV by 55% YoY to ₹1,695 crores, contributing 14.4% of beauty GMV (up from 12.1% in FY2024), driven by strong performance in Nykaa and third-party channels.

We also continued scaling up our eB2B platform, Superstore by Nykaa, launched in September 2021 to tap into India's large, unorganised BPC market. Within just three to four years, the platform achieved ₹941 crores in GMV in FY2025, contributing 8.0% to overall beauty GMV (vs. 6.6% in FY2024). This growth was driven by strong retailer onboarding—our transacting retailer base grew 15x to 2.76 lakhs as of March 31, 2025.

Despite a challenging environment in FY2025, our fashion vertical achieved a resilient performance, with GMV growing 12% YoY to ₹3,804 crores, surpassing industry growth. We focused on improving profitability, reducing EBITDA losses to -8.3% of NSV from -10.3% in FY2024 through operational efficiencies. FY2025 also saw the launch of over 800 new fashion brands, expanding our curated selection to over 4,400 global and domestic brands as of March 31, 2025.

We have established strong market-leading verticals with efficient capital and a solid balance sheet. Nykaa is poised for growth, with key investments made and a clear path to profitability. Our team is committed to executing our strategy and delivering long-term value to stakeholders.

Thank you for your continued trust and support.

P Ganesh
Chief Financial Officer

Financial highlights (FY2025)

₹15,604 crores
GMV ▲25%

6.0%
EBITDA margin ▲54 bps

11.3%
RoCE 7.5% in FY24

₹7,950 crores
Revenue from operations ▲24%

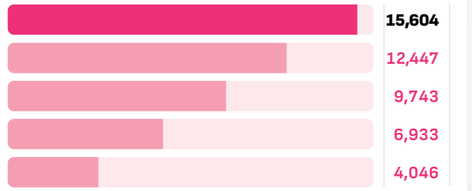
0.9%
PAT margin ▲28 bps

34 days
Working capital days 42 days in FY24

Long-term trend (One Nykaa)

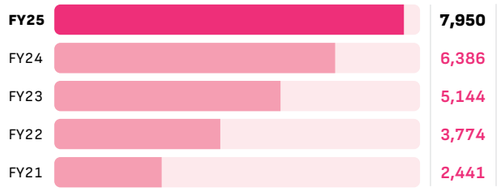
GMV (₹ Cr)

15,604 ▲25% △42%



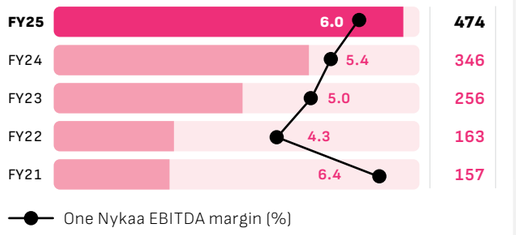
Revenue from operations (₹ Cr)

7,950 ▲24% △35%



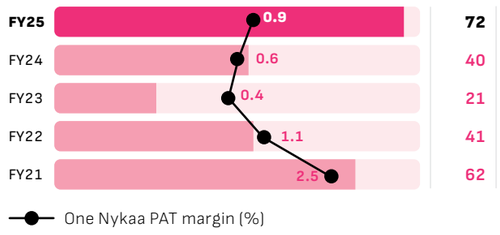
EBITDA (₹ Cr)

474 ▲37% △41%



PAT (₹ Cr)

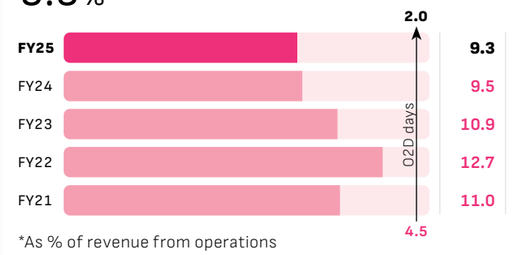
72 ▲81%



▲ YoY △ Five-year CAGR

Fulfilment expenses* (%)

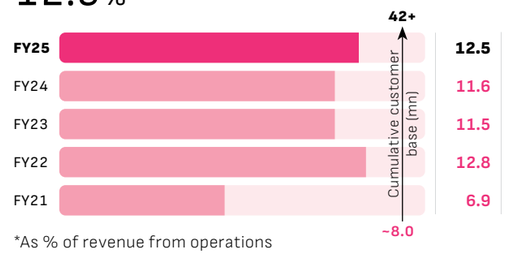
9.3%



*As % of revenue from operations

Marketing expenses* (%)

12.5%



*As % of revenue from operations

Employee + other expenses* (%)

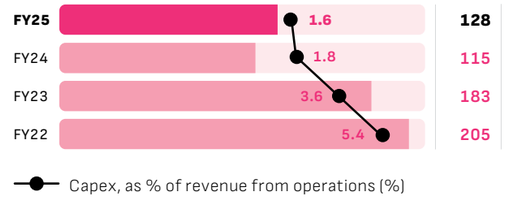
13.2%



*As % of revenue from operations

Capex* (₹ Cr)

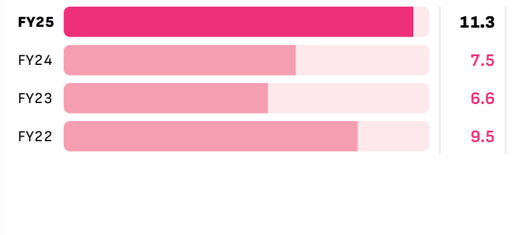
128



*Doesn't include goodwill/trademarks on account of M&A

ROCE (%)

11.3%



▲ YoY △ Five-year CAGR

Beauty review

A new era of elegance: transforming consumer preferences in beauty



Dear Shareholders,
FY2025 marked another pivotal year for India's Beauty & Personal Care (BPC) industry, as it continued its evolution into a formidable force within the consumer landscape. What began as a niche category is now gaining significant ground, driven by rising aspirations, increasing incomes and shifting consumer priorities. At Nykaa, our confidence in the sector's long-term potential has only deepened and we see ourselves not just as participants but as enablers and frontrunners of this multi-decadal growth opportunity.

Anchit Nayar, *Executive Director FSN E-Commerce Ventures Limited (Nykaa) and Managing Director & CEO Nykaa E-Retail Limited (100% subsidiary of Nykaa)*

India's BPC market is poised for exponential growth, with per capita spending expected to rise from $15 to ~$50 as incomes increase, creating a significant opportunity for Nykaa. The average spend per capita of a Nykaa customer already stands at $80, indicating that Nykaa is spearheading the premiumisation of the Indian beauty market. The BPC market presents a promising outlook driven by structural tailwinds, including rising affordability, increasing female education and a digitally savvy population. The number of mid-to-high-income households is expected to more than double by 2030, and the female graduate population is steadily increasing. Simultaneously, Gen Z and post-Gen Z are becoming a larger share of the working-age population, supporting continued digital adoption. These trends are expected to drive the BPC market from $24 billion in FY2025 to $40-45 billion by FY2030, with online penetration growing substantially.

Positioned as the country's most trusted beauty platform, Nykaa is also benefitting from a global pivot towards India as beauty giants seek newer markets, establishing itself as the go-to partner with a full-stack platform and deep consumer reach. Meanwhile, Indian consumer preferences are evolving—from basic personal care to more expressive beauty categories, such as serums, SPFs and makeup—ushering in a new era of sophistication that aligns seamlessly with Nykaa's curated, high-engagement strategy.

Nykaa's strategy revolves around a dual focus of deepening penetration and increasing premiumisation. As far as penetration goes, the cumulative customer base (CCB) of Nykaa has risen to 34 million due to its aggressive customer acquisition efforts. The growth has been broad-based, with Tier-II and III geographies growing faster than Tier-I. We have significantly expanded our retail footprint, going from 63 stores in 34 cities in FY2020 to 237 stores in 79 cities in FY2025. Now, as far as premiumisation goes, the sophistication of purchases has also evolved, with a growing share of skincare, haircare, body care & fragrance products in the overall pie. Nykaa has attracted numerous premium international brands, including Chanel, Armani and Yves Saint Laurent. All these factors have contributed towards the premium segment growing at a 40% CAGR—faster than the overall platform.

> "Positioned as the country's most trusted beauty platform, Nykaa is also benefitting from a global pivot towards India as beauty giants seek newer markets, establishing itself as the go-to partner with a full-stack platform and deep consumer reach."

With the dual effects of penetration and premiumisation, we aim to grow our GMV to mid-20% levels by FY2030 by acquiring more customers, enhancing our premium offering and expanding our physical store footprint to over 500 outlets in more than 100 cities.



Nykaa is more than just a beauty retailer — India's beauty category creator and market builder

Nykaa continues to shape India's beauty narrative—not simply by selling products, but by building infrastructure, creating demand and nurturing trust across the ecosystem. Our presence spans the value chain:

- Digital leader in online beauty retail, with over 30% market share and a portfolio of 4,200+ brands
- Largest physical network of Beauty-focused stores in India, with 237 outlets in 79 cities covering 2.5 lakh square feet
- India's top importer and distributor of international beauty brands like Charlotte Tilbury, Yves Saint Laurent and the like
- Builder and nurturer of homegrown beauty brands, including Dot & Key, Kay Beauty and Nykaa Cosmetics
- eB2B reaches 2.76 lakh retailers across 1,100 cities via Superstore
- Vertical ad tech platform, offering brands high-precision marketing solutions
- Social-first beauty authority, with 17 million+ followers and category-defining content

FY2025: Key performance and growth metrics

This year, our beauty retail business sustained strong growth momentum, building on our FY2024 billion-dollar scale:

- Beauty GMV grew 30% YoY to ₹11,775 crores, driven by robust demand, new brand launches and expanding assortment
- Our Beauty cumulative customer base (CCB) has grown to 34 million which was a 28% growth over last year
- We have maintained a very healthy contribution margin at 22%

Unlike many players in the digital space that rely on deep discounting, Nykaa's value proposition remains anchored in quality, trust, discovery and curation. This strategy continues to build a high-engagement flywheel—one that's attractive not just to customers but also to global brands who seek meaningful, sustainable market entry.

Retail stores: deepening the omnichannel experience

While digital remains our core, physical retail is an equally powerful touchpoint—bringing experiential discovery, education and trust-building to the forefront. Our 237 stores across 79 cities are spread across four formats—Flagship, Luxe, On Trend and Kiosk catering to different customer segments and brand objectives.

Premium customers continue to rely on these outlets for personalised service coupled with premium brands contributing to two-thirds of physical store GMV. In-store innovations like the skin analyser tool, beauty bar events and hyperlocal fulfilment are bridging online and offline seamlessly. Our omnichannel consumers—who shop across both mediums—demonstrate four to five times higher spend and three to five times more frequent transactions than single-channel shoppers.

Delivering convenience

Delighting customers at scale requires a rock-solid operational backbone and we have continued to strengthen it. Over the years, we have transitioned from a regional network to a local one by expanding our warehousing footprint from 18 in FY2021 to 44 now. We have now further expanded our network by going hyperlocal with Nykaa Now, our rapid delivery offering promising a 30 to 120 minutes order fulfilment in top seven cities in India using a network of 40 rapid stores, which is rapidly expanding. Nykaa has the right to win in the hyper competitive space of rapid delivery for the beauty category on account of the largest BPC assortment serving key need states.

Building beauty communities through content and culture

In FY2025, Nykaa doubled down on content-driven engagement. From short-form social videos and tutorials to masterclasses and brand collaborations, we have built one of the most influential beauty communities in the country.

Our 'Stepification of Beauty' initiative, launched in 2023, continues to demystify beauty routines for skincare, haircare and makeup, helping customers discover new categories and products. The second edition of Nykaaland, India's biggest beauty festival, was held in November 2024 to overwhelming response—serving as a live manifestation of the beauty ecosystem we have built. We are tapping into new cohorts like Gen Z through our campus ambassador programme and Nykaa Beauty Vanity. Similarly, we are reaching out to Tier-II and III geographies through our deep partnership with regional content creators and engagement on local media and OTT using vernacular content.

Our vision for the future

At Nykaa, we see beauty as more than just a product category—it is a vehicle for confidence, identity and self-expression. It has been just over a decade since we began building this market from the ground up. As we look ahead, we remain deeply committed to expanding access, driving innovation and empowering every individual in their beauty journey.

Thank you for your continued support as we shape the future of beauty in India.

Anchit Nayar
Executive Director- FSN E-Commerce Ventures Limited (Nykaa) and Managing Director & CEO - Nykaa E-Retail Limited (100% subsidiary of Nykaa)



Fashion and House of Nykaa Review

Harnessing the future: our pathway to leadership



Dear Shareholders,
As we continue building Nykaa into a leading consumer Company in India, I focus on two strong, high-potential growth engines - our House of Brands and Nykaa Fashion businesses - each with a sharply defined consumer proposition, operating model and category leadership ambition.

These businesses now represent more than just adjacent plays; they are critical to our ambition of becoming a multi-vertical, digital-first brand and retail powerhouse. We are encouraged by their traction and long-term potential.

Adwaita Nayar, *Executive Director, Managing Director & CEO — Nykaa Fashion Limited, Head of owned brands*

> “Our Fashion business was born with the conviction that India needed a non-discount-led, curated premium fashion platform — one that elevated discovery and made full-price retail aspirational again.”

House of Nykaa: creating a portfolio of consumer-loved brands

Our House of Nykaa strategy is rooted in the belief that India is at the cusp of a significant shift in how consumers engage with brands. As discretionary spending rises and preferences evolve, we are seizing the opportunity to build digital-first, insight-led brands in Beauty and Fashion that meet unique consumer needs with high quality and consistency.

Today, this business comprises 12 brands across beauty and fashion, with several of them gaining real momentum:

- Our House of Nykaa brand portfolio grew at a five-year CAGR of 52%, delivering more than ₹2,100 crores GMV in FY2025, led by brands like Nykaa Cosmetics (Makeup), Dot & Key (Skincare), Kay Beauty (Makeup) and Nykd (Lingerie)
- Our brand Dot & Key has crossed GMV of ₹900 crores in FY2024, while Kay Beauty and Nykaa Cosmetics have crossed the GMV of ₹240 crores and ₹350 crores, respectively
- Along with strong online presence, these brands now retail across 237 Nykaa beauty physical stores and 38,000+ offline points of sale, ensuring omnichannel scale

What makes this model unique is our full-stack brand-building capability: from R&D, sourcing and manufacturing to content, influencer marketing and offline distribution — all under one roof. This enables us to launch and scale new brands faster, with higher marketing efficiency and growing consumer loyalty. Contribution margins remain healthy across mature brands, with improving repeat rates and category depth.

Looking ahead, our focus is to double down on product innovation, expand our distribution thoughtfully and unlock growing categories like clean beauty and fragrances. With a sharp lens on sustainable brand building, we believe our House of Brands will continue to be a strong and profitable growth vector.

Nykaa Fashion: building India's premium fashion destination

Our Fashion business was born with the conviction that India needed a non-discount-led, curated premium fashion platform — one that elevated discovery and made trend-led fashion mainstream to e-commerce. That conviction is now showing results, both in scale and structure.

In FY2025, Fashion vertical delivered ₹3,804 crores in GMV, growing 12% YoY, ahead of the broader industry, which witnessed low double-digit growth. We now command ~20% of the premium women's online fashion market, with significant headroom for growth as the segment is expected to scale 3-5x over the next six years.

According to the Bank of America Survey, with 1,000 participants, we have become the #2 fashion platform of choice for customers but are their #1 preferred platform for grabbing the latest trends and styles. We now have a strong assortment of 4,400+ brands, including 1,000+ global brands on our 'Global Store' and 500+ D2C brands with strong customer traction. Our strategic launches, like the Foot Locker India partnership, where Nykaa manages both e-commerce and website operations, have also strengthened our positioning in the market.

Operationally, we have made significant strides in profitability:

- Gross margin expanded to 49% of NSV in FY2025 (from 44.8% last year) due to higher service income and content related marketing income
- Contribution margin improved to 7.9% in FY2025, from 6.3% in FY2024
- EBITDA improvement of ~200 bps with scale and efficiencies in shipping, employee costs, etc.

Nykaa Fashion has served over 8 million customers till date, with growing cohorts and improving lifetime value. So far, we have primarily been over-indexed on women's fashion. While that will continue as the majority focus, this next year we will also accelerate the men's, kids' and home categories with the same ethos of curation.

Our ability to blend premium curation, content-led discovery and deep platform tech makes us a differentiated player in an otherwise crowded market. We continue to build personalised shopping journeys and bring forth a fashion PoV through our signature stores like 'Hidden Gems', 'NFEdit', etc.

Both House of Nykaa and Nykaa Fashion have a distinct strategy and competitive moat backed by strong consumer insight. Together these businesses form the cornerstone of Nykaa's ambition to become a multi-vertical, multi-brand, multi-format leader in Indian consumer commerce.

We are committed to building each of these businesses with the same level of thoughtfulness, agility and consumer obsession that defines Nykaa — and to creating long-term value for all our stakeholders in the process.

Warm regards,

Adwaita Nayar
Executive Director, Managing Director & CEO — Nykaa Fashion Limited, Head of owned brands

Forging deeper connections with consumers

Catalysing customer-centric innovation

At Nykaa, we foster a culture of innovation and technology to maintain our competitive edge. By prioritising our customers and staying updated with market trends, we have become leaders in the beauty and fashion industry. Through data analytics, we enhance our offerings and anticipate customer desires.

India's largest specialised beauty retailer

Beauty

- Added prestige icons Chanel, NARS and YSL to our lineup
- Became the launchpad for Kérastase, NARS, OUAI and ghd reinforcing our leadership in premium skincare and haircare

4,200+
brands - Largest beauty assortment in India



Bringing global fashion trends to India

Fashion

- Expanded to 4,400+ fashion brands, including curated partnerships with Cider, NA-KD, All Saints, Superdown, Alo, Lipsy London
- Forged alliances with Revolve, Foot Locker, Urban Outfitters, Next, bringing global trends to India's fashion enthusiasts



Omnichannel approach

By seamlessly uniting our digital platform with an ever-growing retail footprint, we meet customers wherever they choose to shop:

- 237 Beauty stores across 79 cities
- 2.5 lakhs square feet of retail space (+45% YoY)
- 31% GMV growth in physical retail; 15% same-store sales growth
- 8% of total GMV from brick-and-mortar

Enhancing customer experience

We craft meaningful, personalised touchpoints that turn browsers into believers:

Fragrance Collective

~50% YoY growth in fragrances, reaching 10 million consumers via 200+ KOLs during the Fragrance Collective event.



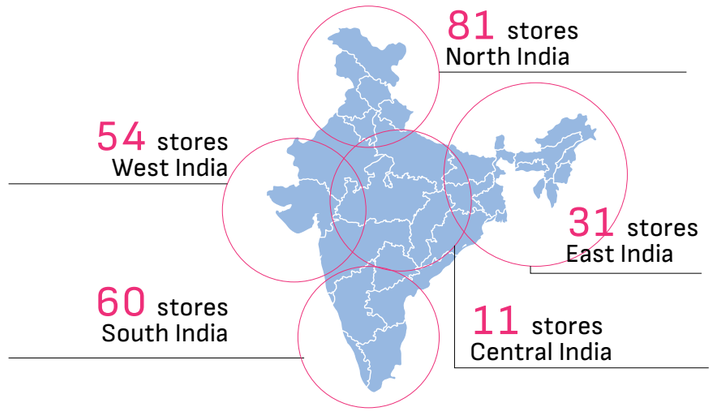
India's largest specialised beauty retail network

7
Flagship stores

76
Luxe stores

107
On-trend stores

47
Kiosks



Through landmark festivals, targeted campaigns, a vibrant creator community and one of India's largest speciality-beauty footprints—online, offline and via Superstore—we are forging deeper, more personal connections that fuel growth and delight every Nykaa customer.



NYKAALAND

India's largest beauty and lifestyle festival returned in FY2025, uniting over 80 brands, 25,000 attendees, 1,000+ creators, two masterclasses by international acclaimed make-up artist – Sofia Tilbury and Patrick Ta and 5,000+ masterclass participants, generating an overwhelming response and setting new standards for immersive customer engagement.



Nykaa Wali Shaadi: India's go-to destination for all things wedding

With 250 million social impressions, we are establishing ourselves as leaders in the bridal beauty sector. The Indian wedding market is projected to reach $130 billion by 2024, making it the second-largest in the world.

Our 360-degree campaign makes Nykaa synonymous with all bridal beauty needs. It features 'Stories of Real Brides', a captivating four-episode series on JioHotstar that showcases dream makeovers and ranks among the top 10 shows on OTT platforms. Over 70 experts collaborated to ensure quality.

Additionally, Kay Beauty, co-created by Katrina Kaif, has partnered with designer Tarun Tahiliani to create limited-edition gift boxes. Wedding makeover services are also now available at Nykaa retail stores for customers seeking professional assistance on their special days.

NYKAA WALI SHAADI

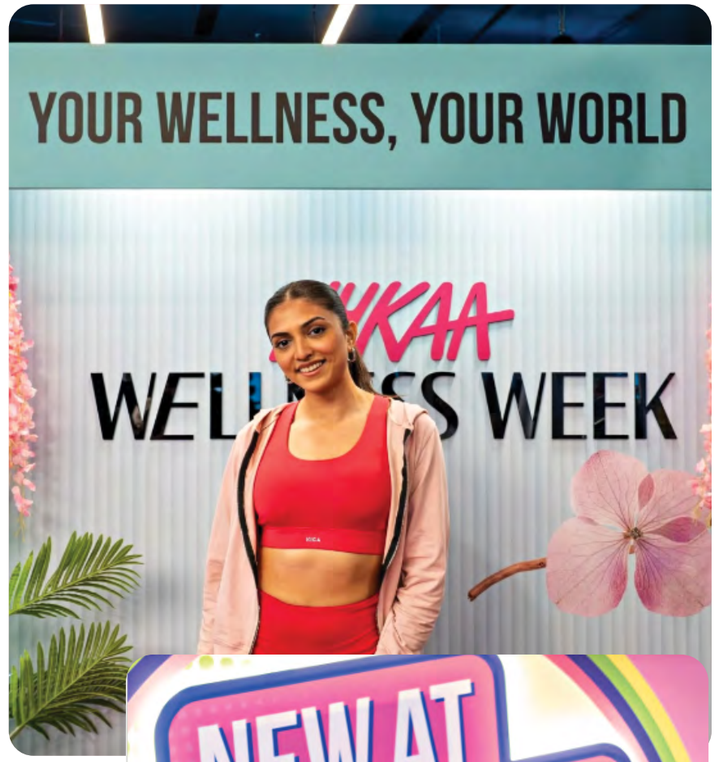
500 million+
Average reach of Nykaa's flagship sale events

30 million
Average unique visitors (during sale events)

Building the future of beauty through demand shaping and category-creating initiatives

- Sunscreen Week
- Wellness Week
- Fragrance Collective Event
- New at Nykaa

Through strategic outreach, curated brand launches and data-driven marketing, we forge deeper, more personal connections—putting the customer firmly at the front and centre of every beauty and fashion moment.





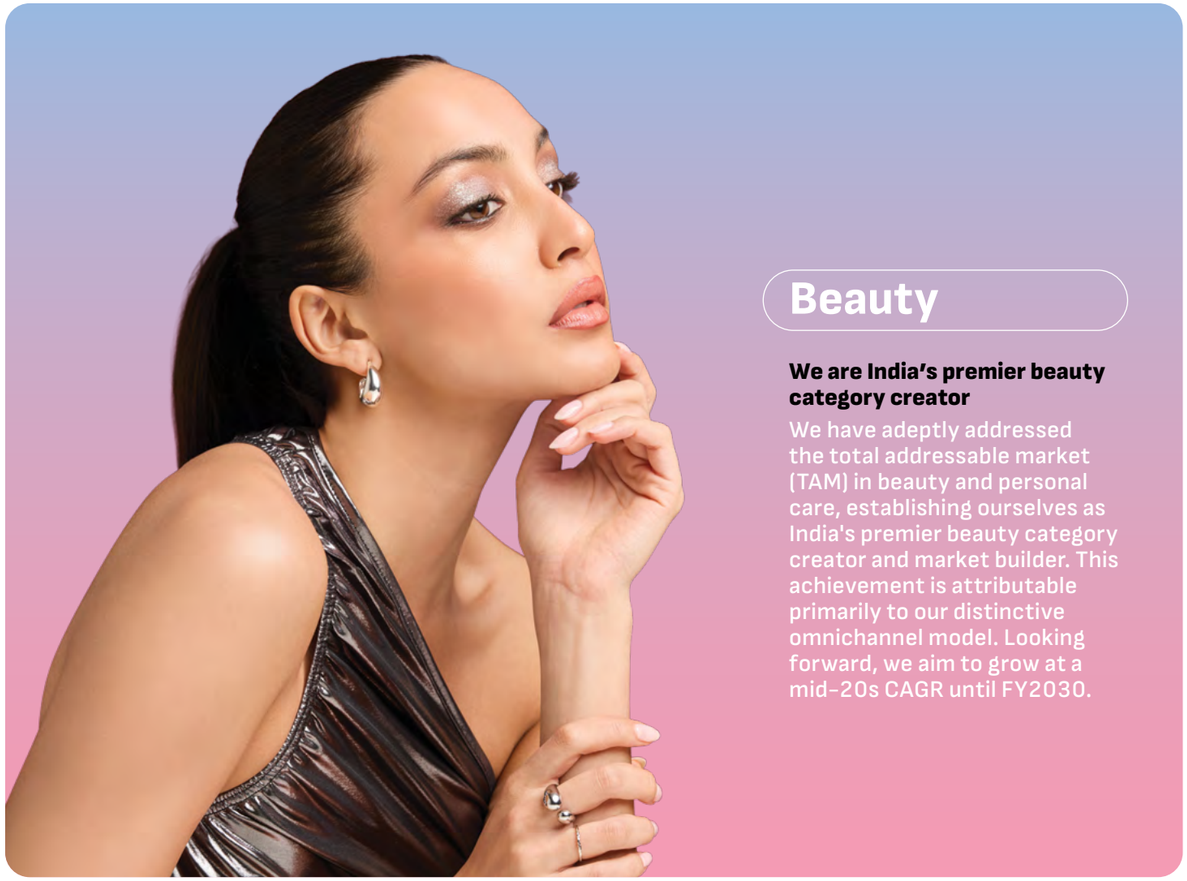


Expanding portfolio

Boundless aspirations, bold endeavours

At Nykaa, we achieve success by identifying and capitalising on new opportunities to broaden our consumer base. By prioritising convenience, awareness and personalisation, we strive to be an integral element of our customers' lifestyles.

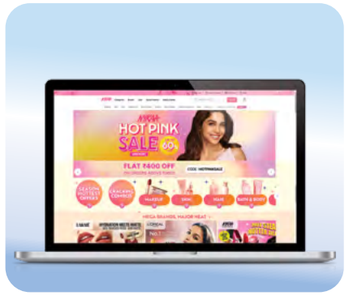
We champion the development of innovative, sustainable and ethical brands, facilitate the entry of esteemed international brands into the Indian market and engage in strategic partnerships. These concerted efforts enable us to constantly diversify our offerings and cater to the evolving needs and desires of our consumers.



Beauty

We are India's premier beauty category creator

We have adeptly addressed the total addressable market (TAM) in beauty and personal care, establishing ourselves as India's premier beauty category creator and market builder. This achievement is attributable primarily to our distinctive omnichannel model. Looking forward, we aim to grow at a mid-20s CAGR until FY2030.



Beauty – physical stores

We currently have the largest network of physical stores for beauty products in the country, with 237 stores across 79 cities as of March 31, 2025. Our beauty stores are a premium destination for all marquee global and domestic brands, with nearly two-thirds of the premium beauty brands' GMV coming from our physical stores in FY2025.

Beauty – online

Our beauty business currently holds over a 30% share of the Indian BPC market. Our growth strategy focuses on robust customer acquisition, expanding category breadth and depth with best-in-class global and domestic brands, encouraging premium purchasing behaviour through education and awareness and delivering unparalleled lifestyle shopping purchase experiences.



Nykaa Global Store

Our global store offerings bring the best-in-class, renowned global beauty brands closer to our Indian consumers. As of March 31, 2025, we had nearly 45 international premium brands across beauty categories. Nykaa Global Store GMV grew by 32% YoY in FY2025.

New brands launched in FY2025

dnd good hair day · TIRTIR · Supergoop! · OBAGI MEDICAL · CHANEL



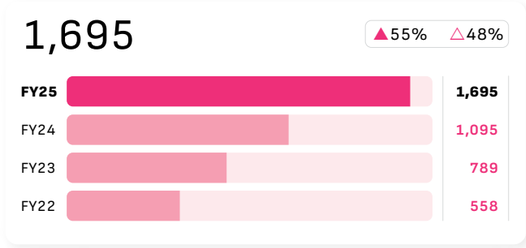
eB2B distribution

Our superstore is revolutionising traditional distribution by democratising access for underserved retailers, now reaching approximately 2.76 lakhs transacting retailers across 1,100 cities. In FY2025, we saw a 44% YoY increase in orders, with contribution margin improvement of over 480 basis points.

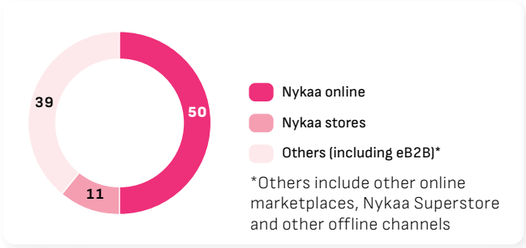
House of Nykaa – Beauty

Our in-house beauty consumer brands grew by 55% YoY in FY2025. The portfolio comprises seven beauty brands across various categories, including makeup, skincare, personal care and fragrances.

House of Nykaa – Beauty (₹ Cr)



House of Nykaa – Beauty GMV channel mix (%)



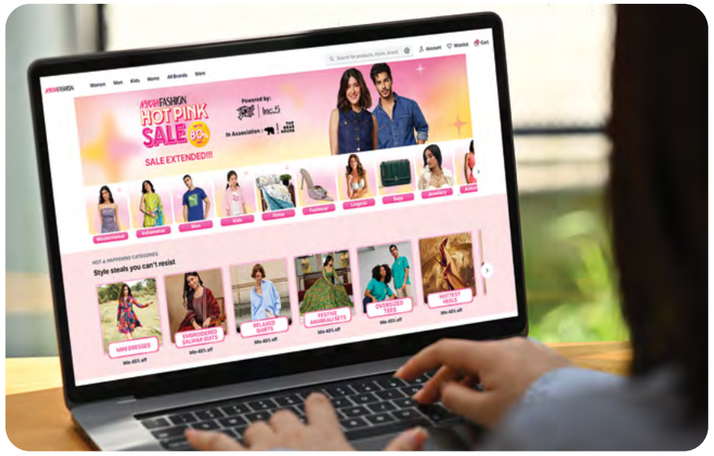
*Others include other online marketplaces, Nykaa Superstore and other offline channels



Fashion

One of India's leading fashion platforms

Offering over 4,400 brands and a wide array of premium styles. In FY2025, we achieved a GMV of ₹3,804 crores and expanded our EBITDA margin by almost 200 basis points. Building on this success, we aim to grow 3-4x over the next five years.



Portfolio expansion across categories

We introduced over 800 global and domestic brands in FY2025. This strategic initiative has enriched our product offerings across diverse categories, including bags, activewear, lingerie, Indian wear, Western wear and accessories.

New brands launched in FY2025

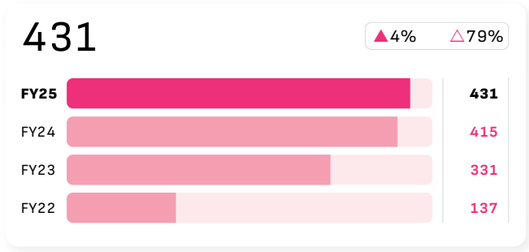
VICTORIA'S SECRET | RARE RABBIT | Mia by Tanishq Me In Action | SNITCH | hopscotch

House of Nykaa — Fashion

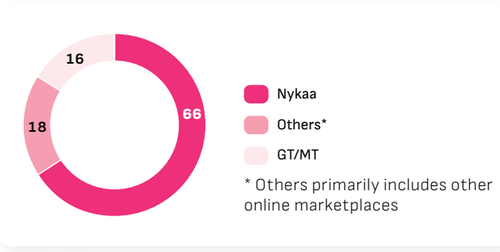
Our in-house beauty consumer brands grew by 4% YoY in FY2025. Growth slowdown in FY2025, as we focused on revamping channel strategy with limited focus on 3P offline channels. The portfolio includes five fashion brands, with two brands — 20 Dresses and Nykd, already more than ₹100 crores (GMV) and ₹150 crores (GMV) brands, respectively in FY2025



House of Nykaa — Fashion (₹ Cr)



House of Nykaa — Fashion GMV channel mix (%)



* Others primarily includes other online marketplaces

Transforming with tech

Nykaa's tech powerhouse: forging the future of beauty and fashion

At Nykaa, technology is more than just a pillar; it is the very essence of our operations, serving as the strategic engine that propels our growth and innovation. In FY2025, we embarked on a transformative journey, accelerating our evolution from a 'Digital Native' to an 'AI Native Platform.'

This monumental shift is deeply embedding artificial intelligence across every facet of our technological infrastructure, business processes and customer interactions, propelling us towards unparalleled experiences and robust operational excellence.

Revolutionising the customer journey with AI and personalisation

Our unwavering commitment is to make every interaction with Nykaa seamless, personalised and truly delightful. Our tech innovations this past year have been instrumental in achieving just that, setting new benchmarks for digital retail:

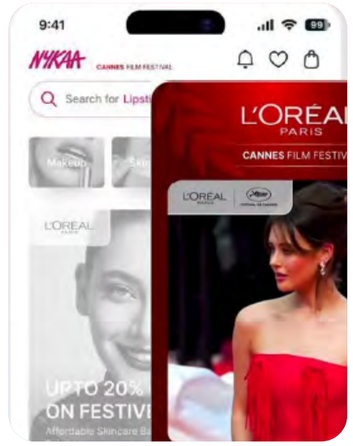
Smarter, faster shopping

We have transformed the buying journey through initiatives like 'final cart price' for complete cost transparency and 'express checkout' for streamlined purchases, resulting in increased repeat business and conversions. Our focus on 'speed redefined' has optimised delivery, leading to improved order-to-delivery times and the successful launch of 'same-day and next-day delivery' in various cities, enhancing customer satisfaction and boosting conversion rates. Seamless discovery through intelligent search: Finding what you love on Nykaa is now effortlessly intuitive. Our semantic search capability, powered by large language models, provides a deep understanding of user intent, leading to improved click-through rates and a substantial increase in annualised GMV. Intelligent filters, personalised rankings and advanced spell correction further ensure that every search yields highly relevant results, making product exploration a genuinely enriching experience.



Empowering engagement and content

Our martech CRM initiatives have significantly enhanced customer interaction and driven growth in GMV. By implementing intelligent nudges for cart abandonment and out-of-stock wishlist items, we have seen notable revenue increases. Additionally, our innovative content efforts, supported by active affiliates and new gamification formats, keep our community engaged and drive substantial GMV. Attracting new faces and rewarding loyalty: Our strategies to attract new customers have succeeded by offering the 'Best price on PLPs & PDPs' and implementing 'cart gratification' schemes. For existing customers, the 'green channel' initiative enhances the return experience with real-time approvals, boosting trust and satisfaction, which improves repeat purchase rates.



Operational mastery: the backbone of our success

Efficient operations

Our tech teams have optimised processes, leading to significant gains and enhancing our readiness for the future. Exceptional availability and performance: In FY2025, we achieved high availability with zero downtime, significantly reducing high-severity incidents and quality defects. This approach contributed to a more stable platform and faster app performance, resulting in quicker launch times and a more responsive user experience.

Strategic cost optimisation

We achieved significant cost savings by optimising our cloud infrastructure and communication expenses through smart infrastructure management and addressing tech debt. These initiatives highlight our commitment to financial prudence while investing in advanced technology. Engineering productivity leap: Our investment in GenAI coding assistant tools has significantly enhanced developer productivity, enabling teams to innovate and launch new features at an unprecedented pace. This focus on efficiency also applies to our AI-powered analytics copilot, which enhances data-driven decision-making as well as AI assistants that streamline customer service and core catalogue operations, resulting in substantial productivity gains. Unwavering security and compliance: Maintaining customer and stakeholder trust is crucial. In FY2025, we experienced a significant reduction in customer fraud, reflecting the effectiveness of our strengthened security measures. Our proactive approach includes automation to identify and mitigate risks as well as robust defences against external threats. We have also executed complex initiatives and strategic migrations, ensuring agility and reliability at scale.



'To Infinity and Beyond': our AI-native future

We are firmly embarking on our 'To Infinity and Beyond' strategic shift, a bold vision that extends beyond our current achievements and market boundaries. This ambitious outlook encompasses both the 'infinity' of continuous innovation and market expansion as well as the 'beyond' of transcending traditional e-commerce paradigms to create new value propositions, all powered by AI. Our commitment to becoming an AI-native platform is highlighted by initiatives that enhance hyper-personalisation, improve operational efficiencies and drive innovation. This evolution, driven by advanced AI, will secure Nykaa's position as a future-ready enterprise, poised for growth and value creation in the digital world.

Enhancing virtual experience

Reimagining virtual retail

In a world where every individual's needs and preferences are unique, we believe that technology should do more than automate—it should empathise.

At Nykaa, we have built our virtual platforms to walk in the customer's shoes, understanding their journey and providing tailored experiences that inspire confidence, convenience and joy. Our ethos is simple: to make every interaction personal, inclusive and transformative.

Intuitive design: simplifying choices

Our app and website are designed with simplicity in mind, ensuring that every customer finds what they need effortlessly. Personalised landing pages, AI-driven recommendations and intuitive search tools work together to create a frictionless experience.

Outcome

Monthly average unique visitors – 35.7 million in Beauty and 19.1 million in Fashion

Spotlight

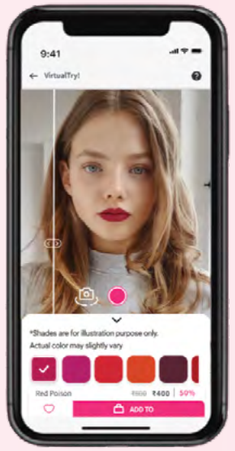
"This seamless experience contributes significantly to our ₹15,604 crores GMV."

Vishal Gupta
Chief Executive Officer – Nykaa Distribution



Immersive tools: creating connections

Shopping for beauty online is no longer a guessing game. Tools like our AR-powered try-on feature enable customers to experiment virtually, ensuring they pick products with confidence. AI beauty advisors go a step further, offering personalised suggestions tailored to individual preferences.



Outcome

- **76% of Beauty GMV from existing customers**
- **₹2,021 average order value in beauty**

Spotlight

"Our AR-powered try-on feature has enabled over 30 million interactions, empowering customers to visualise and choose products with confidence."

Rajesh Uppalapati
Chief Product and Technology Officer

Seamless journeys: building loyalty

Loyalty isn't just earned—it's nurtured. By unifying digital and physical experiences, we have created a consistent journey where customers feel understood and valued, wherever they shop.

Outcome

- **19.0 million annual unique transacting customers (AUTC) across beauty and fashion**
- **62.2 million annual orders fulfilled**

Spotlight

"Our click-and-collect service bridges the gap between online discovery and in-store convenience."

Manoj Jaiswal
Chief Officer – Warehouse Operations



Winning with partners: empowering brands at scale

Our virtual ecosystem is not just about consumers— it is a dynamic stage for our brand partners to meet every marketing objective.

Advertising opportunities for every brand objective

- Product ads in discovery and search, CPC-based
- Banner ads in discovery and search
- Video ads on the homepage
- Flexible CPM-based display ads

Brand-centric and digitally immersive experiences

- Full-screen takeover and picture-in-picture placements
- Bottom navigation linking directly to brand campaigns
- Brand-themed homepage customisations

Through these partner-focused solutions, we help brands amplify their stories, drive conversions and enrich the overall Nykaa experience.



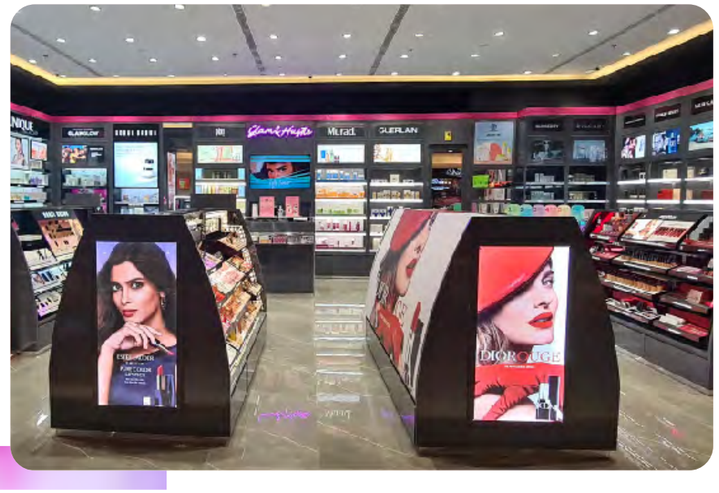
Refreshing retail spaces

Where tradition meets innovation

Nykaa's retail spaces are more than stores—they are experiences. Designed to immerse, engage and connect, each space reflects our commitment to redefining retail for a modern India.

From blending local charm with global sophistication to adopting eco-friendly practices, our retail evolution is built on understanding our customers' unique needs and aspirations.







Experiential storytelling: immersive retail journeys

Walking into one of Nykaa's stores, every corner brims with interactive displays and dedicated experiential zones that invite customers to explore and engage.

Regional connection: local roots, global reach

In FY2025, we added 50 new stores in 11 cities, with nearly half opening in Tier-II and III markets—bringing global beauty closer to India's heartlands.

Evolution of retail: fusing physical and digital

Customers can browse online, pick up in-store and experience AI-driven recommendations at digital kiosks—driving engagement with over 15.8 million annual transacting customers.

Community hub: empowering through connection

Offering hundreds of free and paid makeovers and skin diagnostics and hosting thousands of monthly beauty consultations and workshops, our stores empower individuals to learn, connect and make confident choices.

Sustainability and innovation: greener retail spaces

Our 2.5 lakh square feet of retail space incorporates energy-efficient lighting and locally sourced materials, reducing our carbon footprint by 15% YoY —demonstrating that style and sustainability go hand in hand.

Value creation model

Cultivating diverse value for every stakeholder

Value is as diverse as the stakeholders we serve and at Nykaa, we strive to ensure that every stakeholder's aspirations are reflected in the outcomes we deliver.

Anchored by our dynamic business flywheel, our value creation model leverages the seven capitals to meet the unique needs of our customers, employees, investors, communities and the environment. Just as beauty takes on different meanings for every beholder, the value we create resonates in distinct ways, fostering trust, driving growth and creating lasting impact.

Capitals we use

Financial capital

It accounts for the pool of funds available to us for use in business activities, which is obtained through capital raising, other financing activities or generated through profits.

₹1,343 crores Equity
4,78,686 Shareholders
₹961 crores Debt

Manufactured capital

This encompasses our physical infrastructure and includes our warehouses, physical stores and offices.

237 Physical stores across 79 cities
2.5 lakhs square feet of retail space
15.7 lakhs square feet of warehouse space
1.5 lakhs square feet of office space

Intellectual capital

This comprises our intangible assets, including our proprietary technology platform, software, data analytics know-how and use of latest disruptive tech.

₹137 crores Web and technology spend
7 House of Nykaa — Beauty brands
5 House of Nykaa — Fashion brands

Digital capital

This comprises our state-of-the-art digital infrastructure, including our websites, applications and social media presence.

7 Mobile applications
11 Websites
>17 million Social media followers
₹995 crores Marketing and advertising expenditure

Human capital

It entails the skills and know-how of our employees, in addition to their commitment and motivation.

3,735 Employees
78% Employees aged under 35
1,528 New employees on-boarded
43% Female employees

Social & relationship capital

This encompasses the relationships and associated resources with our stakeholders including those with customers, influencers, brand partners, suppliers, delivery partners, influencers customers, communities and government bodies.

4,200+ Beauty brands
4,400+ Fashion brands
28,000+ Network of India's biggest influencers

Natural capital

It constitutes of the natural resources we consume to conduct our operations and seamlessly deliver our products.

28,513 gigajoules Energy consumed
78,870 kilolitres Water consumed

Our self-reinforcing flywheel

Rich content and omnichannel approach → Higher consumer traffic and engagement → Elevated consumer experience with wider offerings and discovery → More transactions on the platform → Rich content and omnichannel approach

Businesses we operate

Beauty and personal care

Inventory and marketplace model



Fashion

Marketplace, sale or return (SOR) and just-in-time inventory model



Our output



Beauty

Visits: 1,482 million
Monthly average unique visitors: ~36 million
Annual unique transacting customers: ~16 million
Orders: >54 million
GMV: ₹11,775 crores
AOV: ₹2,021



Fashion

Visits: 617 million
Monthly average unique visitors: 19 million
Annual unique transacting customers: >3 million
Orders: ~8 million
GMV: ₹3,804 crores
AOV: ₹4,609

Value we create

Investors

Revenue from operations: ₹7,950 crores
EBITDA: ₹474 crores
PAT: ₹72 crores
ROCE: 11.3%
Long-term credit rating: CRISIL A/Stable (upgraded from A/positive)

Customers

Cumulative customer base: >42 million
Orders fulfilled: >62 million

Business partners

Brand partners: >8,600
Suppliers: >19,300
MSME vendors: >5,000
Network of India's biggest Influencers: >28,000

Employees

Employee benefits spend: ₹666 crores
Employees trained: 3,094
Spend per employee: ₹2.1 crores

Communities

CSR spend: ₹4.29 crores

Collaborated with 12 NGOs across health, education, women empowerment and more

Environment

Carton waste reused in owned brand warehouses: 100% metric tonnes
Carton waste recycled: 2,003 MT
Plastic waste recycled: 160 MT

Industry trends

Charting the beauty and fashion landscape

As India's beauty and fashion markets accelerate into their next chapter, four powerful forces are reshaping every strategy, channel and customer journey: the move from value to premium experiences, the rise of AI-driven discovery, the seamless fusion of online and offline and the growing influence of Tier-II+ and Gen Z cohorts.

In FY2025, these trends did not just define how consumers shop—they rewrote the rules for how brands must innovate, engage and deliver lasting value. Below, we explore each of these trends and their implications for the future of retail.

01

Premiumisation and experience-first consumption

India's beauty market is shifting from value-led to value-plus—consumers now pay not just for function but for storytelling, ritual and sensory delight.

India will become a $40-45 billion beauty and $185-200 billion fashion opportunity by FY2030

The share of income households between $3.75 and 13.75K has increased from 48% in 2020 to 53% in 2024

'Stepification' of routines — multi-step skincare and makeup regimens have become the new norm

02

Tech-driven personalisation and immersive discovery

Digital transformation—anchored in AI-led recommendations, semantic search and AR/VR virtual try-ons—has become table stakes for engagement.

AI-powered personalisation and AR/VR try-on capabilities are now critical to discovery

Semantic search — matching intent, not just keywords, to surface the right products the first time

03

E-commerce and omnichannel explosion

India's e-retail market is on a meteoric rise, driven by deeper internet penetration and seamless integration of online and offline.

India's e-commerce market is expected grow at >18% CAGR to achieve a $170-190 billion opportunity by FY2030, supported by increased discretionary spending among consumers and GDP per capita improves.

The online beauty market in India is valued at nearly $5 billion (20% of the total market size) and expected to become a $14-15 billion opportunity by FY2030.

The online fashion market in India is valued at nearly $18 billion (18% of the total market size) and expected to become a $55-60 billion opportunity by FY2030.

04

Rising cohorts and Tier-II+ affluence

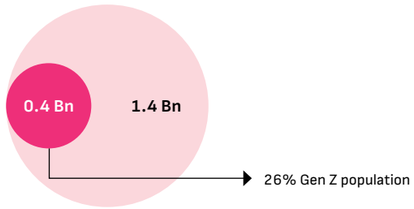
A resurgent middle class and digitally native Gen Z/millennials—especially in Tier-II+ markets—are rewriting demand curves.

A larger share of shoppers comes from Tier-II+ cities, driven by increased digital infrastructure penetration, internet access, localised content and a hyperlocal supply chain.

An estimated $10—12 billion increase is likely in disposable income from tax relief in the Union Budget.

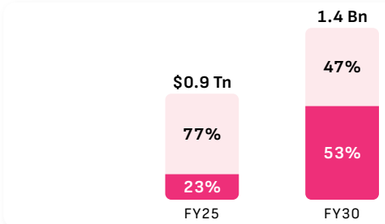
Indian market heavily influenced by Gen Z driving major growth

Indian population in FY25 (Bn)

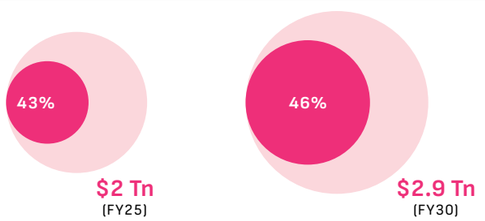


Indian's Gen Z is driving major growth across key lifestyle categories

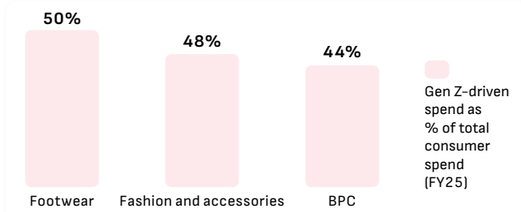
Only 23% of Gen Z spend is direct today



Gen Z shopper base to drive ~50% of India consumption



Gen Z: a pivotal shopper base in lifestyle categories



Strategic priorities

Future-ready focus

Our strategic focus is on enhancing customer engagement through personalised recommendations, exclusive collaborations and seamless shopping experiences. These priorities are pivotal in strengthening our presence in India and driving our expansion into international markets.

Strategic positioning

Nykaa's strategic positioning as a leading omnichannel beauty and lifestyle retailer offering a diverse range of beauty and fashion products, combined with a resilient business model and strong brand trust, creates significant value for our business and stakeholders. This approach enables us to deliver engaging shopping experiences, drive growth, build consumer trust and attract brand partners, ultimately generating value for all parties involved.

Strategic outlook

The Indian retail sector, supported by a sizeable middle class with increasign disposable income and a largely untapped market, presents an attractive opportunity for international brands. This interest is poised to boost the growth of the Indian retail industry significantly. Nykaa, operating in the aspirational market segment, has achieved profitable growth, with a 24% year over year increase in Revenue and a 6% EBITDA margin in FY2025. Our strategic investments in beauty omnichannel network expansion, fulfilment capabilities and customer acquisition are already driving improved profitability.



Key performance indicators

Driving customer acquisition and retention across the funnel journey

- Overall AUTC of 19 million, 23% YoY growth
- Cumulative customer base of more than 42 million as of March 31, 2025
- Overall order volume YoY growth 22%

Deep relationships with a diverse set of domestic and international brands

- 8,600+ global and domestic brands, includes 4,200+ beauty brands and 4,400+ fashion brands as on March 31, 2025
- Created strong distribution capability for 200 brands across 1,100 cities through our eB2B channel as of March 31, 2025

Penetrating across the value chain and channels to address the larger TAM

- 237 beauty physical stores across 79 cities in India as of March 31, 2025
- 44 warehouses with a total area of 15.7 lakh square feet as of March 31, 2025
- Served almost 2.76 lakh retailers in the unorganised BPC market as of March 31, 2025

Creating, acquiring and scaling a portfolio of independent and new-age consumer-first brands

- 12 House of Nykaa brands in Beauty and Fashion as on March 31, 2025
- 14.4% of Beauty GMV from House of Nykaa – Beauty brands and 11.2% of Fashion GMV from House of Nykaa – Fashion brands

Developing new ways of selling and holistic consumer connect

- Partnered 28,000+ influencers as of March 31, 2025
- Social Media follower base of more than 17 million as on March 31, 2025
- Key events and campaigns conducted included Nykaaland, Nykaa Wali Shaadi, Nykaa Best in Beauty 2025, Nykaa Beauty Summit 2024, Fragrance Collective and Step by Step with Nykaa

Stakeholder engagement and materiality

Shaping the future, one choice at a time

At Nykaa, we emphasise stakeholder engagement and materiality in our operations and strategic planning. By collaborating with our stakeholders—including customers, employees, investors, suppliers and community partners—we gain critical insights into their needs and concerns. This engagement enables us to address trends and challenges, thereby enhancing our resilience in a dynamic market.

Regular communication informs our decision-making and aligns our strategies with the interests of stakeholders. Through materiality assessments, we identify the key issues that matter most, enabling us to focus on driving sustainable growth and creating long-term value for all stakeholders.

Stakeholder engagement

We at Nykaa recognise that our long-term success is deeply interconnected with the expectations and experiences of our stakeholders. We are committed to actively listening, responding responsibly and integrating feedback into our decision-making process. Our stakeholder engagement approach is inclusive and continually evolving, enabling us to identify emerging risks, understand local needs and foster trust across the value chain through structured dialogues, collaborative programmes and daily interactions. We strive to create value by promoting open, transparent and consistent engagement.

Stakeholder identification framework

Dependence

Stakeholders who rely on Nykaa's products, services, or performance

Interdependence

Stakeholders who rely on for business continuity and value creation

Influence

Stakeholders who can influence Nykaa's strategies, operations, or reputation

Equity lens

Special focus on disadvantaged, vulnerable or marginalised groups as part of Nykaa's CSR and inclusive growth commitments

Stakeholder groups and engagement channels

Employees

E-mails, noticeboards, internal HRMS, meetings and townhalls

Vendors/Brand partners/ Value chain partners

E-mails, calls, meetings, noticeboards and management reviews

Customers

Website, e-mails, newsletters, social media, helpline and store visits

Shareholders/Investors

Website, e-mails, regulatory portals and newspapers

Regulators

Regulatory filing portals (SEBI, NSE, BSE and MCA)

Communities/NGOs

NGO collaborations, field visits, training, digital platforms and volunteering





Materiality assessment

Sustainability is informed by what matters most to us: our business, our stakeholders and the world in which we operate. That is why we place a strong emphasis on Materiality Assessments as they play a crucial role in shaping our ESG strategy. These assessments help us stay attuned to evolving expectations and emerging risks, ensuring that our disclosures and efforts remain relevant and focused. By periodically reviewing material issues, we can refine our priorities and respond more effectively to a dynamic operating landscape.

We conducted a comprehensive materiality assessment in FY2023. Building on those insights, we undertook a refreshed materiality assessment this year to ensure our priorities remain aligned with evolving stakeholder expectations and emerging sustainability trends. To achieve this, we adopted the following approach:

Step 1

Identification of potential material topics

We began by reviewing our existing ESG focus areas and benchmarking against peer companies, global reporting frameworks and sustainability indices such as SASB, DJSI and MSCI. This helped us identify a list of potential material topics (PMTs), which were refined internally before initiating stakeholder feedback.

Step 2

Stakeholder identification and engagement

We identified key internal and external stakeholders integral to our operations and sustainability journey. These stakeholders were invited to participate in an online materiality survey designed to gather their perspectives on the ESG topics they consider most significant, based on their understanding of our business, as well as broader sustainability issues and trends.

Step 3

Analysis and development of materiality matrix

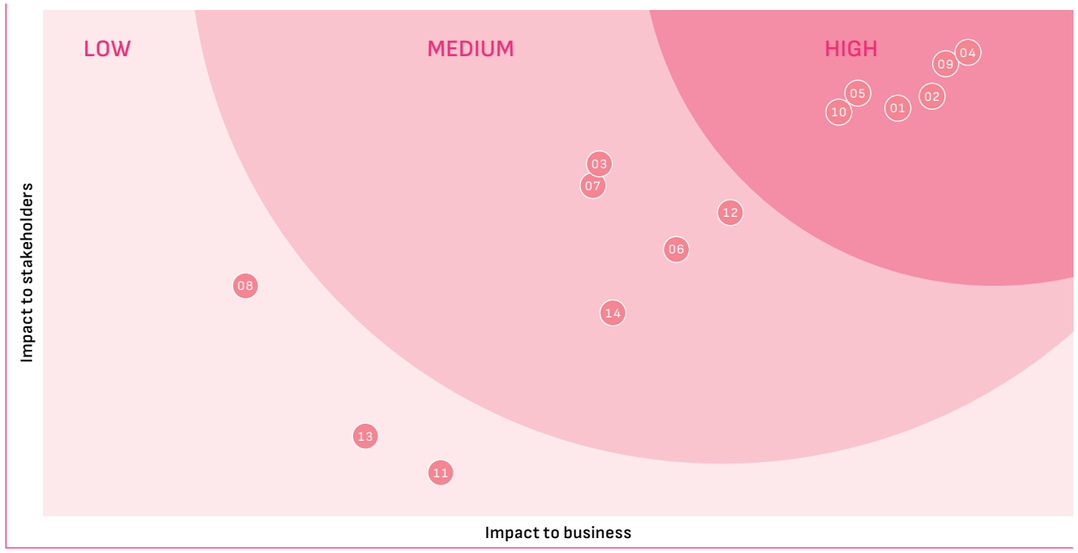
We analysed the stakeholder responses using a weighted average approach. The findings were then mapped onto a materiality matrix, considering the relative importance placed by different stakeholder groups. The results were then presented to and approved by the Senior Management. This matrix now guides our ESG priorities and disclosures.







Materiality matrix



Material topics

01 Product safety and quality
02 Responsible marketing and customer satisfaction
03 Diversity, equity and inclusion
04 Human rights
05 Talent attraction and retention
06 Employee health, safety and well-being
07 Responsible supply chain
08 Community development
09 Governance, ethics and compliance
10 Data privacy, digitalisation and innovation
11 Climate change, GHG emissions and energy efficiency
12 Packaging and waste management
13 Water efficiency
14 Sustainable materials





Investors

How we engage with them

We maintain regular contact with our stakeholders through various channels including corporate announcements via e-mails, newspaper advertisements, regulatory body portals, website updates, press releases, earnings call, Investor day event, AGM, other investor engagements.

Frequency

Quarterly

Key priorities

Good governance

Transparency

Growth and expansion

Operational and resource efficiencies

Financial matters and results

How we deliver value

Creating consistent returns

Prioritising capital efficiency

Tapping the untapped to drive continuous progress

Material topics

Data privacy, digitalisation and innovation

Governance, ethics and compliance



Investors

Maximising returns

We value the confidence our investors have placed in us and are dedicated to meeting their expectations. Our focus is on creating substantial opportunities for capital appreciation and ensuring fair dividend payouts. By aligning our strategies and financial performance with investors' interests, we aim to deliver sustainable growth and maximise returns.

4,78,686
Shareholders

52.16%
Promoter shareholding

100%
Resolution of shareholders' complaints

35.13%
Institutional shareholding

12.71%
Public shareholding (including 5.81% of NRIs and foreign national's shareholding)

Enhancing shareholder trust through transparent reporting

We are committed to fostering a strong, trusting relationship with our shareholders. Over the years, we have significantly enhanced the transparency of our financial reporting. Our quarterly and annual reports now provide comprehensive insights into each of our two core business verticals: Beauty and Fashion. This structured approach allows investors and shareholders to accurately assess the performance of each segment and understand our strategic investments for future growth. The investor community has positively received these efforts and we will continue to uphold this level of transparency as we track our business progress.

We are proud to share that Nykaa's FY2024 Annual Report has been awarded in the Platform Retailing category at the Free Press Journal's Best Annual Reports Awards 2024. This platform celebrates excellence in corporate transparency, reporting and governance. This recognition reflects our commitment to building a business founded on financial transparency, consistent investor communication and robust corporate governance.



Driving profitable growth

We remain committed to delivering healthy, profitable growth with efficient capital utilisation and building strong unit economics. Our revenue from operations grew by 24% YoY, allowing us to achieve a turnover (revenue from operations) of ₹7,950 crores in FY2025. During the same period, our EBITDA reached ₹474 crores in FY2025, growing by 37% YoY, ahead of revenue growth. The EBITDA expansion was supported by operational excellence coupled with scale efficiencies. Our PAT grew by 81% YoY, achieving ₹72 crores in FY2025.

Value we create (FY2020 - 25 CAGR)[#]

42%
GMV CAGR

11.3%
ROCE (FY2025)

35%
Revenue CAGR

9.1
Fixed asset turnover (FY2025)

36%
Gross profit CAGR

0.08
Long-term debt to equity ratio (FY2025)

41%
EBITDA CAGR

[#]All data at One Nykaa level

Prioritising capital efficiency

With a prudent capital utilisation philosophy, we have established three core business verticals – Beauty, Fashion and International Business - achieving a turnover of ₹7,950 crores ($958 million) in FY2025. [conversion rate: $1 = ₹83]

Our focus on capital efficiencies has enabled us to deliver a healthy return on capital. Our ROCE has improved significantly to 11.3% in FY2025, up from 7.5% in FY2024. We also reduced our working capital days to 34 days in FY2025, compared to 42 days in FY2024, primarily due to improved inventory turnover. Our fixed asset turnover remains steady at 9.1x in FY2025.

CRISIL A – Stable
Long-term credit rating

ROCE (%)

11.3%

FY25	11.3
FY24	7.5
FY23	6.6
FY22	9.5

Fixed asset turnover (X)

9.1

FY25	9.1
FY24	9.1
FY23	7.0
FY22	7.4

Working capital days (#)

34

FY25	34
FY24	42
FY23	44
FY22	40



Customers

How we engage with them

Consistent engagement with customers through content creation, social media, customer service centres, physical locations and marketing efforts. Utilising calls, messages, e-mails and chats for easy interaction with customers.

Frequency

Regularly

Key priorities

Service quality
Differentiation and product relevance
Safety and privacy
Ethical business practices
Environmental impact

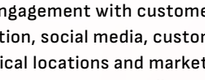
How we deliver value

Diverse portfolio of brands
Omnichannel shopping experience
Content-first approach to retailing
Commitment to authenticity
Comprehensive assortment and focus on curation and merchandising

Material topics

Product safety and quality
Data privacy, digitalisation and innovation
Responsible marketing and customer satisfaction
Sustainable materials

Relevant SDGs



Customers

Empowering choices, curating confidence

At Nykaa, we strive to elevate shopping experiences across platforms by offering a curated selection of top beauty, wellness and fashion products. By valuing customer feedback, we forge enduring bonds built on trust. We empower individuals to embrace their unique identities and feel confident in their choices, making beauty and fashion accessible to all.

Monthly average unique visitors (Mn)

54.8 Mn ▲15%

FY25	54.8
FY24	47.8

Annual unique transacting customers (Mn)

19.0 Mn ▲23%

FY25	19.0
FY24	15.4

Orders (Mn)

62.2 Mn ▲22%

FY25	62.2
FY24	50.8

>42 Mn
Customer base

176 Mn
App installs



Customer-centric at every step

We place our customers at the centre of our brand philosophy. Every aspect of our service—from product selection to delivery—is designed to provide a seamless and enriching experience across both digital and physical touchpoints. By offering a handpicked range of premium beauty, wellness and fashion products, we cater to diverse tastes and lifestyles. We believe that meaningful engagement with our customers is essential to building a brand that resonates with authenticity and purpose. By consistently interacting with our audience and thoughtfully considering their feedback, we are able to cultivate strong, lasting relationships rooted in trust, transparency and mutual respect.

Testimonials from our customers

Gayatri Yadav

"Great app with an awesome collection in each category. I have ordered many more things including clothes glass bottles etc. On point delivery and return exchange policies and service. Handy for use with easy user interface. worthy scrolling on this app. absolutely loved it."

Tejasvi Kamble

"Excellent service. Best experience with nykaa beauty app I always do prefer to shop during nykaa pink sale as it provides discount which helps me to do shopping of my fav products within my budget. And delivery is always on time if i have any issues I do contact with customer care and they do co-operate and help promptly so want to want to appreciate the efforts of nykaa. Thank you so much sending lots of love to nykaa"

Vignesh Viki

"Nykaa is my go-to beauty paradise! From luxury to budget-friendly finds, they've got it all app endless beauty choices! Nykaa never fails to impress with its amazing collection. Nykaa = Beauty goals! My skincare and makeup stash is incomplete without it!"

Kajal Chawla

"I'm not a big fan of online shopping but I was just skimming through the products on the Nykaa app and ended up ordering quite a few things. The quality was worth the money. The service is extremely fast including replacing or returning orders and the refund is made the same day itself. However, I do wish that they had more size options. But overall, I have never experienced such a smooth online shopping experience."

Building collections that connect

Our mission focuses on gleaning incisive insights into our customers' evolving needs. Using state-of-the-art data analytics, we create a vibrant selection that reflects the latest lifestyle trends. Our skilled curators collaborate with brand partners to ensure that our collections appeal to a diverse range of preferences. By phasing out outdated products, we make room for innovative offerings, consistently delivering a curated selection that delights our customers.

Redefining retail encounters

We engage our customers through various channels with a content-first approach that inspires and informs purchasing decisions. By banking on hyper-personalisation, we craft retrofitted shopping journeys. Our excitement-laden events, including exclusive launches and promotions, induce excitement and nurture meaningful associations with our community.







Pure products with pure intentions

At Nykaa, we prioritise customer trust and safety by maintaining high standards of product quality and ethics. Our products feature ethically sourced ingredients, are vegan and free from parabens and cruelty. Committed to low-carbon practices and Good Manufacturing Practices (GMP), we use environmentally friendly packaging. Through rigorous consumer testing, we ensure an exceptional purchasing experience and guarantee the authenticity of our products.

Empowering customers through care

At Nykaa, we are enhancing customer satisfaction by investing in scalable support systems powered by Gen AI. We are shifting to a 'self-serve-first' model, allowing customers to resolve most issues independently. For escalated cases, our agents prioritise first-contact resolution, providing detailed root cause analyses and implementing corrective actions. These initiatives showcase our commitment to operational excellence and delivering a proactive service experience.

Empowering every purchase decision

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Gifts, glam and great deals

The Nykaa Pink Friday Sale for FY2025 left beauty enthusiasts buzzing and asking for more. Discounts up to 60% off on premier brands thrilled shoppers, who received fabulous gifts from Maybelline, Lakmé and Plum. Daily deals featured must-haves from Kay Beauty, M·A·C Cosmetics and Estée Lauder, along with exclusive offers on Dr. Jart+, Fenty Beauty and Charlotte Tilbury. It was the year's most exciting beauty event, leaving participants with amazing products to elevate their beauty routines.

Ticket to resolution in a jiffy

Our streamlined process for handling feedback ensures that every complaint is tracked in our customer relationship management (CRM) system, assigned a unique ticket number and addressed accordingly. Whether customers reach out to us by e-mail, phone, app notification or SMS, we respond promptly to resolve your issues. Customer experience matters to us and we are committed to providing exceptional service.

100%
Customer complaints resolved in FY2025

Seamless shopping solutions

At Nykaa, we are passionate about elevating shopping experience. Our assisted buying services connect customers with beauty, fashion and grooming experts for personalised, real-time support. In-store, our skilled beauty advisors utilise a mobile app to simplify your online purchases, creating a seamless and enjoyable shopping experience. This engaging approach enhances customer satisfaction and drives our business forward.

~45%
Customer queries on chat box addressed through bots



Business partners

How we engage with them

We connect through in-person meetings, phone conversations, e-mail communications, annual gatherings, training programmes and workshops

Frequency

Regularly

Key priorities

Business performance
Operational and resource efficiencies

How we deliver value

Access to growing customer base
Technology for seamless operations
Furthering brands

Material topics

Product safety and quality
Responsible marketing and customer satisfaction
Responsible supply chain
Data privacy, digitalisation and innovation
Human rights
Sustainable materials

Relevant SDGs



Business partners

Forging enduring bonds

Nykaa thrives in the beauty, wellness and fashion sectors thanks to strong partnerships with our business collaborators. We prioritise nurturing these relationships through a strategy focused on collaboration, streamlined operations and innovation. By embracing digital transformation and committing to sustainability and ethical practices, we aim to create a brighter future together.

Our network comprises dynamic influencers offering valuable insights, diverse brand partners providing impressive choices, suppliers enriching our portfolio and delivery partners ensuring swift and hassle-free service. Together, we deliver an exceptional experience for our customers.

4,200+
Brand partners — Beauty

4,400+
Brand partners — Fashion

28,000+
Influencers

7
Logistics partners

5,000+
MSME vendors

19,300+
Suppliers

Collaborative planning, forecasting and replenishment (CPFR) strategy for sustaining relationships

The relationship with our company and brand partners is facilitated through a robust Collaborative Planning, Forecasting and Replenishment (CPFR) strategy, designed to sustain strong alliances and optimise our supply chain.

Forecasting

Our collaborative forecasting efforts are central to this evolution. We jointly forecast demand for over 12 million beauty and lifestyle SKUs. Our monthly Sales and Operational Planning (S&OP) process is highly inclusive, involving all stakeholders, including our business partners, in setting targets and identifying market trends. This shared vision ensures that our AI-based demand sensing models, which consistently achieve forecasts exceeding market average accuracy, are informed by the collective insights of our entire ecosystem.

Replenishment

The evolution continues with our advanced replenishment system. At Nykaa, our auto replenishment system (ARS) expertly manages lead times and demand variability, guaranteeing optimal SKU availability and inventory levels across all fulfillment centers. Through collaborative discussions with our brand partners, we refine our advanced allocation logic to efficiently distribute stock to stores. This partnership extends to our frequent milk runs, maintaining a lean inventory that ensures that customers' favorite products are always available when needed.

Digital transformation

Technological innovations are at the core of this synergistic relationship. We leverage top-of-the-line technology to create autonomous processes that seamlessly integrate with our partners' operations. Our online interface facilitates real-time sharing of crucial information, including purchase orders, delivery schedules and goods receipt notifications. This transparency and immediate access to data significantly enhance collaboration, enabling both parties to operate with greater efficiency and fewer bottlenecks. Furthermore, regular intelligence sharing is a cornerstone of our partnership; this proactive exchange allows us to collectively manage supply and demand challenges and collaboratively address issues such as product damage and returns, ensuring shared success and problem-solving.

Structural transformation:

Alongside digital advancements, our structural transformations are designed to create mutual benefit. Establishing fulfillment and distribution centers not only enhances product variety and accelerates delivery for our customers but also creates new opportunities for our business partners to expand their reach and optimise their logistics. Additionally, creating complementary assortments for both e-commerce and physical stores enhances cross-selling capabilities for both us and our partners. This strategic alignment enables all businesses involved to better meet the diverse needs of their consumers, driving joint growth and solidifying a truly synergistic relationship.

Innovation and efficiency

Introducing the partner portal—a cloud-based platform that provides real-time insights throughout the procure-to-pay journey. With electronic data interchange (EDI), we can seamlessly exchange information with key partners, reducing manual tasks and enhancing fill rates for a more efficient experience.

Our strengths

Nykaa.com
1.5 Bn annual visits
>34 Mn+ customer base

Nykaa beauty physical store network
237 stores in 79 cities

Superstore: Nykaa distribution
2.76 lakhs retailers across 1,100 cities

EBO and brand websites

Third-party distribution channels

Automation for operational efficiency

Automated systems enhance efficiency.

- Reduce wait times for users
- Provide personalised assistance
- Lower labour costs

Personalised guest experiences with AI

AI-driven systems utilise data analytics for personalised guest interactions.

- Video conferencing provides 24/7 accessibility
- These technologies significantly enhance the overall guest experience

Collaborative initiatives and joint projects

Successful integration of electronic data interchange (EDI) with ELCA.

- Integrated six transactional messages in the order cycle: price list, purchase order, advance shipping note, invoice, sales report and inventory report
- Reduced purchase order cycles and processing timelines
- Improved inventory freshness and lower working capital
- Enhanced master data management provides real-time information

Sustainability and ethical practices

We strive to promote sustainability and ethical practices throughout our supply chain, with a focus on responsible sourcing, production and distribution. Our decentralised supply chain enables localised fulfilment, reducing costs, optimising inventory and lowering our ecological footprint. By partnering with small and medium-sized enterprises, we prioritise biodegradable and eco-friendly packaging, eliminating single-use plastics. This commitment ensures our long-term success and enriches the communities we serve.

Indulge in chic with Chanel, courtesy Nykaa

We are thrilled to announce that Chanel has launched its fragrance and beauty products on Nykaa. Customers can shop online via our app and website, as well as at select Nykaa Luxe stores across India. We have a dedicated space for Chanel, allowing customers to explore the brand and its offerings. Each order will arrive with eco-friendly packaging, a sample and a thank you card, ensuring a seamless alignment between our online and offline shopping experiences.

Employees



How we engage with them

Through a mix of learning, recognition, inclusion, connection and feedback, ensuring every Nykaaite feels valued, heard and inspired to grow

Frequency

Regularly

Key priorities

Positive and enabling work environment
Employee well-being and satisfaction
Capability building
Talent management

How we deliver value

Holistic well-being for employees
Leadership connect for continuous mentorship
Embodying our values and essence
Skill enhancement through Nykaa Academy

Material topics

Diversity, equity and inclusion
Human rights
Talent attraction and retention
Employee health, safety and well-being
Governance, ethics and compliance
Data privacy, digitalisation and innovation

Relevant SDGs

Employees

Thriving in diversity

At Nykaa, our passionate team of 3,735 Nykaaites drives our success. We are committed to fostering a supportive and inclusive workplace where everyone thrives. Through engaging learning and development programmes, we equip our employees with the skills they need to excel. Our culture prioritises belonging, inclusivity and open communication, ensuring every voice is heard and valued. Here, every individual can bring their authentic selves to work and truly flourish.

3,735
Total employees

1,322
New employees onboarded

43%
Female workforce

₹2.1 Cr
Revenue per on-roll employees

Value we create

₹666 Cr
Spend on employees

100%
Enrolment in Nykaa Academy

3,094
Number of employees trained

Our core strategy to building a highly engaged and inclusive culture





Meritocracy, equal opportunity and fair pay

Nykaa's compensation philosophy is built on the pillars of fairness, meritocracy and equal opportunity. We strive to ensure that individual performance is meaningfully linked to rewards, fostering a culture where excellence is recognised and celebrated. These principles guide every stage of the employee lifecycle – from hiring and performance management to promotions through structured interventions that reinforce equity and merit-based growth.

We are deeply committed to pay parity across roles and genders and through regular, rigorous benchmarking against industry standards, we maintain a compensation framework that not only attracts top talent but also retains exceptional performers.

Talent acquisition initiatives

We have a strong talent acquisition strategy to onboard top talent, reinforcing our commitment to a meritocratic organisation. Our rigorous hiring process provides a competitive advantage, enabling us to innovate and outperform competitors.

We recruit high-potential talent from leading campuses and top-tier brands, utilising a mix of consultants, employee referrals and job portals. We source approximately 32% of our candidates through referrals and maintain a healthy gender diversity of 43% within our organisation.

We have an induction plan to help new hires integrate smoothly, with regular check-ins from people partners to ensure their comfort in the new environment.

We promote our employer brand through social media, content marketing and employee advocacy, highlighting our values and culture with posts and stories.

Our talent acquisition strategy is data-driven, with hiring goals in our AOP linked to metrics like productivity and cost. We publish regular reports to monitor compliance and evaluate recruitment effectiveness.



Channels for sharing employee feedback and ideas

- **Top leadership interaction:** Engage with top leaders for transparent communication and gather employee insights
- **Central town halls:** Company-wide meetings to discuss updates and address employee questions
- **Business/Functional town halls:** Tailored sessions for specific units to discuss issues and gather feedback
- **Off the record platform:** Informal sessions for candid discussions, encouraging open dialogue
- **Meet the CEO:** Regular opportunities for employees to share thoughts and concerns directly with the CEO
- **Diverse listening posts:** Multiple channels to gather feedback from all employee demographics, promoting inclusivity
- **Manager connections and skip-level meetings:** One-on-ones between employees and managers for continuous communication, plus direct interactions with skip-level managers
- **SpeakUp and whistleblower forums:** Anonymous platforms for reporting concerns or suggestions safely and securely
- **New hire feedback:** Structured feedback sessions at key intervals to improve the onboarding experience



Inspiring engagement and well-being

At Nykaa, we foster a culture of engagement rooted in our belief that 'in giving, we receive'. This belief is showcased through our 'Nykaa Gives' initiative, which includes diverse charitable and community outreach efforts. Our lively workplace is also enhanced by festive celebrations during events such as Nykaa sales, Thanksgiving, Potluck and Friendship Day, promoting a strong sense of family and camaraderie among employees.



Physical infrastructure to enable collaboration

To support evolving team structures and our growing workforce, we enhanced our physical workspace with a new standalone office with 500+ seating capacity at Gurugram. We also added another floor to our Marathon Futurex building in Mumbai that can accommodate 500+ people.

We promote a healthy work-life balance and an engaging environment to keep our team motivated and contributing to Nykaa's success.

Employee engagement programmes

- **Nykaa Gives:** Demonstrates our commitment to community outreach and charitable endeavours
- **Long Service Awards:** Honouring employees who have dedicated years to Nykaa's success, celebrating their commitment and contributions
- **Recognition:** Nykaa's recognition efforts include the prestigious Chairperson's Annual Awards, which honour employees who exhibit excellence, go above and beyond and make a significant impact
- **Quarterly business/Function townhalls:** Locally recognising and appreciating employees, ensuring their hard work and achievements are consistently acknowledged
- **Festivals and celebrations:** Various festivals were celebrated all across Nykaa to foster a sense of community and togetherness among employees. These celebrations bring joy and vibrancy to our workplace, enhancing team spirit and creating memorable experiences for everyone.







Learning and upskilling initiatives at Nykaa

Our 'Be Better Everyday' value promotes continuous learning and growth. By developing our employees' skills, we empower them to grow with the Company. Our initiatives focus on building a future-ready workforce, ensuring team members enhance their expertise while contributing to their personal growth and Nykaa's success.

Learning as a lever for growth

Learning at Nykaa is seamlessly integrated into the workflow. This year, our employees participated in learning programmes, averaging ~16 hours per full-time employee, with women averaging around 19 hours and men averaging 14 hours.

On-the-job learning and stretch assignments

We provide targeted learning interventions to help businesses enhance skills, boost productivity and drive growth. These initiatives support our team's development and contribute to Nykaa's success.

Learning and development programmes

- **Nykaa Manager Programme (NMP):** Specialised training for first-time managers to develop their leadership skills.
- **Nykaa Academy:** 2,000+ learning hours recorded in the first year of launching a globally acclaimed learning platform—fostering continuous, self-paced development.
- **Customer-facing role training:** Year-round training for our customer service, retail and sales teams to ensure we consistently deliver best-in-class customer experiences.
- **PACE Programme:** Designed to build managerial capability within the Retail Business Unit (BU), supporting structured career growth.
- **BugBash and Code'athon:** The Technology team had hands-on learning experiences with competitions like BugBash and Code'athon in partnership with Microsoft, enabling them to learn by solving real problems in high-energy, collaborative formats.

Diversity and inclusion

At Nykaa, our commitment to Diversity, Equity and Inclusion (DEI) comes to life through meaningful initiatives like Women's History Month and Visionaries Unplugged — platforms where we engage with inspiring thought leaders to spark ideas and empower our people.

From our early days in beauty to becoming a brand loved across India, we have proudly championed women to own their stories and shape their own journeys. We are truly honoured to be named one of **The Times Group Best Organisations for Women (BOW) 2025** — a recognition that reflects the culture we have built at Nykaa: one where everyone feels a sense of belonging and has a voice at the table.

43%
Women workforce

30%
Women Leaders

Showcase of FY2025-specific initiatives

- Launch of Coursera for all Nykaa employees
- Launched organisation-wide Gallup Engagement Survey to capture the employee voice
- We also received three awards this year:
  - WOW Workplaces of 2025
  - The Times Group Best Organisations for Women (BOW) 2025
  - LinkedIn's Top Companies of 2025

Health, safety and environment (HSE)

At Nykaa, the concept of safety extends beyond compliance—we have embedded it into the everyday functioning of the organisation. Across our workplaces, we have developed and implemented robust systems to ensure the health, safety and well-being of our employees, partners and consumers.

Clear protocols, safe environments

Workplace safety begins with a robust foundation. Our workplaces are equipped with essential safety systems, including smoke detectors, fire hydrants, sprinklers and public address systems. Fire safety compliance is mandatory before opening any workplace.

Significant measures undertaken

- Emergency response teams (ERTs) have been established in all warehouses
- Bi-monthly inspections and evacuation drills are conducted
- Centralised Health, Safety and Environment (HSE) Policy in place
- Structured safety inductions for new contract workers
- Weekly training sessions on 16 critical HSE topics
- Customised materials are used to maintain high safety awareness

In FY2025, we didn't have any major safety incidents. Any minor incidents were addressed through corrective actions and targeted training sessions.

Being emergency-ready always

At Nykaa, safety relies on our people, not just infrastructure. We have a structured incident reporting system with a designated Health, Safety and Environment (HSE) Single Point of Contact (SPOC) at each location.



Employees can report near misses and unsafe conditions quickly using QR codes displayed throughout the workplace. These reports are thoroughly investigated and actions are taken, with monthly reviews to ensure transparency. To bolster our safety compliance, we are planning behavioural safety programmes and activity-based hazard identification and risk assessment (HIRA), along with developing corrective and preventive action frameworks and emergency evacuation plans for our warehouses.

Cultivating well-being of mind and body

We strive to promote the holistic well-being of our employees through a comprehensive wellness programme that supports physical and mental health. This approach includes discounted gym memberships, unlimited teleconsultations with doctors across over 32 specialities, access to dietitians, therapists and on-site counselling. Employees and their families also benefit from health content, discounted clinic visits, health tests and a 24/7 EAP helpline. To ensure safety, we provide accessible first-aid kits at all locations and offer medical consultations, underscoring our commitment to a supportive work environment.

Putting the planet first

At Nykaa, we are proud to say that our environmental footprint is quite modest, thanks to our distinctive business model. We believe in making a positive impact while delivering beauty and wellness to our customers. We comply with regulations and adhere to responsible practices, having been fully compliant with Extended Producer Responsibility (EPR) regulations since April 2021 and certified by the Central Pollution Control Board (CPCB). We met our EPR targets for FY2025 and expired or damaged inventory is disposed of through authorised vendors, with the plastic packaging waste being recycled. We monitor water usage for domestic purposes only and use diesel generators as a backup. We plan to implement renewable energy in select locations by FY2026. All operations adhere to environmental laws, with no reported violations or penalties during the year.

Zero
Major safety incidents in FY2025

Zero
Violations or penalties reported in FY2025

Communities

How we engage with them

We engage deeply with communities through partnerships with NGOs, direct consultations and on-ground field visits. Our approach combines last-mile outreach, employee volunteering and continuous monitoring of programme outcomes to drive meaningful impact and ensure long-term progress

Frequency

Regularly

Key priorities

Education
Beauty skilling and entrepreneurship
Inclusivity through sports development
Healthcare
Women's empowerment (research/study)

Material topics

Governance, ethics and compliance
Community development

Relevant SDGs



Communities

Empowering change every day

At Nykaa, we have always believed that beauty is more than what you see—it is what you stand for. From the very beginning, our vision has been to bring inspiration and joy to people everywhere, every day. We believe that real change begins when people are empowered to dream, express themselves and lead.

That's why our CSR efforts focus on amplifying voices, unlocking potential and creating opportunities—wherever they are needed most. We design programmes that champion authentic self-expression and inspire lasting impact, whether through women's empowerment, education, research, healthcare, livelihood opportunities and initiatives that promote inclusivity.

At Nykaa, we envision a future where beauty uplifts, where every individual—regardless of their background—has the opportunity to live with dignity, express themselves authentically and shape their future.



Focus areas	Partners	SDGs aligned with
Beauty skilling and entrepreneurship	• Sambhav Foundation • Delhi Council for Child Welfare • Aatapi Seva Foundation • Beauty & You Programme • Latika Roy Memorial Foundation	
Access to quality education	• American India Foundation • Akanksha Foundation	
Research and technology	• IIM Ahmedabad • National Council of Applied Economic Research (NCAER)	
Inclusivity through sports development	• Indian Deaf Cricket Association • Slum Soccer: Krida Vikas Sanstha	
Healthcare	• Anushkaa Foundation for Eliminating Clubfoot • Rise Against Hunger India	

Beauty skilling and entrepreneurship

At the core of Nykaa's CSR mission is a strong belief: when women are provided with the right skills, they can transform not only their own lives but also entire communities. This is why we are committed to skill development for women from underserved backgrounds, creating opportunities for employment, entrepreneurship and long-term financial independence.



Turning passion into profession: Nykaa's mission to empower women through skilled beauty training

Aligned with Nykaa's CSR priority of skilling for empowerment, our partnership with Sambhav Foundation equips women from underserved communities to become skilled beauty professionals. Through five fully-equipped centres across Bengaluru, Delhi, Guwahati, Kolkata and Navi Mumbai, participants receive intensive training and on-the-job training, preparing them for meaningful employment. The programme builds technical skills and fosters financial independence and confidence. In FY2025, 1,094 women were trained, with 790 successfully placed in sustainable livelihoods, transforming their futures and becoming role models of change within their communities.



Vocational training for a future of possibility and financial independence

In partnership with the Delhi Council for Child Welfare (DCCW), Nykaa supports 10 vocational training centres that empower girls and young women from underserved communities. Offering year-long programmes in beauty and wellness, as well as stitching, each centre delivers daily two-hour sessions focused on building practical, market-ready skills. Beyond technical training, the initiative fosters confidence, self-reliance and long-term employability. By enabling access to dignified livelihoods, it paves the way for financial independence and social mobility. In its first year, the programme will equip 500 participants to lead empowered lives and inspire change as confident contributors within their families and communities.

Turning talent into enterprise: Nykaa's endeavour to empower rural women in beauty care

Through our partnership with Aatapi Seva Foundation, Nykaa is empowering rural women to become beauty care entrepreneurs by combining technical training with financial literacy and business skills. The programme begins with hands-on training in beauty services and progresses to in-depth modules on entrepreneurship, covering business planning, marketing and financial management. This holistic approach builds capability and confidence, enabling women to launch and sustain their enterprises. By fostering economic independence and leadership, the initiative is creating ripple effects of empowerment in rural communities. In FY2025, 65 women have transformed their aspirations into thriving, homegrown businesses and resilient livelihoods.

Towards inclusive growth: A first-of-its-kind initiative in beauty skilling

Reinforcing our commitment to inclusivity, we partnered with the Latika Roy Memorial Foundation to establish a specialised salon for children with sensory needs in Dehradun. This salon goes beyond providing essential beauty services—it functions as a specialised training centre for differently-abled youth enrolled in the Foundation's skill development programmes. By creating an inclusive and supportive environment, the initiative empowers these young individuals to pursue meaningful employment and self-reliance. With a direct impact on over 200 children and young adults, this collaboration marks a decisive step towards building an equitable, opportunity-rich society for all.

Beauty & You programme: empowering the next generation of beauty entrepreneurs

As a lead collaborator in the Beauty & You Grants Programme with Estée Lauder, we are championing the next generation of beauty entrepreneurs. This initiative supports visionary founders with innovative, research-driven ideas by providing financial grants, mentorship and business development support. Focused on helping brands scale, define their identity and cater to Indian consumers, the programme fosters long-term growth in a competitive landscape. In FY2025, Nykaa proudly supported three women-led enterprises through this initiative, amplifying our commitment to nurturing inclusive entrepreneurship and shaping a more diverse and dynamic future for India's beauty ecosystem.

1,662
Women empowered

855
Women secured livelihood opportunities

Access to quality education

Igniting curiosity: Nykaa's STEM SPARK programme empowers young minds

Supported by Nykaa, the STEM SPARK programme is revolutionising Science, Technology, Engineering and Mathematics (STEM) education in 30 government schools across Nandurbar, an aspirational district in Maharashtra. This initiative enhances teacher capabilities through targeted training sessions, introduces innovative, hands-on STEM kits and establishes fully equipped STEM labs within schools. By making science and technology learning more interactive and inquiry-based, the programme actively engages 4,597 students, including 2,352 girls, fostering curiosity and creativity in the classroom. Through this effort, Nykaa is empowering young learners—especially girls in grades 6 to 8—to dream bigger, build confidence and envision bright futures in STEM.



Empowering first-generation learners: Nykaa's commitment to education

Nykaa has partnered with Akanksha Foundation to support a school in Pune that delivers free, high-quality education to 877 students, from Junior Kindergarten through Grade 10. The school primarily serves children from underserved communities; many of whom are first-generation learners whose parents work as daily wage earners with limited access to education. Through this collaboration, Nykaa is helping to break the cycle of intergenerational poverty by providing these young learners with a strong academic foundation, comprehensive development programmes and a nurturing learning environment. By investing in their education, the initiative equips students with the knowledge, skills and confidence needed to create brighter, more secure futures for themselves and their communities.

5,474 students
Gained access to quality education

Research and technology

Shaping the future of consumer technology: Nykaa's visionary partnership with IIM Ahmedabad

In a bold step towards the future, Nykaa has partnered with the IIM Ahmedabad Endowment Fund to create the Nykaa Chair in Consumer Technology — a three-year journey dedicated to exploring how digital transformation is reshaping the way businesses connect with consumers. The Chair generates research-driven insights on evolving marketing practices, consumer behaviour and business innovation. This collaboration also sparked a dynamic 24-hour hackathon, where student-led tech solutions took shape through mentorship and real-world application. By bridging academic research and practical innovation, Nykaa and IIM Ahmedabad are not only studying the digital future of marketing—they are actively shaping it with insight, creativity and purpose.

Launching India's Women's Empowerment Index: partnering with NCAER

In partnership with India's oldest and largest independent economic policy think tank, the National Council of Applied Economic Research (NCAER), Nykaa has launched a first-of-its-kind national study to assess women's social, economic and financial empowerment across India. The study's first phase spans 11 states, reaching 10,000 women, capturing grassroots insights across diverse communities. At its core is the development of a Women's Empowerment Index—a data-driven benchmark to monitor progress, highlight systemic gaps and guide policy formulation. This pioneering initiative equips stakeholders with the evidence needed to design impactful, inclusive interventions that truly enable women to thrive. By grounding strategy in research, Nykaa is contributing to a future where empowerment is measurable, actionable and central to India's growth.



Inclusivity through sports development

Championing inclusivity in sports: Nykaa's support for deaf athletes through IDCA

For the past three years, Nykaa has partnered with the Indian Deaf Cricket Association (IDCA) to champion inclusivity in sports and empower deaf athletes from underserved backgrounds. In FY2025, Nykaa proudly served as the Principal Sponsor of the 2nd IDCA T10 Women's Deaf Premier League in Mumbai. This event provided expert training, national exposure and a competitive platform to 250 women cricketers. This collaboration goes beyond sponsorship—it's a sustained commitment to enabling equal opportunity, building confidence and unlocking the potential of differently-abled sports talent, reinforcing our belief that inclusive sports can drive personal and social transformation.



From streets to stadiums: Nykaa's journey with slum soccer to empower young athletes

For three years, Nykaa has proudly supported Slum Soccer—a powerful initiative using sport to uplift at-risk youth from underprivileged communities. Through tailored training programmes across India, young participants develop football skills as well as confidence, discipline and leadership. In FY2025, Nykaa sponsored the National Inclusion Cup in Nagpur, bringing together 250 young athletes—120 girls and 130 boys—from marginalised backgrounds to train, compete and grow. This impactful programme unlocks new pathways for youth to thrive, transforming sport into a catalyst for empowerment, resilience and lasting community change.

91
Underprivileged children underwent treatment for Clubfoot

250
Women with hearing disabilities supported with training and development

Healthcare

Nykaa and Anushkaa Foundation: bringing hope and healing to children with clubfoot

Nykaa partners with Anushkaa Foundation for Eliminating Clubfoot (AFEC) to support children born with clubfoot—a condition that limits mobility and quality of life. In alignment with the government's Rashtriya Bal Swasthya Karyakram (RBSK), this initiative enables early diagnosis and access to the gold-standard Ponseti method for children from marginalised communities. Nykaa's support also builds long-term capacity by training doctors as regional specialists and trainers. In FY2025, Nykaa helped facilitate the treatment for 91 children, giving them the life-changing ability to walk, run and play—unlocking healthier, independent futures and restoring dignity and opportunity across underserved regions.



Uniting against hunger: Nykaa's employee-driven impact with Rise Against Hunger India

In partnership with Rise Against Hunger India, we are tackling hunger and malnutrition while mobilising our workforce for meaningful change. Aligned with the mission to uplift vulnerable communities, we integrated purpose-driven employee volunteering into our CSR efforts. In FY2025, 400 passionate Nykaa team members packaged 58,000 fortified, nutrient-rich meals, reaching underserved families across India. These meals go beyond nourishment—they build stronger, healthier communities and reinforce Nykaa's belief in collective action. This initiative supports food security and inspires a culture of empathy and service within Nykaa, turning corporate responsibility into a movement of impact from within.

58,000
Nutrient-rich meals provided to underserved families across India



Regulators

How we engage with them

We participate in trade associations and chambers relevant to our business. Our engagement with regulators includes regular meetings and disclosures, ensuring compliance and promoting transparency.

Frequency

Regularly

Key priorities

Transparent and open operations
Timely compliance with regulations
Timely tax payments
Support to various schemes of central and state governments

How we deliver value

High compliances with regulations
Robust compliance and ensuring that all complaints received from stakeholders are resolved
Support government initiatives

Material topics

Product safety and quality

Human rights

Data privacy, digitalisation and innovation

Governance, ethics and compliance

Responsible marketing and customer satisfaction

Relevant SDGs



Regulators

Integrity in action

At Nykaa, we prioritise compliance with regulations and maintain open communication with regulatory bodies. Our framework ensures adherence to legal and ethical standards and by engaging proactively with regulators, we stay updated on changing regulations, promoting accountability and integrity.

Regulation	Applicability for operations	Measures taken to ensure compliance
Consumer Protection Act 2019 with E-Commerce Rules 2020	· Retail trade · E-commerce trade · Website compliance · Products claims	· Company vendor onboarding policy · Invoice terms, e-commerce terms/conditions · Returns Policy and appointment of Grievance redressal mechanism with grievance/nodal officer · Dark Patterns compliance with Websites and Mobile applications
The Drugs and Cosmetic Act 1940 with Rules 1945 and The Cosmetics Rules, 2020	· Cosmetic Products Manufacturing Own and Contract · Cosmetic Products Import · Cosmetic Products Labelling and Advertising	· Cosmetic Imports – CDSCO permission for all cosmetic import · Own Brands Manufacturing – Contract manufacturing and Policy for Quality and Safety management · Labelling – Artwork management process for product declaration and compliance
Drugs and Cosmetic Act 1940	· Drug Pharmacy Licence · Wholesale Licence for Medical Devices and OTC Drugs	· Storage and Sales of OTC and Medical Devices · Pharmacist and Responsible person for operation management · GHP at Warehouse for storage and Records management
Food Safety and Standards Act, 2006	· Distributor and Trader Licence for B2B business · Food Safety Management Scheme Implementation	· E-commerce Food Licence · Documentation management · Vendor onboarding policy for Safety and Quality · FoSCos - food safety compliance programme implementation in marketing, distribution and e-commerce business
Bureau of Indian Standards Act 2016	· Import of Electronic fashion accessories · Local manufacturing and import of Footwear · Quality of Cosmetic Products · Quality certification for local manufacturing and import of electronics for household appliances	· Overseas and local site registration and QCO of the product · Vendor Import permission · Vendor agreement for compliances · Product quality testing and product stamping and markings · BIS standard implmentation for feedback and ratings management
Legal Metrology Act 2009 and Packaged commodity Rules 2012	· E-Commerce Site Compliance · Products Labelling Compliances · Dealer Licences · Cosmetic Products -Import, Local Manufacturing and Packing	· LM registration for Importer/Manufacturer/ Packers Registration · Labelling compliance management
Ministry of Environment and Forests – Central Pollution Control Board (Plastic Waste Management and E-Waste Management)	· Plastic Waste Management for – Import – Cosmetic and Fashion · Local Manufacturing – Brand owned products · Warehousing – Products catered in local market · E-Waste – Electronic waste management	· CPCB – Plastic Waste management registration · Recycling of the plastic waste via registered vendor · Annual Filling of the waste recycled. · EPR on-going compliance for 100% target achievement · E-Waste recycling via registered vendor
Ayurvedic Unani and Siddha (AYUSH)	Ayurvedic proprietary formulation – Contract manufacturing and marketing	· Ayush-certified manufacturing · Labelling compliance · Product testing and Quality and Safety Management
Advertising Standards Council of India	ASCI – self-governing for advertising and fair in trade practice	· Claim check · Beauty Bloggers – Disclaimers mandate and implementation, etc. · Claim designing, claims support generation and Disclaimers implementation for advertisement and banners published on website

Navigating regulations

Nykaa adheres to a rigorous regulatory framework, including the Foreign Exchange Management Act for export-import activities, as well as labour laws such as the Employees' State Insurance Act and the Minimum Wages Act. The Company also complies with IT regulations under the Information Technology Act and adheres to specific industry standards, including the Consumer Protection Act and E-Commerce Rules.

By proactively addressing the complexities of evolving labour practices, Nykaa not only meets but exceeds legal compliance, fostering fair and ethical labour management. Additionally, Nykaa aligns with the Companies Act of 2013, SEBI Regulations, IPR Laws and the Shop and Establishments Act, creating a solid governance structure that ensures operational integrity.

100%
Resolution of complaints received from investors, employees and customers

Nil
Complaints related to child labour, forced labour, discriminatory employment and human rights

100%
Resolution of sexual harassment incidents

Flexibility meets safety

Nykaa has achieved PCI DSS compliance on its second attempt, thereby enhancing the security of card transactions. This milestone enhances transaction security for users and reduces reliance on specific payment gateways for stored card tokens, providing greater flexibility and protection.

Stringent maintenance of compliance

- **Training:** We ensure compliance by providing comprehensive training, maintaining checklists and conducting internal audits for operational teams.
- **Cross-functional engagement:** Nykaa collaborates with the legal, admin, HR and management teams to establish and maintain ongoing compliance practices.
- **Compliance management tool:** We use Legatrix as a tool for managing compliance, enabling regular status reporting and effective tracking of compliance activities.
- **Impact assessment:** We perform comprehensive impact assessments to address regulatory issues and implement necessary corrective actions promptly.
- **Advocacy:** We engage in various industry associations to stay informed about market practices and regulatory changes.

Proactive engagement and contributions to policy discussions

- **Indian Beauty Health Association (IBHA):** We are working with IBHA to tackle local manufacturing and import challenges for Nykaa, Kay Beauty and other owned brands. We will participate in IBHA's committees to advocate for new regulations with the CDSCO and relevant ministries.
- **Federation of Indian Chambers of Commerce and Industry for Trade (FICCI):** Collaborating with FICCI to address issues, engage in discussions and prepare for upcoming regulatory changes with regulators.
- **The Confederation of Indian Industry (CII):** Partnering with CII to build consensus, network on industry issues and utilise advisory and consulting processes.
- **Retailers Association of India (RAI):** As a member of RAI, we communicate our operational challenges to regulators by sharing market insights, thus facilitating a better understanding of our industry's needs.

Nil
Cases filed against the Company regarding unfair trading practices, irresponsible advertising and/or anti-competitive behaviour

Sustainability At NYKAA

Weaving responsibility into business operations

Sustainability is a core principle at Nykaa, guiding the Company's business and stakeholder engagement. Our proactive approach to Environmental, Social and Governance (ESG) reflects Nykaa's commitment as a purpose-driven retailer. We adapt to the evolving expectations of customers, regulators, investors, employees and communities, aiming to build resilience and long-term value in our ecosystem.



Nykaa is committed to environmental stewardship, with a focus on resource efficiency, sustainable packaging and cleaner operations aimed at minimising environmental impact. On the social front, the Company prioritises building inclusive workplaces, advancing gender equity and empowering communities through skill development initiatives. Nykaa's long-term success is anchored in a motivated, diverse workforce and the promotion of equitable and responsible value chains.

The Company's governance is based on transparency, accountability and ethical conduct. Strong policies and Board oversight integrate ESG considerations into our operations. This framework ensures responsible practices in areas such as data privacy, human rights, compliance and stakeholder engagement.

Nykaa is committed to sustainability through key ESG principles, viewing it as an ongoing journey of improvement and innovation that prioritises responsibility to people, the planet and progress.

Note on reporting boundary for sustainability section

The data presented in this section covers FSN E-Commerce Ventures Limited and its subsidiary Nykaa E-Retail Limited ('E-Retail'), unless otherwise specified. From this financial year, Nykaa E-Retail Limited also comprises of Superstore business of FSN Distribution Limited, hence the data for FY2024 might not be directly comparable to data for FY2025.



Environment

Fashioning a greener future

Material topics

Climate change, GHG emissions and energy efficiency
Packaging and waste management
Sustainable materials
Water efficiency
Product safety and quality

Relevant SDGs



Eco-conscious choices and sustainable innovations

At Nykaa, we incorporate eco-friendly practices throughout our operations and supply chain. This approach includes responsibly sourcing materials and implementing energy-efficient processes. Our initiatives focus on reducing waste, promoting recycling and utilising sustainable packaging solutions. By continuously assessing and enhancing our environmental impact, we aim to create a greener future and establish industry standards for sustainability.

We are committed to reducing our ecological footprint by integrating sustainable practices into our operations and supply chain, working towards a greener future.

Reducing our carbon footprint is crucial for combating climate change and ensuring a healthier planet. This means making conscious choices, such as minimising energy use and adopting renewable energy sources.

Sustainable packaging is vital for protecting the environment. By choosing eco-friendly, biodegradable, or recyclable materials, we can reduce waste and lessen the strain on natural resources. This not only benefits the planet but also encourages companies to adopt responsible practices, contributing to a more sustainable future.

We are committed to high compliance standards and optimising energy use while reducing greenhouse gas emissions. Additionally, we promote sustainable packaging practices to support environmental stewardship.

Managing carbon emissions is a priority for organisations aiming to reduce their carbon footprint. Additionally, promoting waste recovery and a circular economy, including the adoption of sustainable packaging solutions, plays a vital role. Understanding and minimising product carbon footprints is also critical in enhancing environmental performance.

Building a greener Nykaa

At Nykaa, we prioritise reducing our greenhouse gas (GHG) emissions and optimising energy management. We actively comply with environmental regulations and adopt eco-friendly practices. Our initiatives include utilising energy-efficient solutions and establishing regional fulfilment centres to reduce air shipments. By integrating sustainable measures, we aim to reduce our carbon footprint and contribute to a greener future.

Harnessing nature for the greater good

We are dedicated to improving our sustainability practices by continually exploring and implementing innovative initiatives and technologies. These efforts aim to reduce our environmental footprint and significantly lower greenhouse gas emissions by adopting renewable energy and other targeted measures. By taking a phased approach, we will ensure a structured and effective integration of these green initiatives into its operations. This commitment contributes to the global effort against climate change while establishing a strong foundation for long-term sustainability.

Riding the wave of responsibility

At Nykaa, we are committed to responsible water management in our workplaces, using water exclusively for domestic purposes. By following water consumption guidelines, we aim to minimise our environmental impact and promote sustainable use of resources.

Parameters	UoM	Offices	Warehouses	Retail stores	Total
Electricity	Kilowatt-hours	1,788,519	5,826,227	9,656,181	17,270,927
Water*	Kilolitres	18,153	66,761	16,514	101,428

* At Nykaa, the water consumed is only for "Domestic purpose and not for any Manufacturing".

*Water consumption for Retail stores is computed on a theoretical basis

1. Data reported at One Nykaa level



Electricity intensity*
(kWh/₹ Mn)

217.24

FY25	217.24
FY24	201.83

Water intensity*
(Kilo liters/₹ Mn)

1.27

FY25	1.27
FY24	1.79

Plastic waste intensity
(MT/₹ Mn)

0.0024

FY25	0.0024
FY24	0.0028

Hazardous waste intensity
(MT/₹ Mn)

0.0001

FY25	0.0001
FY24	0.0002

*Data reported at One Nykaa level

Waste not, want not

In line with our commitment to environmental responsibility, we adhere to Extended Producer Responsibility (EPR) regulations. Since April 2021, we have been recognised as a 'Brand Owner and Importer' by the Central Pollution Control Board (CPCB) and have partnered with authorised recyclers for efficient waste collection across various states.

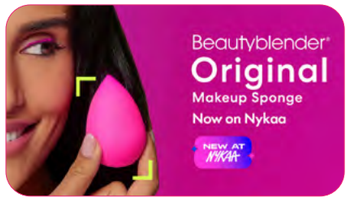
Optimising plastic usage

In FY2025, we successfully reduced our plastic waste generation, demonstrating progress towards sustainable packaging and a decrease in plastic consumption. We recycled plastic waste through Extended Producer Responsibility (EPR) in FY2025 and sourced approximately ~96% of our packaging materials from eco-friendly sources.

Packaging with purpose

We are committed to minimising our environmental footprint by using sustainable packaging practices. Our initiatives focus on reducing plastic use and promoting eco-friendly alternatives to help create a greener future.

- **Reduced plastic bubble width:** We are actively working to reduce the width of plastic bubble wrap to minimise waste and optimise resources.
- **Reuse of packaging material:** We prioritise the reuse of Return to Origin (RTO) packaging materials to promote a circular economy and reduce waste.
- **Staff training on plastic management:** We conduct regular training sessions to educate our staff on responsible plastic management, including waste reduction, recycling and proper disposal practices.
- **Paper packaging:** We are replacing plastic with paper to reduce the use of single-use plastics and promote the use of renewable resources.



Nykaa 10x10 initiative

Currently, approximately 96% of our shipments are packaged using sustainable materials, including recycled paper. The remaining utilises responsibly managed plastic packaging. We have seen a decrease in the amount of plastic waste we recycle, which is a result of our reduced plastic consumption due to the adoption of alternative packaging options.



Energy efficiency and emissions

Nykaa is reducing its carbon footprint through smart infrastructure, efficient operations and data-driven continuous improvement.

The Company monitors energy consumption in its workplaces through a centralised Management Information System (MIS). This helps it collect validated data, ensure compliance with BRSR Core framework requirements and gain insights to identify hotspots and optimise usage.

To enhance efficiency, the Company has implemented energy-efficient technologies, such as LED lighting and VRF HVAC systems, in its workplaces. It also utilises asset lifecycle management to track the electricity use of individual appliances for timely upgrades. Additionally, the Company is installing solar power systems at select locations to diversify its energy mix and reduce reliance on conventional sources.

28,512.67 GJ
Energy consumed

Energy Intensity

FY25	0.43
FY24	0.40

The Company's energy and emissions profile reflects the nature of its business—one that is digitally enabled and retail-focused, without energy-intensive manufacturing operations. The Company's direct (Scope 1) emissions originate from the use of diesel in backup generators at select locations, as well as fugitive emissions from refrigerants and fire extinguishers used across its premises. Indirect (Scope 2) emissions are attributable to electricity purchased from the grid to power its workplaces.

Emissions estimates use internationally recognised methodologies. For Scope 1, the Company applies emission factors from Defra and the IPCC. Scope 2 emissions are based on grid factors from India's Central Electricity Authority, reflecting location-based calculations due to the lack of a market-based mechanism in India. The Company strives to align with global best practices in carbon accounting and is focused on enhancing transparency in its climate-related disclosures.

The Company has adopted a regional fulfilment model to lessen reliance on carbon-intensive air shipments. By decentralising warehousing outside metro cities, Nykaa shortens delivery distances and reduces emissions from its logistics network.



386 $MTCO_2e$
Scope 1 emissions

4,886 $MTCO_2e$
Scope 2 emissions

Scope 1+2 emissions intensity

FY25	0.08
FY24	0.07

Through these initiatives, Nykaa is laying the foundation for a low-carbon future while ensuring that its growth remains energy-conscious and climate-resilient.

Nykaa's workplaces are located in urban, rural and non-forest areas to minimise their impact on ecologically sensitive zones. The Company ensures it obtains necessary environmental approvals and regulatory clearances, allowing for responsible expansion while complying with local regulations.

Water stewardship

Water consumption in Nykaa is primarily for domestic use. Responsible water management is embedded into Nykaa's operational practices to minimise consumption, encourage reuse and build awareness among our employees.

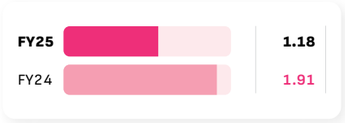
Nykaa has installed water meters across all its locations to enable accurate monitoring and data-driven decision-making. This helps it track usage patterns and identify opportunities for conservation. In places where feasible, Nykaa recycles RO discard water for secondary purposes such as flushing in washrooms — a small but essential step towards resource circularity.

Additionally, leased office premises are equipped with a sewage treatment plant (STP) to enhance wastewater quality and minimise its discharge impact. As Nykaa scales, it continues to evaluate further water efficiency and recycling opportunities across the footprint.

Beyond infrastructure, employee awareness plays a critical role in successful water stewardship. To this end, Nykaa holds weekly health, safety and environment (HSE) poster training at its warehouses to sensitise staff on water conservation practices and highlight small behavioural shifts that can make a lasting impact. These visual nudges reinforce our sustainability messaging on the ground and help embed conscious habits into daily operations.

78,870 KL
Water consumed

Water consumption intensity





Sustainable packaging

As a digital beauty and lifestyle retailer, the Company views packaging as crucial to customer experience and environmental impact. It is committed to sustainability throughout the packaging value chain, emphasising material sourcing, design, reuse and end-of-life management.

Nykaa is transitioning to eco-friendly packaging, using materials like paper fillers and bubble rolls in its shipments. The corrugated boxes are now made from recycled content.

Nykaa has implemented 100% reuse of cardboard boxes in its Owned Brand warehouses and has been compliant with India's Extended Producer Responsibility (EPR) regulations since 2021, certified by the Central Pollution Control Board (CPCB). The Company collaborates with CPCB-registered recyclers for the responsible collection and processing of its plastic packaging waste, with independent certifications ensuring traceability and accountability in these efforts to divert waste from landfills.

Materials utilised*

110.8 MT
Corrugated boxes comprise 50% recycled paper

6.89 MT
100% of Nykaa's metal packaging is recyclable

55.34 MT
100% of Nykaa's glass packaging is recyclable

*For 100% of owned brand products

Nykaa emphasises reusing return to origin (RTO) packaging materials to minimise virgin packaging and enhance circularity in its supply chain. These efforts reduce the packaging footprint while maintaining functionality, aesthetics and customer satisfaction.

Branching out: Project Aranyam takes root

Sustainability is a shared responsibility and Nykaa partners with organisations committed to environmental stewardship. One key initiative is Project Aranyam, a tree-planting programme with its sustainable packaging vendor, Pack8.

For every purchase of selected packaging, Pack8 in partnership with Grow-Trees.com and Grow Billion Trees plants trees.

In FY2025, Nykaa contributed to the planting of 2,946 trees, sequestering an estimated 58,920 kilograms of carbon at maturity.

Project Aranyam fosters local employment by engaging community members in nursery preparation, sapling transportation, planting and care. This initiative demonstrates how sustainable packaging can offer environmental and social benefits. Through Project Aranyam, Nykaa packages products and plants a sustainable future, one tree at a time.

Contribution to SDGs



Resource use and waste management

As a retail-led business, Nykaa primarily generates waste from packaging, logistics operations and the disposal of expired products. To minimise waste, the Company has implemented several initiatives, such as redesigning luxury packaging to eliminate separate thank-you cards and integrating messages directly onto the boxes. This change significantly reduces paper usage while enhancing customer experience.

In its warehouses, Nykaa has shifted to device-based picking to eliminate paper use during order processing. Improvements in packaging materials have led to a notable reduction in BOPP tape consumption. Expired products, which compose the largest waste stream, are managed through authorised recovery partners in compliance with guidelines, while inventory risks are mitigated with return-to-vendor clauses.

Nykaa also emphasises EPR compliance, ensuring that all recycling and recovery activities are executed through certified channels to process waste responsibly. Employee engagement is essential, with regular training on waste reduction and recycling, supported by visual campaigns in warehouses.

By integrating these practices, Nykaa is recovering resources and fostering a circular business model that minimises environmental impact.

100%
Carton waste reused in own brand and Superstore warehouses

2,003 MT
Carton waste disposed through authorised vendors for recycle or reuse

160 MT
Plastic waste disposed through authorised vendors

Conscious product choices

Nykaa is dedicated to responsible choices through its 'Conscious at Nykaa' initiative, which features beauty products that adhere to strict environmental and ethical standards. This includes clean, cruelty-free, vegan and eco-conscious options, many with independent certifications (such as Bureau Veritas and PETA, among others) for transparency.

Brands like Nyveda and Nykaa Naturals exemplify this commitment with sustainable ingredients and clean formulations. Nyveda focuses on plant-based and Ayurvedic wisdom, while Nykaa Naturals emphasises minimalist, eco-friendly products.

By prioritising ingredient integrity and ethical sourcing, Nykaa empowers customers to make informed choices, aiming to lead the way in sustainability and responsibility within the beauty industry.

Social

Crafting connections, strengthening ties

Material topics

Talent attraction and retention
Employee health, safety and well-being
Human rights
Diversity, equity and inclusion
Responsible marketing and customer satisfaction
Data privacy, digitalisation and innovation
Product safety and quality
Community development

Relevant SDGs



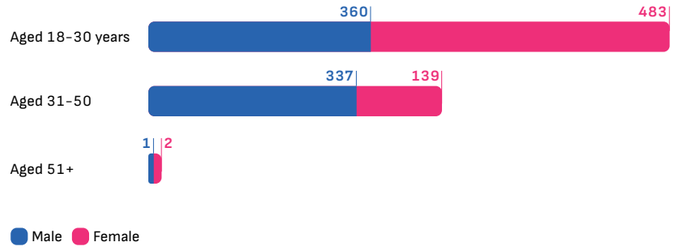




Talent acquisition and development

Nykaa's talent acquisition focuses on creating a high-performing, future-ready workforce by attracting dynamic individuals with fresh perspectives and innovative ideas. Its strategic, data-informed hiring framework sets clear recruitment goals aligned with the Annual Operating Plan (AOP) and tracks performance through key metrics. The Company recruits from top academic institutions and leading organisations, promoting an inclusive culture. Nykaa's compensation practices reward merit, ensuring fair pay based on role, experience and performance.

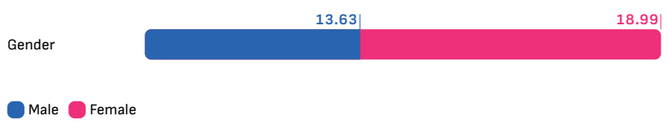
Demographics of new hires*



*Data reported at One Nykaa level

Employee development is crucial for fostering a culture of high performance and innovation. Nykaa's learning and development framework addresses the diverse needs of its workforce through structured programmes, digital tools, mentorship and peer knowledge sharing. The Company invests in upskilling initiatives to keep teams agile in a fast-evolving market. Its internal mobility platform, ICON, allows employees to explore cross-functional roles, reinforcing Nykaa's commitment to long-term career development and organisational flexibility, which drives innovation and sustainable growth.

Average hours of training per full-time employee (FTE)*



*Data reported at One Nykaa level

Nykaa's leadership pipeline development includes the Nykaa Manager Programme (NMP), designed for Assistant to Senior Managers, in collaboration with external experts. This programme equips participants with essential skills for a digital-first organisation. A week-long induction for management graduates also promotes early leadership readiness. Notably, direct reports of NMP participants show higher engagement in Gallup surveys, reflecting better morale and lower attrition rates.



Nykaa encourages learning through mentorship, informal networks and formal training. It offers targeted coaching, including Hogan assessments for leaders and promotes knowledge sharing through cross-functional circles and peer groups.

Nykaa is enhancing its digital transformation with platforms like Coursera and Nykaa Academy, providing training in data literacy, digital marketing and relevant tools. Cultural education is part of onboarding, reinforced through town halls and leadership connections.

Compliance and functional training programmes are offered for contractual and part-time retail and warehouse employees, keeping them aligned with safety and operational standards. While the younger workforce at Nykaa diminishes the need for formal retirement programmes, smooth transitions are ensured through structured handovers, knowledge transfer and HR support.

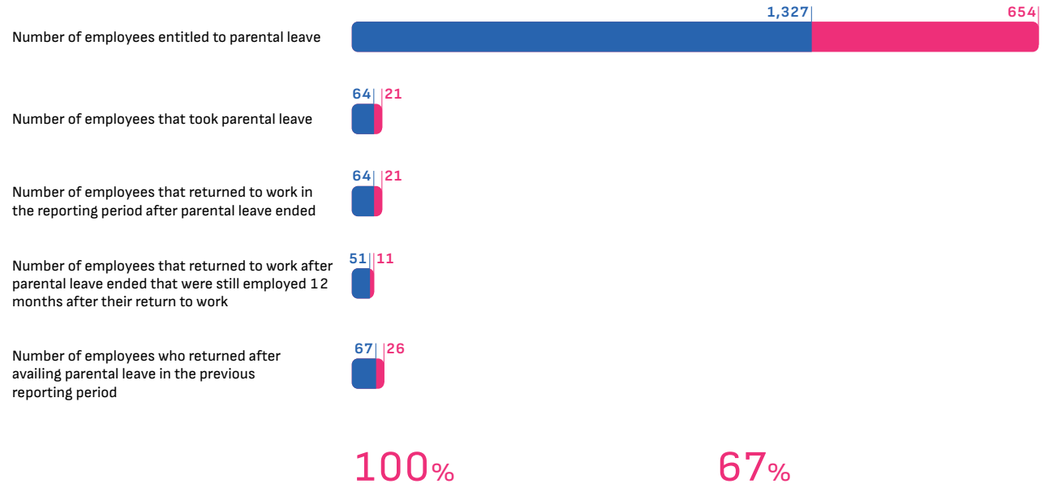
Fair and transparent total rewards

Nykaa's compensation and performance appraisal systems are designed to foster a high-performance culture anchored in fairness, transparency and inclusivity. These mechanisms align individual and team contributions with broader business objectives, thereby supporting responsible growth and sustainable value creation.

Nykaa maintains alignment with the industry compensation benchmarks and adheres to applicable wage regulations. The rewards framework ensures equitable pay across roles and genders and is regularly reviewed to promote parity and reflect responsible employment practices.

All permanent employees are covered under social security schemes, including Provident Fund, Employees' State Insurance (ESI) and Gratuity. The employees are also covered under comprehensive health and accident insurance benefits. Eligible employees receive maternity leave (26 weeks), paternity leave (two weeks). These provisions reflect Nykaa's commitment to supporting employee well-being and fostering an inclusive workplace.

Employees availing parental leave



100%
Return to work rate

67%
Retention rate

₹21.71 Mn
Spent on employee benefits and well-being

Holistic employee well-being

Employee well-being at Nykaa focuses on mental health, emotional resilience and overall growth. The Company provides voluntary one-on-one counselling with mental health professionals, wellness workshops and medical consultations. Additionally, Nykaa offers health awareness programmes on key issues like breast cancer and hosts yoga sessions for physical and mental balance.

We recognise our diverse workforce and tailor initiatives for specific employee groups, including financial planning and emotional well-being programmes for our Gen Z segment.

In FY2025, Nykaa launched a comprehensive wellness programme featuring discounted gym memberships,



onsite sessions and unlimited teleconsultations with doctors across 32 specialities for employees and their families. Additional services include access to dietitians, therapists, a 24/7 helpline and wellness content. These initiatives aim to integrate holistic healthcare into employees' daily lives.

Employee safety

Workplace safety is vital to Nykaa's operations. All workplaces, including offices and warehouses, have fire safety systems like smoke detectors, sprinklers and fire hydrants. Fire safety clearance is mandatory before a site opens. Emergency Response Teams (ERTs) conduct bi-monthly inspections and lead evacuation drills.

Nykaa's Health, Safety and Environment (HSE) Policy governs safety across operations. New contract workers receive safety inductions and weekly safety training covers 16 HSE topics using posters, videos and case studies.

Each location has a dedicated HSE Single Point of Contact (SPOC) and employees can report unsafe conditions through QR codes on-site. Reports are reviewed monthly for corrective actions.



First-aid kits are available at every location and employees can access medical professionals when needed. These measures help Nykaa maintain a zero-fatality rate and foster a proactive safety culture.

Nil
Major safety incidents



Human rights and inclusion

Nykaa is dedicated to upholding the dignity and rights of all individuals associated with our business. The Company's Human Rights Policy applies to all its operations, upholding fairness, inclusivity and legal compliance.

Nykaa promotes equal opportunities and is against discrimination based on gender, age, ethnicity, caste, religion, sexual orientation, disability or any other characteristic. These principles are upheld throughout the employee lifecycle and reinforced through ongoing communication and awareness programmes.

Nykaa fosters an inclusive environment for individuals with disabilities, ensuring they are not denied opportunities and that reasonable accommodations are made available. The Company's People & Culture team maintains records under the Rights of Persons with Disabilities Act to enhance workplace accessibility.

Nykaa's compensation practices are based on role benchmarking, with regular assessments for gender pay parity and corrective actions as needed. All Nykaa locations undergo periodic assessments for human rights risks, with a commitment to compliance with labour, environmental and human rights regulations.

Nykaa maintains a zero-tolerance policy towards child labour, forced labour and workplace harassment. To ensure a safe workplace, we have a comprehensive Policy on Prevention of Sexual Harassment (PoSH) supported by a legally compliant Internal Complaints Committee (ICC). Awareness training is provided during induction and reinforced regularly.

Nykaa also mandates that all third-party security personnel receive training on our Human Rights Policy and related procedures, as part of our vendor governance practices.

Grievance redressal

Nykaa maintains formal grievance redressal mechanisms to ensure that all employees and workers have access to fair and transparent channels for raising concerns. These systems aim to promote a respectful workplace by addressing issues related to conduct, policy violations and overall well-being in a structured and effective manner.

Employees can report grievances through a dedicated e-mail ID and a whistleblower helpline. These channels ensure confidentiality and protection against retaliation and are communicated during onboarding and ongoing internal updates.

In addition to formal reporting structures, Nykaa ensures that employees are proactively engaged during significant operational changes. When changes with potential workforce impact are planned, the Company organises focused awareness sessions in the form of town halls and webinars conducted by HR and Business teams. These forums serve as an important platform for communicating changes, addressing concerns and supporting employees during transition periods.



Consumer empowerment and trust

Nykaa builds customer relationships based on trust, empowerment and transparency. The Company provides clear, accurate labelling that meets regulatory standards, emphasising qualities like cruelty-free and vegan formulations. This transparency allows customers to make informed choices.

In addition to curated product descriptions, Nykaa offers educational content from beauty experts and influencers, enhancing users' understanding of their selections. An interactive feedback system fosters continuous improvement in products and service experience.

100%
Customer complaints resolved

15%
YoY reduction in total number of consumer complaints

33%*
YoY reduction in consumer complaints

*(as a percentage of total orders) – achieved by optimising standard operating procedures (SOPs)

Nykaa, a leading e-commerce platform, prioritises data privacy and cybersecurity to maintain customer trust. It employs advanced security measures and conducts regular assessments, including third-party evaluations. Adhering to data privacy regulations, Nykaa allows customers to manage their data rights, including opting out, withdrawing consent, deleting data or transferring it to other providers, all in compliance with applicable laws.

Nil
Incidents of data breaches



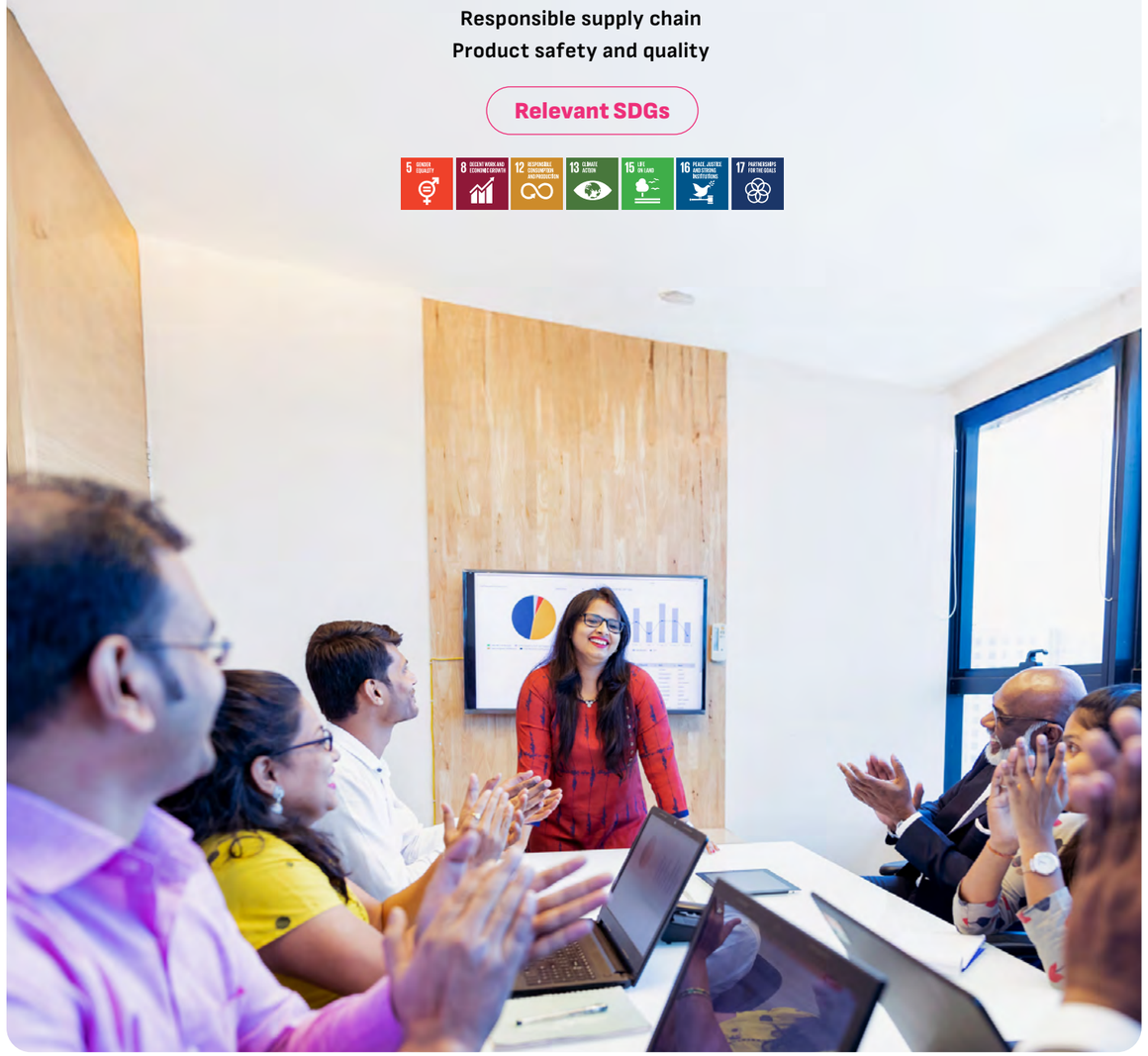
Governance

Driven by purpose, guided by conscience

Material topics

Governance, ethics and compliance
Data privacy, digitisation and innovation
Responsible supply chain
Product safety and quality

Relevant SDGs



Business ethics and values

Nykaa is committed to ethical business practices, guided by a strong Code of Conduct that safeguards against corruption and bribery. With policies promoting integrity and accountability, it features robust risk management and a whistleblower mechanism. During FY2025, there were no incidents of corruption, bribery, conflicts of interest, money laundering, or insider trading.

Nykaa does not engage in political contributions or lobbying, maintaining independence from trade associations involved in legislative advocacy, including those related to climate policy.

Key policies at Nykaa

Code of Conduct for Board and Senior Management

- Principles for ethical behaviour in the organisation
- Focus on honesty, integrity and legal compliance
- Emphasises confidentiality and responsible communication
- Addresses conflict of interest and insider trading
- Guidelines for gift acceptance and periodic review

Anti-Corruption and Anti-Bribery Policy

- Framework to prevent bribery and corruption
- Guidelines for gifts and contributions
- Mandatory employee training
- Procedures for handling breaches
- Corrective and disciplinary actions defined

Health, Safety and Environment Policy

- Clear guidelines for safe working conditions
- Effective waste management practices
- Promotion of employee health and wellness
- Integration of HSE principles into daily operations
- Commitment to employees, communities and the planet

Whistle Blower Policy

- Establishes reporting mechanisms for concerns
- Assigns accountability to designated personnel
- Ensures confidentiality and protects against retaliation
- Offers third-party reporting channels
- Defines investigation processes for breaches

Risk Management Policy

- Framework for risk management
- Proactively identifies and mitigates risks
- Protects against ethical lapses
- Prioritises stakeholder well-being

CSR Policy

- Outlines a framework for giving back to society
- Demonstrates a commitment to creating a positive impact beyond profit

POSH Policy

- Reinforces commitment to a safe, respectful workplace
- Prevents and addresses all forms of sexual harassment
- Ensures every employee feels valued and protected
- Aligns with the POSH Act

Human Rights Policy

- Commitment to human rights and an inclusive workplace for employees with disabilities
- Ensures equal opportunities and provides resources for success
- Aligns with the Rights of Persons with Disabilities Act

Prevention of Insider Trading

- Prevention of Insider Trading
- Establishes a compliance framework for SEBI (Prohibition of Insider Trading) Regulations, 2015
- Managed via a web-based portal by the Company

Sustainable Sourcing Policy

- Focuses on ethical sourcing and fair labour
- Prioritises supplier accountability
- Aligns with sustainability principles and SEBI BRSR regulations

Board oversight and strategic risk governance

The CSR & ESG Committee oversees Nykaa's sustainability agenda, formulating policies and monitoring projects. We manage emissions reporting in line with BRSR requirements and works with an ESG Core Committee to ensure sustainability is integrated into Nykaa's business strategy and compliance.

Nykaa operates in a dynamic digital market where innovation and customer focus are essential. The Board has identified risks in customer acquisition, retention and brand positioning due to competitive pressures and changing consumer preferences. Failing to address these could jeopardise customer loyalty and brand equity. Leadership monitors these risks and invests in strategies to enhance customer sentiment, retention and personalisation.

Strong Board oversight and effective governance guide the Company's strategic direction. As of March 31, 2025, four of seven Non-Executive Directors held four or fewer external directorships, enabling focused governance. The Company has a comprehensive Directors & Officers' Liability Insurance Policy to protect Board members and key personnel from liabilities, excluding those resulting from gross negligence or misconduct.

Shareholder approval is needed for changes to the Company's charter documents, including the Memorandum and Articles of Association. Nykaa's Long-term Incentive Plan offers stock options to senior management, encouraging long-term value alignment. However, the MD & CEO, as a Promoter Director, does not receive these options.

30%
Women Directors

50%
Independent Directors

5.48 Years
Average tenure of Directors

98%
Average attendance at Board meetings

57 Years
Average age of Directors



Information security

At Nykaa, information security is governed by formal policies that apply to the entire organisation, including suppliers and contractors. The Information Security Team and the Chief Information Security Officer (CISO) oversee the implementation and enforcement of these policies.

Information security requirements are part of the governance framework, involving training, phishing simulations and compliance assessments. Regular reviews and awareness campaigns ensure alignment with standards. Internal audits monitor compliance and breaches initiate a structured investigation, including evidence collection and escalation to legal teams.



Supply chain management

An efficient supply chain is crucial to Nykaa's success, as it significantly impacts revenue and customer satisfaction. Its decentralised model uses local fulfilment centres to reduce transportation needs and emissions by favouring surface logistics over air shipments. This data-driven approach enhances inventory management, aligns stock with demand, minimises waste and reduces the risk of excess or near-expiry products.

Nykaa's Sustainable Sourcing Policy promotes ethical supply chain practices by setting clear expectations for suppliers regarding labour rights, safety, environmental impact and transparency. Supplier selection is guided by ESG criteria, with a mandatory Code of Conduct in place. High-risk suppliers face assessments, including audits and compliance checks, with corrective action plans developed as necessary.

Nykaa is committed to eliminating child labour and ensuring KYC verifications with suppliers to reduce risks. The Company emphasises ethical conduct through its human rights and anti-corruption policies. Additionally, we provide training for warehouse workers and third-party personnel on fire safety, emergency preparedness, POSH guidelines and labour laws.

Putting quality first

Nykaa prioritises safety, authenticity and quality as a trusted beauty and wellness platform, emphasising transparency and trust with customers and brand partners.

Nykaa ensures product authenticity by sourcing directly from licensed distributors or the brands themselves. Each batch undergoes quality checks at their warehouses, forming a crucial part of the inspection process, especially for beauty and personal care products, where consumer safety depends on formulation integrity.

Nykaa upholds strict quality standards from formulation to delivery. Our Quality Management System (QMS) ensure compliance with regulatory requirements and internal benchmarks in contract manufacturing and internal operations.

Nykaa complies with the Drugs and Cosmetics Act, 1940 and adheres to the Bureau of Indian Standards (BIS) guidelines for product quality. This involves testing raw materials and conducting microbial and heavy metal tests. Each owned brand product meets relevant BIS standards, with additional quality checks conducted by the Brand team prior to release.

0
Product recalls

In warehouses, quality assurance begins with the Goods Receipt Note (GRN) process, where incoming inventory is sample-checked for quality and compliance with purchase orders. During operational audits and inventory counts, product conditions are re-verified. Damaged or expired items are set aside in the non-saleable bucket to avoid entering the fulfilment process.

Training is vital for product quality, covering teams involved in product checks, inventory audits and new product development. Key topics include the New Product Development Checklist, Finished Goods AQL standards and stability studies. Regular reviews of the quality manual ensure consistent understanding and application across locations.

For the food and wellness categories, Nykaa conducts FoSCoS-compliant Food Safety Audits, focusing on handling, labelling, storage and documentation, alongside employee awareness initiatives to enhance understanding of compliance.

Nykaa ensures quality ownership by combining regulatory adherence, internal controls and robust training, ensuring safe and trusted products.

Industry engagement

Nykaa partners with FICCI, CII, IBHA and RAI to address regulatory challenges and improve compliance with the Drugs & Cosmetics Act, Cosmetic Rules, Import Regulations, Legal Metrology Act and BIS standards for cosmetics and footwear.

These collaborations shape new regulations and ensure the effective implementation of these regulations in Nykaa's operations and vendor networks. Nykaa's participation in regulatory discussions reflects our commitment to a transparent, ethical and consumer-focused business model that exceeds industry standards.

Corporate Governance Framework

Trust, transparency and transformation

At Nykaa, corporate governance is considered a cornerstone for growth and success. Our philosophy is rooted in our core values and principles, reflecting a proactive, future-focused approach which ensures trust and transparency at all levels.

Our governance framework is built on the principles of transparency, accountability, ethical conduct and integrity, which underpin every aspect of our operations.

Guided by our responsible leadership, we ensure that every decision and action we take upholds the trust of our stakeholders and reflects our commitment to fairness, sustainability, inclusion and long-term value creation.

Corporate governance structure



The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 (the 'Act'), the applicable Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), and the Articles of Association of the Company.

Our Board includes a mix of Executive (three), Non-Executive (two) and Independent Directors (five), with a strong emphasis on independence and diversity.

The Board comprises Directors with appropriate balance of skills, experience, diversity, independence and knowledge about the Company that enables it to discharge its duties and responsibilities effectively. Our experienced and diverse Directors provide astute oversight, rigorous counsel and an independent examination in integrated thinking.

The Board is responsible for providing strategic supervision, monitoring management performance and ensuring governance on behalf of the shareholders and other stakeholders. Exercising independent judgment, the Board is integral to maintaining the integrity and direction of our operations, maintaining robust governance structure with a multi-tiered system that clearly defines the roles and responsibilities of each constituent.

Audit Committee

Oversees the Company's financial reporting, internal controls and ensuring compliance with laws and regulations as applicable to the Company.



100%
Independent composition

Stakeholders' Relationship Committee

Maintains relationships with various stakeholders and oversees the existing redressal mechanism concerning stakeholders of the Company.



33.33%
Independent composition

Nomination and Remuneration Committee

Identifies and evaluates qualified persons for the candidature of Director and senior management, establish methods for evaluating the Board, committees and individual Directors.



66.67%
Independent composition

Risk Management Committee

Supervises implementation of risk strategy and develop policies, frameworks, procedures and systems to effectively manage risk in the dynamic business conditions.



33.33%
Independent composition

CSR and ESG Committee

Identifies and monitors CSR projects, effective stakeholder communication regarding corporate social responsibility ensuring legal compliance not just in letter but also in spirit.

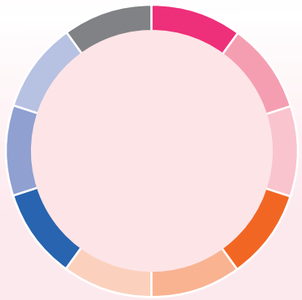


33.33%
Independent composition

5 out of 5
Committees are chaired by Independent Directors

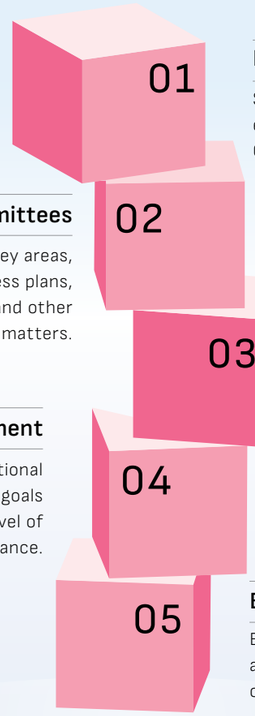
Please refer to the Corporate Governance Report for detailed terms of reference of each committee.

Board skill matrix



Entrepreneurship	100
Business strategy	100
Industry knowledge	100
Governance and regulatory oversight	100
Human capital management	90
Leadership/operational experience	100
Marketing – digital, consumer & e-commerce	90
Brand building	80
Financial literacy	100
M&A, investment management, risk management	90

Board structure



Board of Directors

Sets leadership direction and strategic goals, ensuring the long-term sustainable success of the Company for the mutual benefit of all stakeholders.

Board Committees

Provide oversight and guidance on key areas, including the Company's strategy, business plans, financial performance, compliance and other governance matters.

MD & CEO and Executive Directors

Lead strategic execution and oversee major business verticals.

Senior management

Drive performance along with operational excellence to meet the strategic goals and maintain the highest level of corporate governance.

Business units and supporting functions

Execute operations, deliver services/products in alignment with strategic goals and adhere to the corporate governance requirements.

Framework of responsible decision-making

Nykaa has a robust set of policies and frameworks which guides the approach to responsible governance, decision-making, risk management and ethical conduct at all levels of the Company, upholding the highest standards of corporate governance.

The framework also comprises codes and policies related to business ethics and values, guiding employees' behaviour. The policies ensure strict adherence, with comprehensive employee training and regular updates to maintain consistency. The employees are encouraged to report any compliance or ethical concerns and protect whistleblowers through the Company's anti-corruption and anti-bribery policy. Reports can be made through e-mail to whistleblower.employees@nykaa.com /nykaa@tip-offs.in and/or through a web portal at www.nykaa.tip-offs.in. On receipt of any report/complaint, thorough investigations are conducted by a dedicated forum. Senior leaders are committed to implementing and enforcing these compliance measures.

Details of complaints received in FY2025 about whistleblower cases, among others, are stated below:

	Received	Resolved
Whistleblower cases (Nos.)	2*	2
Shareholder complaints (Nos.)	0	0
Shareholders queries/requests (Nos.)	143	143

*One whistleblower complaint, which was pending as of March 31, 2024, was resolved in the current financial year.

Role of Independent Directors

Independent Directors of the Company contribute to strategy, performance, risk management and resource allocation through their impartial judgment in discussions. By objectively evaluating the Board and management's performance, they ensure financial integrity and effective risk management, protecting all stakeholders, predominantly minority shareholders, while fairly balancing conflicts of interest among stakeholders.

Board's effectiveness evaluation

Led by the Chairperson of the Nomination and Remuneration Committee, our Board of Directors undergoes regular evaluations to ensure its performance and effectiveness. The annual assessments evaluate the overall performance of the Board as well as of each Director. This evaluation process provides an opportunity to identify greater efficiencies, maximise strengths and highlight areas that foster continual improvement and accountability within our organisation.

The criteria for evaluating their effectiveness are outlined below:

- **Contribution to and oversight of corporate governance practices**
- **Commitment to fulfilling directorial obligations**
- **Contribution to enhancing and safeguarding shareholder value**
- **Fiduciary responsibilities**
- **Any other aspects agreed upon by the Board periodically**

Board succession planning

We continue to prioritise vigorous succession planning by recognising the importance of smooth leadership transitions for organisational continuity. Our Nomination and Remuneration Committee (NRC) oversees the implementation of succession planning policies for the Board and Senior Management, along with our Chief Human Resources Officer (CHRO), ensuring policy administration, compliance and meeting of governance objectives, which reflects our commitment to being fair, ethical and inclusive.

Breakup of tenure of Board of Directors

Tenure	No. of Directors	(%) of Directors
Up to 5 years	6	60
5–10 years	3	30
>10 years	1	10

Board/Board Committee meetings and attendance

Board and its Committees	Meetings	Attendance (%)	Members	Independent Directors
Board of Directors	5	98	11*	5
Audit Committee	6	79.16	5#	4
Nomination and Remuneration Committee	2	100	3	2
Stakeholders' Relationship Committee	2	83.5	3	1
Risk Management Committee	2	100	3	1
Corporate Social Responsibility and Environmental, Social and Governance Committee	3	78	3	1

*Ms. Alpana Parida ceased to be a Director on the Board of the Company on completion of her tenure w.e.f. July 14, 2024.

#Mr. Santosh Desai was inducted as a Member of the Audit Committee w.e.f. August 13, 2024 and Mr. Anchit Nayar ceased to be a Member of the Audit Committee w.e.f. May 22, 2024.

In addition to the above, we have also established a Fundraise and Investment Committee to review and recommend investment proposals, including mergers and acquisitions, as well as fundraising initiatives, to the Board.

Board of Directors

Visionaries at the helm



Falguni Nayar
Executive Chairperson, Managing Director and Chief Executive Officer



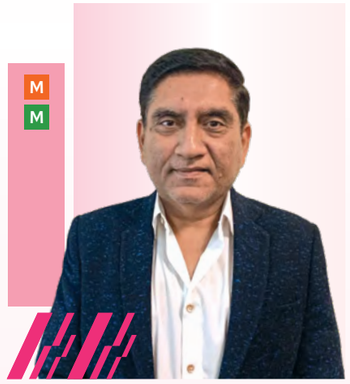
Sanjay Nayar
Non-Executive, Non-Independent Director



Adwaita Nayar
Executive Director



Anita Ramachandran
Independent Director



Milan Khakhar
Non-Executive, Non-Independent Director



Pradeep Parameswaran
Independent Director



Anchit Nayar
Executive Director



Milind Sarwate
Independent Director



Seshashayee Sridhara
Independent Director



Santosh Desai
Independent Director

Board and its committees

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility & Environmental, Social and Governance Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Fundraise and Investment Committee

C: Chairperson

M: Member

Core management team

Leading with style



Falguni Nayar
Executive Chairperson, Managing Director and Chief Executive Officer



Adwaita Nayar
Executive Director, Managing Director & CEO – Nykaa Fashion Limited, Head of owned brands



Anchit Nayar
Executive Director, Managing Director & CEO – Nykaa E-Retail Limited



Vishal Gupta
CEO - Nykaa Distribution



P. Ganesh
Chief Financial Officer



Rajesh Uppalapati
Chief Technology Officer



Surender Mehta
Chief Human Resource Officer



Manoj Jaiswal
Chief Officer - Warehouse Operations



Sujeet Jain
Chief Legal and Regulatory Officer

GRI content index

Statement of use

FSN E-Commerce Ventures Ltd. has reported the information cited in this GRI content index for the period April 1, 2024, to March 31, 2025, with reference to the applicable GRI standards.

GRI 1 used: GRI 1: Foundation 2021

GRI standard	Disclosure	Description	Page number
GRI 2: General Disclosures 2021	2-1	Organisational details	04
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	2-4	Restatements of information	NA – No restatements
	2-5	External assurance	206
	2-6	Activities, value chain and other business relationships	4-13
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	2-8	Workers who are not employees	207
	2-9	Governance structure and composition	167
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	2-11	Chair of the highest governance body	167
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	2-26	Mechanisms for seeking advice and raising concerns	209
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	2-28	Membership associations	237
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	2-30	Collective bargaining agreements	223
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	3-2	List of material topics	49
GRI 3: Material Topics 2021	3-3	Management of material topics	91
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	91
	302-3	Energy intensity	91
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	91
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306: Effluents and Waste 2016	306-1	Waste generation and significant waste-related impacts	92
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	403-4	Worker participation, consultation and communication on occupational health and safety	224, 225
	403-5	Worker training on occupational health and safety	223
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	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	219
	403-8	Workers covered by an occupational health and safety management system	224, 225
	403-9	Work-related injuries	225
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404 Training and Education 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	72
	404-3	Percentage of employees receiving regular performance and career development reviews	223
GRI 3: Material Topics 2021	3-3	Management of material topics	72, 166
405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	72, 166, 207
	405-2	Ratio of basic salary and remuneration of women to men	229, 230
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406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	230
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408 Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	231
GRI 3: Material Topics 2021	3-3	Management of material topics	231
409 Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	231
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417 Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	242
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418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	242

Awards and accolades

Distinctions that empower

IAMAI Leadership Awards — Marketer of the Year

NYKAA

April 2, 2024



ETNOW Supply Chain Management Awards 2024

NYKAA

June 28, 2024



LinkedIn Top Companies 2024 — India (#24)

NYKAA

May 8, 2024



ETRetail eDNA Awards — D2C Brand of the Year & Best Body Positivity Campaign

NYKAA

May 29, 2024



IRCA Awards — Recognition for Nykaa Fashion & Kay Beauty

NYKAA Kay Beauty

July 27, 2024



AIF Annual Gala (NY) — Corporate & Philanthropic Leadership + STEM Partnership Announcement

Falguni Nayar

February 17, 2025



Free Press Journal Annual Report Awards — Platform Retailing

Sujeet Jain

March 6, 2025

The Times Group Best Organisations for Women (BOW) 2025,

NYKAA

April, 2025

WOW Workplace Award

NYKAA

May 5, 2025



LinkedIn Top Companies 2025 — India (#25)

NYKAA

May 30, 2025



Top Supply Chain and Logistics Awards 2025

Divya Kumar, Prashant Petkar and Amar N

May 30, 2025



ET Retail — Lifetime Achievement Award

Falguni Nayar

June, 2025

ET Retail — Marketing Award (for meme marketing)

NYKAA

June, 2025

Fortune India 40Under40 — Young Business Leaders

Adwaita and Anchit Nayar

June 30, 2025



ExpressAWE 2025 — Woman Entrepreneur of the Year

Falguni Nayar

June, 2025



Fortune India Most Powerful Women 2025

Falguni Nayar

June 30, 2025

India's Finest & Leading General Counsel and Legal Team of the Year Awards, E-Commerce category

Sujeet Jain



MANAGEMENT DISCUSSION AND ANALYSIS

A. Economic and industry overview

A1. Indian economy

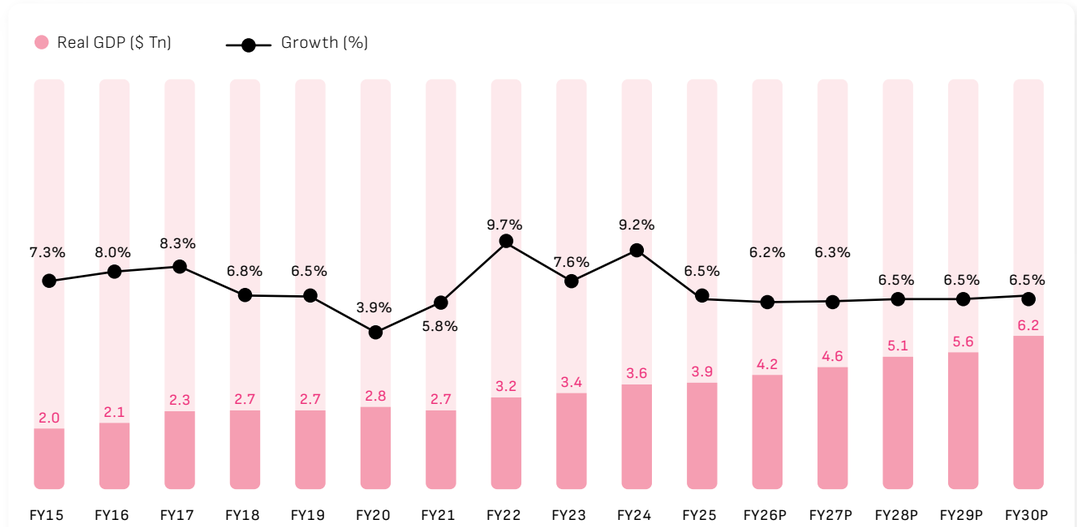
Supported by a rebound in rural consumption and continued government infrastructure spending, India maintained its position as one of the world's fastest-growing economies. India's economy emerged as the fourth-largest globally in FY2025, with a GDP value of $3.9 trillion and a growth rate of 6.5%, which is materially higher than the global GDP growth rate of 2.8%, according to estimates from the IMF and the Bain Report.

India stood out as a bright spot, supported by resilient domestic consumption, a continued thrust on public capital expenditure—particularly in infrastructure—and a measured monetary policy approach. Retail inflation eased to 4.7% in FY2025, providing the RBI with headroom to initiate a 25-basis-point repo rate cut in February 2025, marking its first rate cut in five years. The move underscores the effectiveness of the RBI's pro-growth stance, successfully balancing economic momentum with price stability.



India GDP growth trend and forecast

India's real GDP value has doubled in the last ten years. According to IMF estimates, India's GDP will likely grow by 6.3%-6.5% over the next five years, making it the third-largest economy by FY2030.

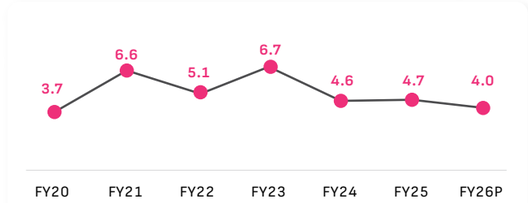


(Source: Bain Report, IMF and RBI)

India inflation rate trend

(%)

Inflation rate has moderated over the years.



(Source: RBI)

Outlook

The outlook for the Indian economy remains optimistic. Structural tailwinds, including demographic advantage, sustained infrastructure investments, a deepening digital ecosystem and manufacturing competitiveness, are expected to drive long-term growth. Despite persistent global headwinds, including tariff uncertainties and geopolitical disruptions, the RBI projects GDP growth to remain steady at 6.2% in FY2026, underscoring the economy's resilience and policy-driven stability.



A1.1 Internet economy

India's internet economy will likely reach $1 trillion by FY2030, accounting for roughly one-fifth of the nation's GDP in FY2030, as per State of India's Digital Economy (SIDE) Report FY2025. The country is on the verge of a transformative era, driven by unprecedented digital adoption, a robust startup ecosystem and supportive government policies. The report from the Ministry of Electronics and Information Technology states that India is currently the world's third-largest digitalised economy in terms of overall digitalisation, contributing nearly 12% to the country's GDP in FY2025. (Source: SIDE, IBEF)

India's internet economy accelerated exponentially after COVID-19, driven by cheaper internet data options and a push for digital infrastructure nationwide. According to Kantar, India's internet base stood at 886 million, almost 58% of the country's population.

Growth drivers of India's internet economy

- Affordable data costs
- Increased smartphone penetration
- Expanding digital infrastructure
- Young and tech-savvy population

Many key segments in the internet economy will play a vital role to uplift the growth of the sectors:

1. **E-commerce:** According to Redseer, India's e-commerce market, valued at about $60 billion in FY2025, is expected to reach $170-190 billion by FY2030. A larger share of shoppers comes from Tier-II+ cities, driven by increased digital infrastructure penetration, internet access, localised content and a hyperlocal supply chain. In FY2025, the number of e-commerce shoppers stood at 270-280 million, which is almost 30-32% of the internet user base in India, making India the second-largest e-commerce shopper base globally.

2. **Fintech:** India currently leads the world in real-time digital payments, with UPI processing over 18 billion transactions in March 2025, according to NPCI data.

3. **Digital media and content:** Digital media has become a cornerstone of entertainment, driven by the growing demand for regional and short-form content. OTT platforms, social commerce and creator-led ecosystems are reshaping India's content and digital media landscape. According to a Kantar report, India had 732 million OTT and 655 million social media users in FY2025.

4. **Government-led digital enablement:** Supported by robust policy and funding, India's digital infrastructure is rapidly expanding.

The Digital India Programme has received a ₹14,903 crores allocation until FY2026, focusing on cybersecurity, AI and digital literacy.

5. **5G infrastructure and digital connectivity:** India's 5G rollout is among the fastest worldwide, covering 773 out of 776 districts as of March 2025. This next-gen network enables low-latency digital experiences, seamless transactions and high-bandwidth content delivery, essential for e-commerce, AR/VR and digital discovery.

Outlook

India's internet economy is not just limited to a sectoral story but drives the national growth engine. It has established itself to deliver more equitable digital growth in the future. The future growth trajectory of this sector will be underpinned by:

- AI-led automation across sectors
- Digital platform scaleup and further penetration
- Formalisation of MSME through technology adoption
- Increased participation of rural users in the digital economy

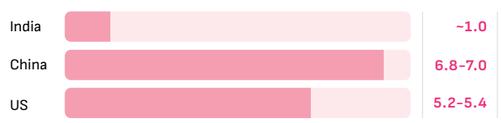
A2. Indian retail industry

The Indian retail industry is expected to reach a market value of $1.6-1.8 trillion by FY2030, according to Redseer estimates.

India's retail industry currently ranks third largest in the world and continues its trajectory of robust growth and digital transformation. According to Redseer, the Indian retail market reached $1 trillion in FY2025. However, it remains highly fragmented, with unorganised channels as the largest retail channels, accounting for almost 79% of the overall retail market in India in FY2025.

Retail market size FY2025

($ Tn)

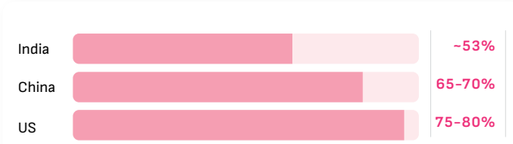


Source: Redseer
Conversion rate: $1 =₹83

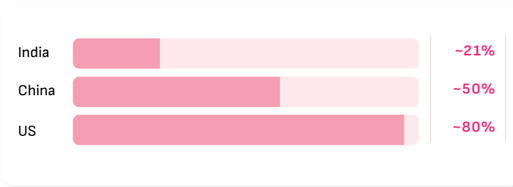
The retail market will likely reach $1.6-1.8 trillion by FY2030, driven by rising incomes, urbanisation, digital integration and changing consumption behaviours. The unorganised retail market will likely contribute a sizeable share of 62%-66% by FY2030.

With improved GDP per capita, India's retail market is following a similar trend to developed markets like the US and China, with discretionary spending taking a larger share of retail spending. According to a Redseer report for FY2025, nearly 53% of India's overall retail spending came from discretionary categories, compared to 65-70% in China and 75-80% in the US.

Discretionary spending (as % of overall retail spending) in FY2025



Organised retail share FY2025



India's e-retail market reached $60 billion in FY2025, with 270-280 million online shoppers, making it the second-largest digital consumer base globally. Growth moderated to 10-12% in FY2025 due to macroeconomic challenges, but the long-term outlook is strong, with an expected expansion to $170-190 billion by FY2030 at a CAGR of >18%. Positive macroeconomic developments are likely to boost consumer sentiment in India. Key factors include an estimated $10–12 billion increase in disposable income from tax relief in the Union Budget, salary hikes for over 10 million mid-income households starting January 2026 and improved credit affordability from a 25 bps repo rate cut and a 50 bps CRR reduction by the Reserve Bank of India. These changes may push India's GDP per capita past the $3,500–$4,000 mark, a recognised point for accelerated digital retail adoption.

While India's e-commerce growth story is remarkable, a comparative analysis with mature markets, such as China, reveals that the journey has only just begun. Despite its rapid growth, India's e-commerce penetration remains relatively low at 6-7%, compared to its Asian counterparts, which have a penetration rate of 25-30%. This signals immense untapped potential for future expansion and innovation.

India's e-commerce boom is a tale of ambition, opportunity and boundless potential. As internet penetration continues to soar, propelled by the proliferation of affordable smartphones and data plans, a digital renaissance is underway. Consumers from all walks of life are embracing the convenience and accessibility of online shopping, transforming how business is done and redefining the contours of commerce in the digital age.

India	FY2025	FY2030P
E-retail market size ($ billion)	60	170-190
% of overall retail market size	6-7%	11-12%

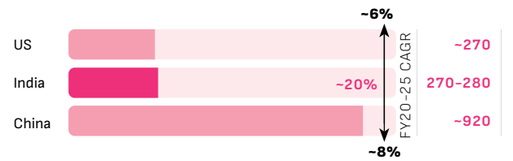
Source: Redseer

#2

E-commerce shopper base (India global rank in FY2025)

#6 in FY15

E-commerce shoppers (Mn) in FY2025



Outlook

Looking ahead, the retail sector in India is poised for substantial growth. India's large and growing middle-class households, urbanisation of the population, economic growth beyond Tier-II cities and formalisation of the retail market towards more organised channels will support this growth.

The e-retail market will likely reach $170–$190 billion by FY2030. The long-term outlook for India's retail industry is highly positive, fuelled by investments in digital infrastructure and the entry of global brands capitalising on consumers' eagerness to engage with the latest trends and choices.



The market is shifting from basic utility to more sophisticated, personalised and experiential offerings, with segments like skincare, makeup, fragrances and haircare seeing broader engagement. While personal care retains a significant market share, beauty-led segments are experiencing the fastest growth, especially those emphasising multifunctionality and clean formulations. Key beauty categories, such as skincare, cosmetics and fragrances, will likely grow much faster than other categories, leading to an expansion of beauty products in the customer's basket. The future growth trend of beauty products suggests a strong drive for premiumisation in the Indian BPC space with consumer preferring more sophisticated beauty regimes delivered by global brands entering the country and higher focus on education drives by beauty players to uplift consumer choice and awareness.

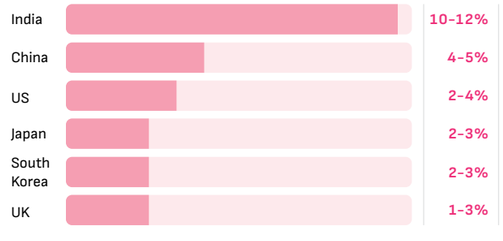
A2.1. India beauty and personal care (BPC) market

India is expected to become a $40-45 billion beauty and personal care market by FY2030, according to Redseer.

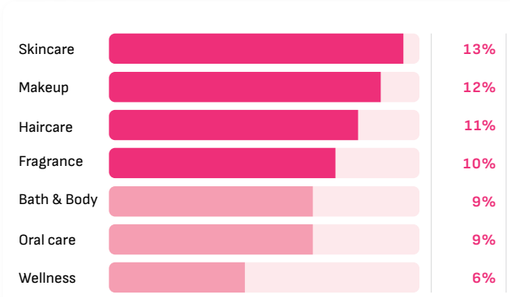
India's beauty industry is rapidly expanding, with projections showing it will reach $40-45 billion by FY2030. Rising disposable incomes, heightened consumer aspirations and the impact of social media and e-commerce drive this growth. As one of the fastest growing beauty market globally, India's BPC industry is at a pivotal point in its journey, characterised by premiumisation, evolving consumer demographics and technological advancements.

India's BPC market is emerging as a global hot spot, driven by its unique consumer preferences, value-conscious yet aspiration-driven behaviour and diverse yet evolving beauty brands. The India beauty growth story is attracting brands worldwide to tap into this opportunity and revolutionise the beauty regimes and routines of Indian consumers.

BPC market growth (FY25-30 CAGR)



FY25-29 CAGR





In line with global trends, Indian customers are placing more importance on high-quality and effective products and embracing more advanced beauty and self-care regimens. They are growing more selective in their preferences, frequently researching and examining ingredients, heeding advice from influencers and adopting both online and offline channels for their beauty purchases. Beauty brands with a quick turnaround in innovation, category building and distribution expansion to reach a wider customer cohort across the country are starting to witness positive outcomes early on, indicating a responsive and evolving market ready to embrace new trends and technologies.

Key drivers of growth

Premiumisation is accelerating

The premiumisation trend is transforming the beauty industry, with consumers increasing their preference for high-quality products. By FY2030, the premium beauty market will likely be valued at more than $3.2 billion, per Redseer. Consumers seeking superior products with premium ingredients that promise better results and efficacy are driving this shift. The rise in dual-income households and the growing spending power of consumers, especially Gen Z and Millennials, are major contributors to this trend. Premium beauty revolves around emotional gratification; consumers focus on product efficacy, sensory experiences and brand storytelling.

Stepification of beauty routines

Consumers' relationship with beauty has evolved significantly over time. Beauty is no longer reserved for special occasions; it has become an integral part of daily life, especially among younger consumers. The report emphasises the concept of 'stepification,' where multi-step routines have become the norm in skincare, haircare and makeup. Consumers are now using a wider range of products in various formats to achieve their desired results.

New audiences (Gen Z, millennials and Tier-II+ cities)

India's beauty consumers are rapidly evolving, with Gen Z and Millennials driving the bulk of growth in the market. These digitally-savvy, younger consumers are embracing beauty with enthusiasm and dictating the market's direction. Their inclusivity, authenticity and transparency preferences shape how brands develop and market their products. In addition to metro cities, Tier-II and III cities are becoming increasingly important growth centres. Consumers from these regions are catching up with their metro counterparts regarding beauty consumption, with aspirations to access global and local brands. Social media and digital platforms have been instrumental in bridging the gap between metro and non-metro consumers, creating new opportunities for brands to expand their reach.

Expanding marketing ecosystem – influencers and digital content

The influence of social media and digital content remains a key driver in the beauty industry. Digital content platforms are shaping consumer choices, with influencer marketing emerging as a powerful tool for brands to leverage. As consumers become more niche in their preferences, micro-influencers and beauty experts are gaining traction. These creators provide personalised recommendations and educational content that resonates with a highly engaged audience. Brands that harness the power of digital creators and focus on authentic, relatable content will benefit from greater consumer trust and loyalty.

Homegrown brands – innovation and scale

India's beauty landscape is also witnessing the rise of homegrown brands disrupting the market with innovative products tailored to local consumers. These brands have championed product differentiation through innovations in formats and ingredients. Many are also leveraging partnerships with larger incumbents to scale rapidly.

Tech in beauty (AI, personalisation and virtual try-ons)

Technology is transforming the beauty industry with AI-driven personalisation and virtual try-ons. Brands leverage AI to provide personalised product recommendations tailored to customers' skin types and preferences. Additionally, augmented reality (AR) enables consumers to virtually test products, such as lipsticks and foundations, online, replicating the in-store experience. This integration of AI and AR boosts customer satisfaction and helps brands optimise inventory and product development.

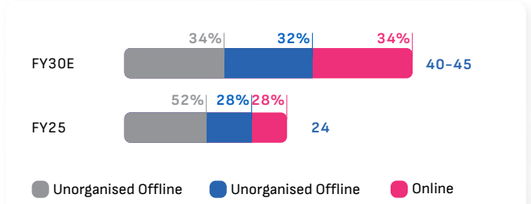
A2.1.1 Indian online beauty and personal care (BPC) market

According to Redseer, the Indian online BPC market is on track for significant growth. It will likely reach a gross merchandise value (GMV) of $14-15 billion by FY2030 (versus $5 billion in FY2025) at a CAGR of 23-25% over the next five years.

The online BPC segment in India is expected to witness substantial growth in the coming years, driven by increasing internet penetration and evolving consumer behaviour, characterised by greater trust in online platforms. The online BPC market, which accounts for 20% of the total BPC market in India as of FY2025, is expected to grow to around a third of the total BPC market by FY2030, according to Redseer.

Online platforms have proven to be a robust medium for brand discovery, visibility and availability in the BPC sector. The growing trend of online shopping is enabling BPC brands to establish a credible presence and effectively complement traditional retail channels.

Indian BPC market size ($ Bn)





Key drivers of growth

Personalised product discovery

Multiple online beauty retailers in the country have built strong tech infrastructure to provide a more sophisticated and personalised discovery journey for consumers, paving the way for increased adoption of the online channel for hyper-personalised beauty consumer routines.

Access to wider assortments and global brands

Access to a larger beauty offering round the clock, with the convenience of doorstep delivery, cashless payments and 24/7 after-sales support, helps enhance the customer experience. Online channels allow consumers to access a broader selection of SKUs, which is often limited in traditional offline retail channels. Online BPC channels also help the Indian consumer get closer to global beauty trends by providing easy access to these international brands.

Social media and influencer marketing

Social media platforms are revolutionising beauty adoption in India by shaping consumer beauty regime preferences through beauty influencers and creators. Post-COVID-19, the higher adoption of social media platforms and engagement with key influencers in the beauty space enable consumers to discover the latest beauty trends, understand skin concerns and solutions and learn about new, upcoming brands and niche beauty regimes. Beauty retailers in the country with a smooth content-to-commerce tech stack are simplifying the beauty journey by fuelling easy discovery and trust in new brands.

Per Redseer, there remains considerable potential for greater penetration of beauty e-commerce in India (20% of the total BPC market in India in FY2025) compared to higher penetration rates observed in developed markets such as the US (26%-28%) and China (~44%) in FY2025. This suggests that the online BPC market in India could experience substantial growth as it continues to evolve and expand.

A2.1.1.2 Outlook

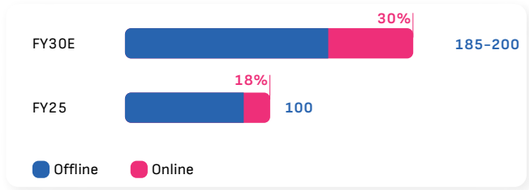
According to Redseer, India's BPC market is currently the fastest-growing globally, undergoing a remarkable transformation driven by the adoption of holistic beauty routines. The widespread availability of domestic and international brands, along with rapid category diversification, has further accelerated the growth of this category. India's beauty market is shifting from a value-led to a value-plus approach, emphasising experience, expression and identity alongside price and performance. This trend is particularly strong among Gen Z and millennials, who are increasingly viewing skincare, wellness and self-care as interconnected. Consumers are seeking inclusive and innovative beauty solutions, prompting brands to focus on creating experiences rather than just selling products. Digital platforms will drive this change, serving as educators and engagement tools. The future lies in personalised, omnichannel journeys supported by a content-led commerce model, premium partnerships and a creator ecosystem that can shape the beauty landscape across India.

The modern BPC consumer journey is increasingly characterised by informed decision-making and an appetite for a wider range of products. Reflecting this trend, the online BPC market is expected to grow significantly—its GMV is projected to triple from $5 billion in FY2025 to $14-15 billion by FY2030, with the number of online shoppers more than doubling over the same period.

A2.2. Indian fashion market

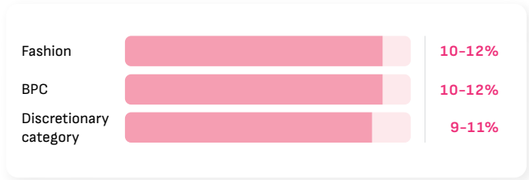
Fashion is one of the largest consumer categories in the discretionary basket in India. With a market size of $100 billion in FY2025, it will likely reach $185-200 billion in FY2030, growing at a 10-12% CAGR. In the retail market landscape, the fashion market is likely to develop the fastest, alongside the BPC market.

Indian fashion market size ($ Bn)



Source: Redseer

FY2025-30 CAGR (%)



Source: Redseer

The Indian fashion industry remains a dynamic consumer market, characterised by increasing affluence, digital access and evolving consumer preferences. However, the industry has been facing growth challenges for over a year, driven by multiple macroeconomic factors, including inflation and reduced discretionary spending in apparel, as well as global supply chain disruptions resulting from increasing geopolitical tensions and muted festive demand. Despite short-term growth hurdles, the market is well-positioned to achieve its long-term growth trajectory, supported by multiple favourable factors.

Key drivers of growth

Rising disposable incomes

The expansion of India's middle class is creating a large consumption base for aspirational fashion. The share of income households between $3.75 and $13.75K has increased from 48% in FY2021 to 53% in FY2025. With further urbanisation supported by improved GDP per capita, the share of this income group is expected to improve significantly over the next few years.

Households by income groups (Mn)

Income group	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
<$3.75K	134	131	127	120	123	117
$3.75-10K	95	97	99	101	109	110
$10-13.75K	53	57	61	65	73	75
$13.75K+	31	34	36	39	44	45
$13.75K+	3	77.78	3	3	1	1

Source: Redseer

Urbanisation and deeper penetration

Aspirational fashion shoppers have expanded beyond Tier-I cities, with smaller cities driving new demand for fashion categories, primarily through online channels. According to Redseer, Tier-II+ cities contributed almost 58% of the online fashion market in FY2025. Even in traditional organised channels, big incumbents are expanding their store footprint in these smaller cities to tap into emerging opportunities.

Digital transformation

With the rise of technology adoption, retailers can transform consumers' discovery journeys. Technological developments, such as AI-led personalisation and hyperlocal delivery capabilities, enhance the consumer experience. The rise of online shopping, influencer marketing and AR/VR-based try-on capabilities is vital in changing the consumer's discovery and purchase journey.

A2.2.1 India online fashion market

India's online fashion market is poised for substantial growth, projected to reach ~$55-60 billion by FY2030. This growth will likely occur at a CAGR of 22-25%, according to Redseer. Currently, the online fashion market in India is valued at nearly $18 billion (18% of the total market size). India's online fashion market demonstrated resilience and sustained growth in FY2025, reinforcing its position as a key channel in the fashion industry. This growth was driven by digital adoption in non-metro cities, the emergence of new and emerging brands redefining fashion aspirations and the increasing influence of social media on shaping consumer choices. Emerging growth themes for the rapid expansion of the online fashion channel in the near to mid-term will be fuelled by omnichannel expansion from brands that traditionally opted for offline formats, as well as the rise of AI-led curation and on-demand manufacturing.

Online fashion	FY2025	FY2030P
Size ($ Bn)	18	55-60
CAGR (%)		22-25%
Online penetration (%)	18%	30%

Source: Redseer

A2.2.1.2 Outlook

India's online and digital fashion market is on a strong growth trajectory, driven by technological advancements, evolving consumer behaviour and a rapidly modernising retail ecosystem. Increasing internet penetration and smartphone adoption—particularly in urban and semi-urban areas—have accelerated the shift towards online shopping, making e-commerce platforms the go-to destination for a diverse range of fashion products.

Brands that leverage digital channels to deliver personalised, value-driven experiences are well-positioned to succeed. Efficient supply chains have enabled quicker trend adoption, expanding consumer choice across segments and price points, particularly in fast-growing categories such as kids' and men's fashion. The rise of domestic and direct-to-consumer (D2C) brands offering globally inspired styles has further enriched the market.

Rising digital literacy, greater social media influence and expanding demand from Tier-II cities and beyond will fuel future growth. Consumers are increasingly drawn to curated assortments and fashion content, reflecting a shift towards more informed, trend-aware shopping behaviour.



B. Business review

B1. Overview

As a digital-first consumer technology platform, we aim to deliver an elevated lifestyle retail experience for Indian shoppers supported by content-led education and discoverability. Since our inception in 2012, we have made significant strides to emerge as a platform of choice among Indian consumers for all lifestyle needs. We have invested capital and creative resources in developing a distinctive discovery experience for our customers. We offer an extensive selection of beauty and fashion products, including offerings from the House of Nykaa (owned brands in beauty and fashion categories) that we manufacture. This focused approach has enabled us to evolve into a multi-brand lifestyle retail platform and a brand incubator. Our goal is to cater to diverse consumer needs and provide convenience through a seamless omnichannel experience.

Online

Our online channels include apps, websites and mobile sites. As of March 31, 2025, we had almost 176 million cumulative downloads across mobile applications. In FY2025, almost 85% of our beauty online GMV came through our mobile applications.

Offline

Our offline channel comprises 237 physical stores (beauty) across 79 cities in India as of March 31, 2025. Our physical stores offer a curated selection of products and provide a seamless experience that seamlessly transitions between the physical and digital worlds. We also serve the unorganised BPC space through our Superstore app, which delivers to 2.76 lakh transacting retailers across 1,100 cities as of March 31, 2025.

Our lifestyle portfolio spans beauty and fashion products. Consumers have different journeys for lifestyle needs, leading us to build vertical-specific mobile applications, websites and physical stores. These independent channels allow us to tailor our content and curation optimally for the convenience of consumers and to cater to the different consumer journeys that exist in these business verticals:

- **Beauty:** Beauty online, Beauty physical stores, Superstore by Nykaa, House of Nykaa — Beauty, Nykaa Man Grooming
- **Fashion:** Fashion online, House of Nykaa - Fashion, LBB, Nykaa Man Lifestyle
- **New businesses:** New growth verticals

In addition to leveraging our strengths in comprehensive merchandising, brand relationships and delivery experience, we focus on educating consumers through digital content, digital communities and tech-product innovations, which is an integral component of our business model.

B2. Beauty

B2.1 Multi brand omnichannel beauty retail

As of March 31, 2025, our beauty offerings are extensive, comprising more than 40,000 SKUs from over 4,200 brands across makeup, skincare, haircare, bath and body, fragrance, grooming appliances, personal care and health and wellness categories.

Our strategic investments in distribution, marketing, technology and logistics enable us to offer a comprehensive brand portfolio and foster long-term, mutually beneficial relationship with brand partners and consumers. Through our digital platform, we provide the ultimate destination for brands to establish their presence and drive growth. We support prestige brands with omnichannel distribution and empower traditional brands to connect with millennials and Gen Z consumers.

Our beauty business operates primarily on an inventory-led model, sourcing directly from brands or authorised distributors. This approach ensures product authenticity, availability and timely delivery, which is critical for our consumers.

We also cater to different Indian skin types and concerns through our House of Nykaa beauty brand portfolio, which includes Nykaa Cosmetics, Nykaa Naturals, Kay Beauty, Dot & Key, Wanderlust, Earth Rhythm, Nykaa Perfumery and Nykaa Collection. These brands are available across our online and offline channels, as well as select third-party retailers. The GMV of our owned beauty brands increased by 55% YoY in FY2025, contributing 14.4% to the overall GMV of the beauty business vertical in FY2025, up from 12.1% in FY2024.

Recognising the importance of omnichannel beauty retail, we launched our first store in 2014 and have since expanded to 237 stores across 79 cities as of March 31, 2025. Our stores are categorised into Nykaa Flagship, Nykaa Luxe, Nykaa On Trend and Nykaa Kiosks, addressing specific consumer demographics and local market needs. They provide a crucial platform for brands to engage with customers through immersive touch-and-feel experiences, enhancing brand presence and storytelling. With a curated assortment of about 180 brands, our physical stores contributed almost 8% of our beauty GMV in FY2025. They engaged with nearly 0.8 million annual unique transacting customers, driving premium brand growth. In FY2025, nearly two-thirds of the premium brand GMV on our platform originated from physical stores, underscoring the importance of our omnichannel approach. India's beauty landscape is rapidly evolving, making it an emerging hub for renowned global beauty brands. As a specialised beauty retailer, we identified this trend early and established our 'Global Store' proposition. This platform offers end-to-end services to nearly 45 Global beauty brands, including Charlotte

Tilbury, Fenty Beauty, Uriage, Eucerin, TIRTIR, AXIS-Y, OUAI and more, providing access to a customer base of more than 42 million through both online and physical channels. Additionally, our eB2B channel, 'Superstore by Nykaa,' reached over 2.76 Lakhs retailers across 1,100 Indian cities as of March 31, 2025, facilitating deeper market penetration for our partner brands.

B2.2 Superstore by Nykaa: Beauty eB2B distribution

In October 2021, we launched our Superstore App, an online channel with a separate mobile application for standalone local retailers in India. Through our eB2B channel, we enable brands to tap into a wider distribution network and reach a larger share of the BPC market, specifically the unorganised offline segment, which accounted for 52% of the overall BPC market in FY2025, according to Redseer estimates. Superstore by Nykaa is a democratised distribution channel powered by advisory and advocacy and has the following objectives:

Your all-in-one store

Top brands, international bestsellers and new online products are all in one place for local retailers

Super service

Enabling 24-hour doorstep delivery, ensuring safe credit facility and quick returns

Super flexibility

Retailers choose what to buy, how much to buy and when to buy

Super earnings

Retailers have access to popular products in their localities with improved selections

Superstore by Nykaa is enabling the growth of the entire beauty ecosystem in India by democratising access to distribution for new-age and global brands and facilitating premiumisation for FMCG brands by providing access to 2.76 lakhs selective doors across 1,100 cities as on March 31, 2025. In FY2025, the business scaled up by more than 33 times in terms of GMV since its launch. In FY2025, the business delivered profitable growth with a 57% YoY increase in terms of GMV.



B2.3 Achievements of FY2025 – Beauty vertical

Business performance: Beauty vertical includes beauty online, beauty physical stores, beauty owned brands, Superstore by Nykaa and Nykaa Man Grooming

Particulars	FY2025	FY2024	% increase/ (decrease)
Monthly average unique visitors (Mn)	35.7	30.2	18%
Annual unique transacting customers (Mn)	15.8	12.4	27%
Orders (Mn)	54.5	43.7	25%
AOV (₹)	2,021	1,985	2%
GMV (₹ Cr)	**11,775**	**9,055**	**30%**

B.2.3.1 Achievements of FY2025 in eB2B (Superstore by Nykaa)

Business performance

Particulars	FY2025	FY2024	% increase/ (decrease)
Unique transacting retailers ('000)	276	195	42%
Orders ('000)	1,786	1,244	44%
Cities (#)	1,100	1,000	10%
GMV (₹ Cr)	**941**	**597**	**57%**

B3. Fashion

In 2018, we launched Nykaa Fashion to provide consumers with a curated platform that inspires their fashion and lifestyle choices. Our platform offers a diverse range of products catering to women, men and children, encompassing a wide variety of demographics and price points. As of March 31, 2025, Nykaa Fashion has established partnerships with numerous brands, resulting in an extensive collection of fashion and lifestyle products. This collection comprises over 4,400 brands and 12 million SKUs across four consumer divisions: women's, men's, kids' and home. Our merchandise spans various categories, including western wear, Indian wear, lingerie, footwear, bags, jewellery, accessories, athleisure, home decor and kitchen products, ensuring that we cater to our consumers' diverse needs and preferences.

While offering a wide array of products, we greatly emphasise curation. We carefully select fashion-forward brands, evaluate their style and quality and curate specific styles within these brands to present to our customers. We also prioritise the sale of full-price products, reducing reliance on discounts and focusing on selling the latest designs of each season. Additionally, we leverage digital content, personalised mobile application experiences and proprietary recommendation algorithms to create unique and differentiated customer experiences. These efforts aim to build a discovery-led platform driven by style and tailored to individual preferences. As a consumer-centric platform, we have developed various distinct propositions within Nykaa Fashion to offer our customers enhanced, curated choices.

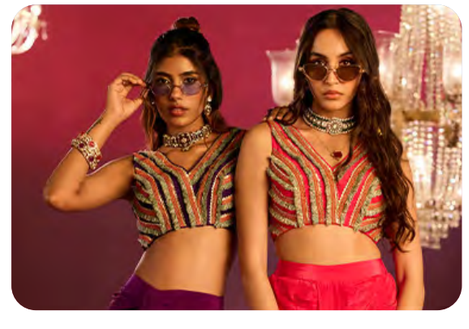
Global Store: We have partnered with multiple international brands to bring the latest global styles and trends to the country, creating a unique fashion shopping experience by enabling customers to access a differentiated assortment. Our Global Store GMV grew by 14% YoY in FY2025, slightly ahead of the Fashion vertical's performance. Nykaa Fashion has formed strategic partnerships with multiple global brands, including Revolve, Foot Locker, Cider, BDG Threadbare and many more, to offer curated, fashion-forward global styles from over 650 renowned international brands as of March 31, 2025.

Hidden Gems: With our Hidden Gems, we offer customers a curated collection of niche, homegrown labels from across India, helping them discover unique styles. As of March 31, 2025, our Hidden Gems proposition featured unique styles from over 300 homegrown brands. Hidden Gems contributed to 15% of women's Indian wear GMV on Nykaa Fashion in FY2025. Given the evolving consumer preference for niche and curated offerings nationwide, this unique proposition will likely garner traction.

Luxe Store: Nykaa Fashion's Luxe store focuses on bringing the best in the premium fashion space to meet the growing demand in this category. As of March 31, 2025, Nykaa Fashion offered more than 300 coveted luxury brands to Indian customers.

Gen Z Store: Nykaa Fashion caters to a young demographic by offering the latest and curated styles inspired by Gen Z trends. As of March 31, 2025, our Gen Z stores featured a unique assortment from over 100 brands, curated to align with the tastes and inspirations of Gen Z customers. Some of our owned brands have seen significant traction, enabling them to scale up rapidly.

Nykaa Fashion operates predominantly as a marketplace platform, utilising custom-built, scalable technology to support this operating model. Such a model lends itself to capital efficiency in the fashion business, where trends change quickly and frequently.



B3.2 LBB

We acquired LBB in 2022, a content platform with a substantial regional reach and a strong presence among Indian users across various lifestyle categories. The content platform has experienced healthy growth post-acquisition, enabling brand building and campaigns within the Nykaa ecosystem, while also providing marketing and brand visibility to third-party brands outside the Nykaa ecosystem.

Through our content platform 'LBB', Nykaa has created more than 1 billion views through multiple visibility marketing campaigns on Nykaa events like Nykaaland, brand and category-building initiatives like Nykaa Wali Shaadi and various branding initiatives for new launches.

B3.3 Achievements of FY2025 – Fashion vertical

Business performance: Fashion vertical includes Nykaa Fashion, owned fashion brands, LBB and Nykaa Man Lifestyle

Particulars	FY2025	FY2024	% increase/ (decrease)
Monthly average unique visitors (Mn)	19.1	17.6	9%
Annual unique transacting customers (Mn)	3.2	3.0	6%
Orders (Mn)	7.6	7.0	9%
AOV (₹)	4,609	4,361	6%
GMV (₹ Cr)	3,804	3,385	12%

B.4. Nykaa Man

We launched the Nykaa Man mobile app and website in 2019, customising our model and experience for men and increasing education and awareness among men about beauty and lifestyle products.

B.5. New Businesses

New businesses include international operations (primarily the beauty omnichannel business in the GCC through our Nysaa platform). In FY2023, our Company partnered with Apparel Group LLC to launch Nysaa, an omnichannel, multi-branded beauty retail operation business in the countries which are part of the Gulf Cooperation Council (GCC) through an entity incorporated (Nessa International Holdings Limited, a strategic alliance between FSN International and Apparel Group, where FSN International owns 55% stake). A younger demographic (35-40% below the age of 25) in the region, along with high purchasing power, offers an excellent opportunity for the BPC category to increase penetration in the area and grow significantly.

Nykaa started its' omnichannel beauty operations in GCC under the brand name 'Nysaa' by launching the Nysaa e-commerce platform in January 2024 and its first physical store in March 2024. For our GCC operations, we have partnered with 250 globally renowned and unique brands, including Kylie Cosmetics, By Terry, Iconic London, Dr Barbara Sturm, Beauty of Joseon, Augustinus Bader and many more, as of March 31, 2025. We currently have two physical stores in Dubai. In FY2025, New businesses' contributions to the One Nykaa GMV stood at 0.2%.

B6. Value proposition

We built our business iteratively while innovating for consumer satisfaction and optimising purchase behaviour. The consumer journey for product selection often involves a significant amount of time spent exploring and evaluating options. We endeavour to understand the decision-making process and support critical moments across different stages of a consumer's journey on our platform. Through integrations across touchpoints, we target consumers and design personalised browsing and purchase experiences to meet the diverse needs of our consumers. We evaluate the effectiveness of our value proposition by tracking, among other things, GMV from existing consumers. We have observed a high level of consumer loyalty to our platform.

Through Nykaa Privé, our consumer loyalty programme for the Beauty and Fashion vertical, members enjoy exclusive offers and discounts, complimentary gifts, free shipping and access to exclusive members-only content. The Privé members also enjoy priority access to our consumer service team. As of March 31, 2025, there were more than 13 million Nykaa Privé members across beauty and fashion verticals. Our consumers can earn Nykaa reward points by signing up, shopping, writing reviews and answers and referring new consumers to our platform. These reward points can be redeemed to make purchases on our platform. We are further redefining Nykaa Privé to make it more comprehensive and rewarding for our consumers.

Commitment to authenticity

We have implemented robust systems and processes to ensure the authenticity of all products sold on our platform, thereby fostering trust with both consumers and brands. Our beauty and personal care category primarily operates on an inventory-led model, sourcing directly from brands or their authorised Indian distributors. This direct sourcing ensures product authenticity, a critical factor for our discerning customers. Additionally, we conduct routine quality assurance checks at our warehouses. We maintain a curated platform and exclusively onboard authorised resellers for our fashion offerings. We have established comprehensive systems to monitor and promptly address consumer complaints, further solidifying our commitment to authenticity.

Content and context-first approach to retailing

Nykaa's content and brand engines and ecosystem comprise:

- We have a robust presence on social media (Instagram, YouTube, Facebook, Pinterest) and our editorial platforms, Nykaa Beauty Book and LBB.
- **Nykaa Play:** This is our gamified on-app beauty discovery experience, which includes shoppable content, live streaming, games and influencer stores.
- **Nykaa experiences and events:** From Nykaaland to Nykaa Luxe Stories, Nykaa Fragrance Collective, Nykaa Beauty Vault, Nykaa x LBB Weekend Access, Nykaa events are sought-after curated experiences which bring the world of beauty and fashion to life.
- **NAP:** The Nykaa Affiliate Programme (NAP) is India's most sought-after programme for beauty and lifestyle bloggers and creators who want to earn commission on their revenue.
- **Nykaa campaigns:** Be it 'Nykaa It's My Birthday', 'Step by Step with Nykaa', 'Ingredient in Focus', or 'Nykaa On The Rise', Nykaa's campaigns are designed to induce trials, discovery and repertoire expansion for our shoppers.
- **Nykaa insights:** Our in-house centre of excellence for customer insights and customer research, which helps us unlock proprietary insights from our shopper community.

From educational beauty tutorials, trend-first conversations, routine adoption and product reviews to influencer collaborations and user-generated content, Nykaa leverages content to educate, inspire and connect with its audience by not only building category vocabulary for consumers but also being a thought leader by keeping them up to date with the latest, best and trending products in beauty.

Our mission is to be the most recognised lifestyle brand on the internet.

- **Scaling NAP:** We currently have 6,000 members from the influencer and creator community to be a part of NAP, which speaks of the trust and recognition the programme has been able to build. Our influencer network has scaled up significantly over the years, translating into an increase in reach and engagement delivered by influencers as a channel of visits to the platform.
- We revamped the experience on Nykaa Play to fuel our guided selling philosophy. Activations like 'Biggest Beauty Binge', our live streaming-focused IP on Nykaa Play, have galvanised community engagement. Our Nykaa Play platform received nearly 14 million visits in FY2025.

We currently have over 17 million social media followers across all our social media handles. We foster regular engagement with our educational content to build a deeper understanding of the categories, discover new trends and learn about the latest offerings. As of March 31, 2025, on our Instagram handle, we had posted more than 1.3 lakhs of content, including posts, reels and videos.

Powering customer connections

Affiliate programme for content creators

NAP – NYKAA AFFILIATE PROGRAM

28,000+ Affiliates + Influencers network

500K+ Content created

Gamified on-app beauty discovery experience

NYKAAPLAY

4 Mn+ Live Streams view

15,000+ Shoppable videos

Strong connections across social media platforms

17 Mn+ Social media followers

130K Lifetime Instagram posts

Notable IPs of FY2025



Nykaaland: We organised our second edition of India's largest beauty festival, Nykaaland, an innovative one-of-its-kind event to accelerate the growth of the beauty market. We received an overwhelming response from over 80 iconic global and local brands, 25,000+ attendees (1.7x YoY), 1,000+ Influencers and KOLs (key opinion leaders) and 5,000+ participants across multiple masterclasses led by renowned makeup artists like Sofia Tilbury, Patrick Ta and more. We had celebrity participation from Katrina Kaif, Jahnvi Kapoor, Masaba Gupta, Kriti Sanon, Jim Sarbh, Nushrratt Bharuccha and more. Overall, this event garnered over 5.5 billion impressions across more than 5,000 pieces of content on the internet.



Category-building Initiatives: We launched the Fragrance Collective campaign in the first quarter of FY2025 to drive focus on prestige fragrances on the Nykaa platform. The campaign offered an exclusive collective of discerning prestige keepers, meticulously curated to create a new fragrance category. The campaign enabled a 74% YoY growth in the prestige fragrance category in Q1 FY2025. The campaign achieved a reach of more than 10 million with collaboration from over 200 KOLs and influencers.



Owning weddings as a premiumisation trigger with 'Nykaa Wali Shaadi': We launched the Nykaa Wali Shaadi campaign during the 2024 wedding season to capitalise on the $130 billion wedding market opportunity in India, the second-largest market globally and establish Nykaa as the go-to destination for all wedding beauty and lifestyle needs in the country. We conducted a 360-degree marketing campaign to connect with the demand for the wedding season and make Nykaa synonymous with the beauty needs of brides, bridesmaids, families and friends, gaining a significant 250 million social reach. Through collaboration with over 70 experts, we focus on driving the talk on the latest beauty trends and brands for the wedding season. We also launched four episodes of the season on JioHotstar, which gained significant traction, enabling it to rank among the top 10 shows across all OTT platforms in terms of viewership.

Deep, symbiotic relationship with brands

We deeply value our brand relationships and have a dedicated team of managers who collaborate closely with partners to develop and implement strategic growth and brand-building initiatives. Our extensive partnerships with beauty and personal care brands globally ensure a diverse and distinguished offering for our customers, encompassing global and domestic luxury/prestige names such as Aestura, Chanel, Charlotte Tilbury, Clinique, Dr Jart+, D'you, Estée Lauder, Eucerin, Fenty Beauty, Forest Essentials, Foxtale, GHD, Huda Beauty, Hyphen, Innisfree, Kama Ayurveda, Lakmē, Lancôme, LANEIGE, L'Oréal Paris, L'Oréal Professional, M·A·C, Maybelline New York, Minimalist, Nars Cosmetics, Neutrogena, Numbuzin, Obagi, Pixi Beauty, Sol de Janeiro, Supergoop, The Body Shop, The Derma Co., The Ordinary and Yves Saint Laurent. Our fashion portfolio features Accessorize London, Adidas, Aldo, Cider, Foot Locker, Forever New, Guess, Lipsy, Little Mistress, NA-KD, Puma, Rare Rabbit, Revolve, Skechers, U.S. Polo Assn., Vero Moda and Victoria's Secret. Our expertise and comprehensive understanding of product assortments, informed by consumer insights, enable us to anticipate trends and customise brand-specific marketing and commercial strategies. We utilise our marketing channels to advise and guide our consumers and collaborate with social media influencers to effectively promote brands on our platform.

- **Beauty:** Nykaa introduced 4,200+ brand partners and ~45 global brands in India
- **Fashion:** Nykaa has over 4,400+ brand partners and offers curated style collections, such as 'Hidden Gems' for modern Indian designs and 'First in Fashion' for the latest seasonal styles

Diverse portfolio of House of Nykaa brands

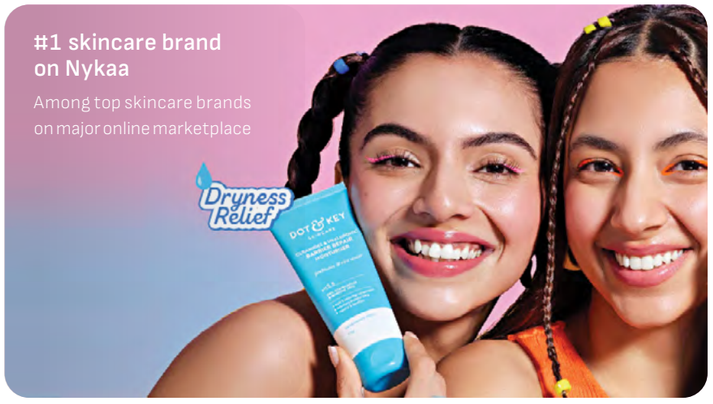
We have developed a portfolio of 12 owned brands, which play a crucial role in expanding the assortment of products for our consumers. Many of our owned brands have high recall and function as independent brands. Third-party vendors manufacture products for these brands. Our House of Nykaa - Beauty Brands' GMV grew by 55% YoY to reach ₹1,695 crores in FY2025, contributing 14.4% to our overall beauty GMV. Our Fashion Owned Brands' GMV grew by 4% YoY to reach ₹431 crores in FY2025, contributing almost 11.3% to our overall fashion GMV. Many of our owned brands have gained significant scale while being profitable by serving customers across different touchpoints, both within and outside the Nykaa ecosystem.

DOT & KEY SKINCARE

Brand snapshot

50%+
Retention on own website and Nykaa

4.4/5.0
Rating



Wide omnichannel reach

NYKAA + major 3P marketplaces

237
Nykaa Stores

~20,000
Selective doors including Superstore

Dot & Key: We acquired a 51% stake and an additional 39% in Dot & Key in September 2021 and September 2024, respectively. Post the acquisition in September 2021, the brand has scaled significantly, reaching a scale of more than ₹900 crores GMV. Dot & Key products are retailed across 237 Nykaa physical stores and are also available to customers through 20,000 select doors (GT stores) via Nykaa's eB2B distribution channel. Dot & Key is a new-age brand that offers premium skincare products, aiming to transform the way people look after themselves by drawing attention to often-overlooked areas and delivering highly targeted, high-quality and efficacious remedial products.

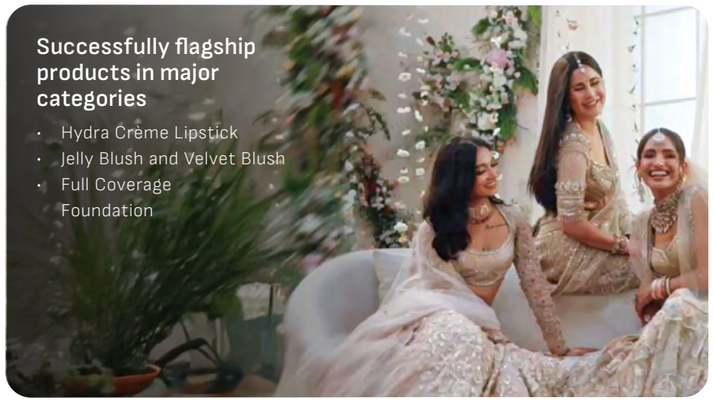
Kay Beauty

The fastest-growing major makeup brand

Brand snapshot

₹240+ crores
GMV

60+
New launches



Kay Beauty: Founded in 2019, Kay Beauty is one of the most loved celebrity make-up brands, developed as a partnership between Nykaa and one of India's leading actors, Katrina Kaif. The brand has taken significant steps to champion both inclusivity and diversity through its product offerings, which are tailored to suit all Indian skin tones. Since its launch, Kay Beauty has garnered a substantial customer base of over 2.5 million, as of March 31, 2025. The brand also retails through 237 Nykaa physical stores and 700+ premium BA-assisted selective doors, as of March 31, 2025. Over time, the brand has become India's most loved and awarded celebrity make-up brand, reaching a scale of more than ₹240 crores GMV in FY2025.

NYKAA cosmetics

Our flagship makeup brand continued to grow at scale

Brand snapshot

₹350+ crores
GMV

120+
New launches

38,000+
Selective doors
(includes Superstore)



Nykaa Cosmetics: Launched in 2015, Nykaa Cosmetics represents a fun, playful and dynamic brand that offers on-trend, quality-driven international formulations accessible to all Indian skin types. The brand has become a go-to choice for Gen Z and millennial customers, empowering them to express their creativity through makeup and beauty tools. The brand has reached a scale of more than ₹350 crores GMV in FY2025.

Nykd: Nykd was launched in 2020 to simplify lingerie shopping for Indian women. With a focus on technology and second-skin comfort, the brand offers a range of lingerie, sleepwear and activewear. By FY2025, Nykd achieved a GMV of over ₹160 crores and became the top lingerie brand on Nykaafashion.com, also gaining popularity on Amazon.com.

Twenty Dresses: Acquired in 2019, Twenty Dresses offers young, fresh and in-vogue styles with its Western wear collection, which matches the moods and characters of everyday life. The brand has reached a GMV of more than ₹100 crores.

Nykd by Nykaa



₹160+ crores
GMV [FY25]

Among top selling
In bra category on Amazon

#1
in lingerie on Nykaa

~33%
Repeat customers [FY25]

TWENTY DRESSES



₹100+ crores
GMV [FY25]

Among Top 5
in western wear on Nykaa

23%+
Repeat customers [FY25]

1,150+
Styles launched [FY25]



Comprehensive assortment and focus on curation and merchandising

We aim to strike a balance between the breadth and relevance of our product offerings, believing in the power of choice to meet our consumers' diverse needs and tastes. Our lifestyle portfolio comprises over 8,600 brands and more than 12 million SKUs, carefully curated to serve our diverse consumer base.

As part of our merchandising strategy, we focus on ensuring market fit, meeting demand and aligning with consumer trends. We aim to introduce products that match our demand profile while phasing out less relevant items. Our curators collaborate with brands to provide our consumers with the latest lifestyle trends.

Our platform aims to inspire consumers by providing personalised content and products during their shopping journey. Using data from consumer activity and product attributes, we have developed advanced personalisation engines and custom features, such as landing pages and recommendation systems. Our goal is to improve the user interface for an exceptional consumer experience continually.

We invested in Nykaa Pro, a membership programme for beauty professionals and makeup artists that offers access to products, discounts, classes and educational content.

Omnichannel approach

Beauty consumers prefer to shop across online channels and physical stores. Many of the products we sell, especially those of high value and/or complex categories, such as fragrances and makeup, often require a 'touch and feel' experience to inform purchasing decisions. Our physical stores cater to the modern-day Indian consumer by seamlessly integrating the offline and online experiences.

As of March 31, 2025, we have one of the largest physical retail footprints among the multi-brand speciality beauty and personal care platforms, operating across value, prestige and luxury categories, with a dominant share in the premium segment in India. We currently have 237 physical stores in beauty across 79 cities in India, with a total retail space of 2.5 lakh square feet. As of March 31, 2025, more than two-thirds of our physical stores are located in non-metros. Our physical stores have shown healthy growth, with GMV growing by 31% YoY in FY2025, while the store network has been profitable.

Nykaa Flagship Store: Launched in FY2024, the Nykaa Flagship Store brings the best in beauty across the globe to create an immersive experience. We launched our first flagship store in the heart of Mumbai, at Bandra's Linking Road, with a retail space of over 2,500 square feet. As of March 31, 2025, we have seven flagship stores across India, with an average retail space of over 2,500 square feet. The flagship stores house over 90 marquee brands, including Bobbi Brown Cosmetics, Estée Lauder, Carolina Herrera, YSL Beauty, Dermalogica, Chanel and LANEIGE, with shop-in-shop experiences for brands such as Charlotte Tilbury, Dior, M·A·C and Rabanne.

Nykaa Luxe: This store format offers a luxury beauty experience which showcases prestige and luxury international and domestic brands. As of March 31, 2025, we had 76 Luxe Stores across India

Nykaa On Trend: These stores offer a differentiated experience for our consumers, with the current best-selling products from beauty and personal care brands. As of March 31, 2025, we had 107 On Trend Stores across India.

Nykaa Kiosks: These are free-standing units, usually in the atriums of shopping malls, where we predominantly sell our owned brands. As of March 31, 2025, we had 47 kiosks across India.

Bouquet of services at Nykaa flagship stores

- Gifting and experience zone
- Skincare consultation
- AI and virtual tools
- Beauty services

Consumer service and fulfilment

We understand the importance of assisted buying in driving awareness and sales. As of March 31, 2025, we had more than 774 beauty advisors at our 237 physical stores. Additionally, our consumer service team addresses post-order consumer queries. We leverage technology to optimise and automate the interactions where relevant.





C. Financial review

C.1. Key highlights

The business verticals primarily comprise Beauty, Fashion and Others. Beauty comprises an online beauty platform, House of Nykaa — Beauty brands, physical retail stores, Superstore by Nykaa and the Nykaa Man BPC business. Fashion comprises Nykaa Fashion, House of Nykaa - Fashion brands, LBB (a content platform) and Nykaa Man's lifestyle business and New businesses include the Group's international beauty business (primarily Nysaa - Beauty omnichannel operation in the GCC region). The vertical-wise breakup of the gross merchandise value (GMV) is as follows:

Vertical GMV

(₹ Cr)

Particulars	FY2025	FY2024[1]	YoY change	GMV mix FY2025	GMV mix FY2024[1]
Beauty	11,775	9,055	30%	75%	73%
Fashion	3,804	3,385	12%	24%	27%
New Businesses	25	7	266%	0%	0%
Total	**15,604**	**12,447**	**25%**	**100%**	**100%**

[1]Per new definition of vertical reporting commenced from June 2024 quarter onwards

The Beauty vertical's contribution to consolidated GMV in FY2025 is 75%, representing a 30% YoY increase. Fashion contributes nearly 25% of the consolidated GMV and is showing a 12% increase YoY. The contribution of GMV from existing customers is 76% for the Beauty vertical, compared to 57% in the Fashion vertical.

Consolidated revenue for FY2025 is ₹7,950 crores and the vertical-wise split of the same is as below:

Consolidated revenue

(₹ Cr)

Particulars	FY2025	FY2024[1]	YoY change	Revenue mix FY2025	Revenue mix FY2024[1]
Beauty	7,251	5,810	25%	91%	91%
Fashion	675	568	19%	8%	9%
New Businesses	24	7	224%	0%	0%
Total	**7,950**	**6,386**	**24%**	**100%**	**100%**

Beauty remains the most significant vertical, accounting for approximately 91% of the total revenue in both FY2025 and FY2024. It remains a significant contributor to the Group's overall revenue.

On the other hand, Fashion is an emerging, fast-growing vertical that has shown growth during FY2025 and will likely experience significant expansion shortly.

The New Businesses vertical, represented by our International beauty business, has experienced substantial growth, primarily driven by the expansion of offline and online multi-brand retail in the GCC region through strategic partnerships with the Apparel Group.

Summary of consolidated financial performance for the year ended March 31, 2025

Consolidated profit and loss account

(₹ Cr)

Particulars	FY2025	FY2024	YoY change
Revenue from operation	7,950	6,386	24%
Cost of goods sold	(4,473)	(3,647)	23%
Gross profit	3,477	2,739	27%
Employee benefits expense	(666)	(565)	18%
Other operating expense	(2,337)	(1,828)	28%
Total operating expense	(3,003)	(2,393)	25%
EBITDA	474	346	37%
Depreciation and amortisation	(266)	(224)	19%
Finance cost	(107)	(83)	29%
Other income	27	30	(10%)
Profit before tax	128	69	86%
Tax expense	(54)	(25)	116%
Profit after tax	74	44	69%
Share in loss of associate	(2)	(4)	(50%)
Profit for the period	**72**	40	80%

Revenue from operation

(₹ Cr)

Particulars	FY2025	FY2024	YoY change
Sale of product	6,858	5,478	25%
Sale of service	1,027	862	19%
Other operating revenue	65	46	41%
Total	**7,950**	**6,386**	**24%**

Revenue from operations comprises the sale of products and services, primarily marketing support services, marketplace services and other operating revenue.

Our revenue from operations increased by 24% to ₹7,950 crores for the year ended March 31, 2025, from ₹6,386 crores for the year ended March 31, 2024. The increase is attributable to the increase in Annual Unique Transacting Customers, the number of orders along with sustained/increased AOV across verticals.

Beauty

- **Increase in the number of Annual Unique Transacting Consumers from 12.4 million in FY2024 to 15.8 million in FY2025**
- **Increase in the number of orders placed on the platform/ offline channel from 43.7 million in FY2024 to 54.5 million in FY2025**
- **Sustained AOV at ~₹2,021**

Fashion

- **Increase in the number of Annual Unique Transacting Consumers from 3.0 million in FY2024 to 3.2 million in FY2025**
- **Increase in the number of orders placed on the platform/ offline channel from 7.0 million in FY2024 to 7.6 million in FY2025**
- **Increase in AOV from ₹4,361 in FY2024 to ₹4,609 in FY2025**

Revenue from the sale of services increased by 19% to ₹1,027 crores in FY2025 as compared to ₹862 crores in FY2024. This growth was driven by a 22% increase in revenue from marketing support services and a 12% increase in income from marketplace services.

Others' operating revenue increased to ₹65 crores in FY2025, compared to ₹46 crores in FY2024, primarily due to a 44% growth in logistics service income.

Cost of goods sold

(₹ Cr)

Particulars	FY2025	FY2024	YoY change
Cost of material consumed	8	65	(88%)
Purchase of traded goods	4,683	3,782	24%
Change in finished goods and stock-in-trade	(218)	200	9%
Total	**4,473**	**3,647**	**23%**

The cost of goods sold increased by 23% to ₹4,473 crores in FY2025 from ₹3,647 crores in FY2024. This increase is primarily due to the higher sales of products that we purchase from brands or their authorised distributors and manufacturing of our House of Nykaa brand products. These products are sold directly to our consumers, in line with the growth in the number of orders on our platform and offline channel, driven by an increase in the number of Annual Unique Transacting Consumers.

Consequently, the Gross Profit for FY2025 stands at ₹3,477 crores, with a margin of 43.7%, an increase of 84 basis points (bps), support by strong performance from the House of Nykaa beauty brand portfolio.

Employee benefits expenses

The employee benefits expenses for the year were at 8.4% of revenue, an improvement of 47 bps over FY2024, reflecting the benefits of scale efficiencies.

Other operating expense

Other operating expense have increased by 28% to ₹2,337 crores for FY2025 from ₹1,828 crores for FY2024, primarily due to:
(i) The marketing and advertising expenses for the year is 12.5% of revenue, an increase of 94 bps over FY2024. It has increased to ₹995 crores for FY2025, compared to ₹739 crores for FY2024. The increase was driven by initiatives to acquire new customers and category building campaigns

Fulfilment expenses for FY2025 was ₹742 crores, an increase of 22% YoY. We leveraged further benefits from our fulfilment capabilities and existing warehouse network to further reduce air and split shipment and reduction of leakages in fashion, allowing us to improve the fulfilment expenses as a percentage of revenue by 19 bps YoY.

Selling & Distribution expenses was ₹216 crores, a 40% increase YoY on account of additional Beauty advisors onboarding as we expanded our beauty physical store footprint and scale up of our eB2B business leading to expanding our feet on street employees,

Other expenses was ₹384 crores, an increase of 17% YoY. In other expenses, Web & technology expenses increased by 12% YoY and G&A expenses increased by 20% YoY in FY2025.

Consequently, the EBITDA for FY2025 stands at ₹474 crores, representing a 37% increase over FY2024, along with a margin improvement of 54 bps, primarily driven by enhanced operating efficiency. The EBITDA margin for FY2025 is 6.0% vis-à-vis 5.4% in FY2024.

Depreciation and amortisation

Our depreciation and amortisation expense increased by 19% to ₹266 crores for FY2025, from ₹224 crores for FY2024, primarily due to the expansion of retail stores and capitalisation of technology projects.

Finance cost

Our finance costs comprise interest on borrowings, lease liabilities and other finance charges. The cost has increased by 29% to ₹107 crores for FY2025 from ₹83 crores for FY2024. This increase was primarily due to the working capital loan obtained from banks, which was made possible by the rise in business volumes.

Other income

Other income mainly comprises interest income on security deposits, bank deposits and foreign exchange gains. Our other income decreased by 10%, amounting to ₹27 crores for FY2025, compared to ₹30 crores for FY2024, primarily due to a decline in interest on bank deposits.

Profit before tax (PBT) and profit after tax (PAT)

The consolidated Profit Before Tax (PBT) for FY2025 was ₹128 crores, with a tax expense of ₹54 crores. Accordingly, the consolidated Profit After Tax (PAT), after accounting for the share in loss of associate, stood at ₹72 crores.

Consolidated balance sheet

(₹ Cr)

Particulars	FY2025	FY2024	YoY change
Property, plant and equipment, right of use assets, other intangible assets, intangible assets under development, capital work-in-progress and goodwill	872	698	25%
Investments	-	34	(100%)
Deferred tax assets (net)	258	269	(4%)
Non current tax assets (net)	64	46	40%
Inventories	1,418	1,192	19%
Cash and bank balance	217	240	(9%)
Other financial assets	614	474	30%
Other assets	537	448	20%
Total assets	**3,980**	**3,401**	**17%**
Equity and liabilities			
Equity share capital	286	286	0%
Other equity	1,016	977	4%
Equity attributable to equity holders of the parent	1,302	1,263	3%
Non-controlling interest	41	19	116%
Total equity	**1,343**	**1,282**	**5%**
Liabilities			
Borrowings	961	680	41%
Lease liabilities	359	289	24%
Trade payables	635	387	64%
Other financial liabilities	574	679	(15%)
Provisions	29	19	52%
Contract liabilities	38	27	38%
Other current liabilities	41	38	8%
Total liabilities	2,637	2,119	24%
Total equity and liabilities	**3,980**	**3,401**	**17%**

Assets

Total assets increased by 17% to ₹ 3,980 crores for FY2025 from ₹ 3,401 crores for FY2024. The increase is primarily attributed to following:

(i) Increase in property, plant and equipment and right of use assets is on account of expansion of retail stores and fulfilment centres. Increase in other intangible assets (including intangible assets under development) is on account of capitalisation of technology projects and increase in goodwill arising from business combination of Earth Rhythm Private Limited.

(ii) Increase in inventories and other assets (GST input credit) is primarily in line with increase in business volumes.

(iii) Other financial assets (other than fixed deposits) mainly represents receivables from payment gateway partners and security deposits given for leases of stores and fulfilment centres and increase is on account of increased business volumes.

Equity

The equity share capital has increased due to the issuance of shares under ESOP scheme. There is an increase in other equity majorly on account of profits during the year and acquisition of non-controlling interest in subsidiaries offset by fair valuation of put option liability towards 10% stake in Dot & Key.

Liabilities

Total liabilities increased by 24% to ₹ 2,637 crores in FY2025 from ₹ 2,119 crores in FY2024. The major contributors to this increase are:

(i) Increase in working capital loans (current borrowings) and trade paybles in line with the increase in business volumes.

(i) Increase in lease liabilities is on account of expansion of retail stores and fulfilment centres.

(ii) Decrease in other financial liabilities is mainly on account of payment of put option liability to acquire 39% stake in Dot & Key.

Cash generation

The following table sets forth our cash flows for the years indicated:

Particulars	FY2025	FY2024
Net cash flows from operating activities	467	0.3
Net cash flows (used in) investing activities	(206)	(10)
Net cash flows (used in)/from financing activities	(212)	44
Net increase in cash and cash equivalents	**49**	**34**

The Group generated an operating profit of ₹506 crores in FY2025. A reduction of ₹21 crores in working capital, driven by efficient management, contributed positively. Tax payments for the year amounted to ₹60 crores. As a result, the cash flow from operations for FY2025 stood at ₹467 crores.

The cash generated from operating activities has been utilised for investment in capital expenditures, the acquisition of additional stakes in subsidiaries and investments in fixed deposits. The cash flow from financing activities comprises the issuance of shares under an ESOP, the acquisition of a non-controlling interest in a subsidiary, a working capital loan and payments towards lease liabilities and interest.

Consequently, the closing cash and cash equivalents as of March 31, 2025, stood at ₹125 crores, compared to the opening balance of ₹76 crores, reflecting a net increase of ₹49 crores.



C.2. Key financial ratios

Other financial assets	Units	FY2025	FY2024	YoY change (%/bps)
Return on net worth	%	5.6	3.3	235 bps
Return on capital employed	%	11.3	7.5	380 bps
Basic EPS	₹	0.2	0.1	109%
Gross profit margin	%	43.7	42.9	84 bps
EBITDA margin	%	6.0	5.4	54 bps
Net profit margin	%	0.9	0.6	28 bps
Current ratio	Times	1.2	1.2	2%
Interest coverage ratio	Times	4.4	4.2	6%
Inventory turnover ratio	Times	3.4	3.3	3%
Trade receivables turnover ratio	Times	32.6	31.5	3%
Trade payables turnover ratio	Times	9.2	11.8	(22%)

Return on net worth (RONW): Return on Net Worth (RONW) is a measure of a company's profitability expressed as a percentage. It is calculated by dividing a company's net income by its average shareholders' equity. RONW increased to 5.6% in FY2025 from 3.3% in FY2024. This increase was primarily due to the rise in net income.

Return on capital employed: Return on capital employed (ROCE) is a financial ratio that assesses a company's profitability and capital efficiency. It indicates how effectively a company generates profits from the capital it employs. ROCE is calculated by dividing EBIT by capital employed (Net Worth + Net Debt). ROCE increased to 11.3% in FY2025 from 7.5% in FY2024 as a result of an increase in earnings.

Basic EPS: Earnings per share (EPS) is calculated as a company's net profit attributable to equity holders divided by the weighted average outstanding number of equity shares. Basic EPS increased to ₹0.23 in FY2025 from ₹0.11 in FY2024 as a result of an increase in earnings.

Gross profit margin: Gross profit margin represents the earnings from the sale of products and services after deducting the cost of goods sold (COGS), expressed as a percentage of operating revenue. In FY2025, the gross profit margin rose by 84 basis points to 43.7%, up from 42.9% in FY2024, primarily driven by increased revenue from Owned Brands.

EBITDA margin: EBITDA margin is a measure of a company's operating profit as a percentage of its revenue. It increased by 54 bps to 6.0% in FY2025 from 5.4% in FY2024. This increase was due to higher revenues coupled with operational efficiencies.

Net profit margin: The net profit margin, also known as the net margin, measures the net income or profit generated as a percentage of revenue. It increased by 33 bps to 0.9% in FY2025 from 0.6% in FY2024. The increase was due to higher revenue coupled with operational efficiencies.

Current ratio: The current ratio is used to evaluate a company's liquidity position and is calculated by dividing its total current assets by current liabilities, including current debt. The increase in the current ratio is primarily due to an increase in assets, particularly inventories and other related assets in line with the rise in business volumes.

Interest coverage ratio: The interest coverage ratio is used to assess a company's ability to meet its interest payments on outstanding debt. It is calculated by dividing a company's operating earnings before interest, depreciation and tax by the finance cost. The increase in the interest coverage ratio is primarily due to an increase in EBITDA, compared to a increase in finance costs.

Inventory turnover ratio: The inventory turnover ratio measures the number of times a company has sold its inventory during a specific period. It is calculated by dividing the cost of goods sold by the average inventory for the same period. There is no significant change in the inventory turnover ratio.

Trade receivables turnover ratio: The trade receivable turnover ratio quantifies a company's efficiency in collecting its trade receivables. It measures the frequency with which a company's receivables are converted into cash during a specific period. This ratio is computed by dividing revenue from operations by average trade receivables.

Trade payables turnover ratio: The trade payable turnover ratio quantifies a company's efficiency in paying its trade payables. It measures the frequency with which a company pays off its creditors or suppliers during a specific period. This ratio is computed by dividing the purchases by average trade payables.



D. People and culture at Nykaa

At Nykaa, our people power our purpose. As we continue being India's most admired beauty and lifestyle platform, it is our culture and people practices that differentiate us. Driven by an entrepreneurial mindset, a shared sense of ownership and a deep commitment to customer-centricity, our teams continue to deliver innovation, operational excellence and agility at scale.

Our culture is grounded in six core values: 'Be Bold and Be Good', 'Be Better Every Day', 'Be the Customer's Champion', 'One Nykaa', 'A Culture of Belonging' and 'Sustainability in Every Action'. These values are principles that actively shape every part of our employee experience—from hiring and development to engagement and recognition.

We are committed to fostering an environment where individuals thrive through meaningful work, continuous learning and strong connections. Our focus remains on building a high-performance, high-trust culture where every employee feels empowered to do their best work. As of March 31, 2025, Nykaa had 3,735 permanent employees spread nationwide.

Culture of diversity, equity and inclusion

Diversity is intrinsic to our culture and is a key driver of innovation and impact. We have embedded inclusion across all stages of the employee lifecycle, including hiring, development and engagement. Women comprise 43% of our workforce, with 30% representation in leadership. We continue to strengthen our policies around pay parity, POSH compliance, parental leave and equitable hiring, ensuring a workplace where all employees feel safe, included and respected.

Retaining our top talent remains a strategic priority. We focus on providing meaningful career development opportunities, competitive compensation and an inspiring work culture that encourages employees to grow with us. To support career progression, we have initiatives like 'ICON' - a programme designed to identify and promote internal talent transfer.

We remain deeply committed to nurturing a workplace where people feel inspired, empowered and truly part of something meaningful.

Building a culture of listening

In FY2025, we relaunched the Gallup One Nykaa Employee Engagement Survey, marking a significant milestone in our journey to co-create our culture. The survey achieved an 87% participation rate, one of the highest in the industry and provided valuable insights into our strengths and areas for improvement. Beyond this, we ensure consistent avenues for employee voice through regular One Nykaa town halls, divisional connect sessions, pulse surveys, Off the Record platforms and 'Meet the CEO' feedback surveys, as well as the 7-30-90 day feedback surveys and the SpeakUp platform. These mechanisms encourage continuous feedback, fostering a culture where people feel heard and valued.

At Nykaa, we are deeply committed to upholding the highest standards of ethics and fairness. To support this, we provide a dedicated communication channel where employees can report any concerns, issues or grievances they may have. To ensure transparency and integrity in the process, we have partnered with one of the leading firms among the Big Four to manage whistleblower cases independently.



Learning and growth

As Nykaa grows, so does our commitment to building future-ready talent. This year, we anchored our learning approach in two key priorities: bringing in the right external talent to support new business ambitions and enabling our internal teams to grow in their current roles while preparing for future challenges.

Every year, we bring in top talent from leading business and graduate schools across the country, integrating them into key functions and businesses such as E-commerce, Distribution, Owned Brands, Supply Chain, Retail, Technology and HR, to bring fresh perspectives, agility and a strong drive for impact. We place them across the organisation in roles that enable innovation, cross-functional collaboration and long-term growth.

We are committed to building a future-ready organisation by investing in the growth and development of our people. Through structured training programmes, challenging assignments and focused learning initiatives, we enable our employees to evolve continuously with the Company. We also encourage them to take on diverse projects, which helps grow their skills, perspectives and overall capabilities.

The Nykaa Manager Programme, delivered in partnership with external specialists, was a flagship learning journey that supported over 240+ managers across functions. Structured around the themes of managing self and managing teams, the programme achieved an average satisfaction score of 9.1 out of 10 and saw a rise in engagement scores among teams. This cohort demonstrated stronger engagement levels, indicating the programme's effectiveness in building connection and commitment.

Alongside structured programmes, we created multiple opportunities for self-driven learning. Our internal learning platform, Nykaa Academy, has partnered with Coursera, one of the industry's leading providers. Employees can access a diverse set of courses at no cost, selecting learning paths that align with their career goals and objectives. Learning at Nykaa was not limited to formal settings. It happened through AOP offsites for aspiration setting, team huddles, real business challenges, stretch assignments, internal mobility and exposure to new mandates as levers of learning. The Technology team had hands-on learning experiences with competitions like BugBash and Code'athon in partnership with Microsoft, enabling them to learn by solving real problems in high-energy, collaborative formats.

The Visionaries Unplugged series featured prominent speakers who shared insights and sparked inspiration across the Company. Within teams, there was organic learning through shared expertise and success stories.

Our frontline workforce, which represents the face of the brand for many of our customers, received continuous training to ensure consistent, high-quality service and a strong brand presence. Whether deepening domain expertise or stepping into a new role, our approach reinforced one core belief: that growth is not a one-off initiative, but a shared, everyday culture.



Performance and recognition

Nykaa's compensation frameworks aim to embody the principles of fairness, meritocracy and transparency. We maintain a strong alignment between individual performance and rewards, ensuring that we recognise our employees for their contributions in a meaningful and motivating way. Our compensation structure comprises a competitive fixed salary along with variable pay components such as performance bonuses or incentives, creating a balanced and performance-driven approach.

We are committed to upholding pay parity across roles and genders and we regularly conduct comprehensive benchmarking exercises to ensure our compensation remains competitive within the industry. This approach supports our talent acquisition strategy and reinforces our ability to retain high-performing individuals.

Our performance management philosophy is equally rooted in meritocracy, fostering a culture of continuous improvement and professional growth. Through structured check-ins and formal performance reviews conducted throughout the year, we provide employees with actionable feedback and opportunities for development. Managers are encouraged to coach and guide, rather than merely evaluate and assess. This process enhances employee engagement, strengthens alignment with organisational goals and supports scalable growth across teams.

Recognition plays a decisive role in reinforcing our culture. Nykaa Chairperson's Annual Awards are a key moment in the year, spotlighting individuals who have delivered exceptional impact in ways that reflect Nykaa's core values. Beyond this, we integrate recognition into everyday interactions through town halls and appreciation.

To encourage peer-led appreciation, we introduced Gratitude Cards — personalised and straightforward notes that allow colleagues to acknowledge and thank each other for acts of collaboration, support or kindness.

Recognition at Nykaa continues to evolve from being a top-down initiative to a shared cultural norm. When people feel seen and valued for their efforts, exceptional performance follows naturally.



Fostering connection and community

At Nykaa, we have anchored employee experience in belonging and connection. Our engagement approach celebrates excellence and brings people together in ways that are both meaningful and memorable. The Long Service Awards recognised those who had completed ten years of service at Nykaa. We celebrated festivals and regional occasions that allowed teams across geographies to bond, creating shared cultural moments.

We also emphasised the importance of fun and informal interactions as integral to our culture. From cross-functional collaborations and offsites to casual team dinners, potlucks and sports events like the Nykaa Premier League, these moments helped build camaraderie and connection. Our wellness challenges, such as Marchathon, infused fun into fitness and brought teams together across locations.

To support our growing teams and evolving ways of working, we continue to enhance and expand our office spaces to spark innovation, enable spontaneous conversations and bring people together with purpose.

Employee well-being

We care deeply about the holistic well-being of our employees, encompassing their physical, mental, emotional and financial needs. Throughout the year, we expanded our wellness offerings to ensure that every Nykaa employee feels supported.

At Nykaa, we care deeply about the holistic well-being of our employees—physical, mental, emotional and financial. As part of our Wellness 2.0 roadmap, we have built a comprehensive and segmented wellness ecosystem to support every Nykaalite. Our programme covers medical and accident insurance, hospitalisation benefits and voluntary parental insurance. Employees have access to unlimited doctor consultations, mental health counselling sessions and nutritionist support. We have partnered with leading providers to offer discounted gym memberships, preventive health check-ups, pharmacy and diagnostic services. To further promote a health-first culture, we host regular wellness workshops and invite experts for on-site consultations—ensuring proactive, accessible and holistic care for our people.

Nykaa Gives: embedding purpose in work

Through Nykaa Gives, we bring our belief of 'in giving, we receive' to life. Our Nykaa Gives platform enables employees to give back to society through impactful initiatives. This year, employees participated in multiple purpose-driven initiatives, including donation drives during the Month of Giving in partnership with Goonj across Mumbai, Delhi and Bangalore, as well as a Secret Santa programme for underprivileged children and meal packaging programmes.

As part of our birthday week, we took our celebrations beyond ourselves, partnering with Rise Against Hunger India to host a pan-India meal packaging drive. Teams across our offices came together to pack almost 60,000 nutritious meals for communities in need. These moments were not just activities—they reflected our deeper belief in collective purpose and service.



Culture of sustainability and compliance

At Nykaa, we believe that growth must go hand in hand with responsibility. As a young, dynamic and fast-growing company, we take pride in the strong emphasis our leadership and Board place on sustainability and regulatory compliance.

We operate with the conviction that success demands accountability. As a responsible corporate citizen, we are committed to upholding the highest standards of governance and ethical conduct.

Way forward

At Nykaa, people and culture form the foundation of our organisation. Every initiative, from learning and recognition to wellbeing and inclusion, is designed to enable our people to do their best work and foster a strong sense of connection and pride. As we continue to scale new heights, we remain committed to nurturing a culture that drives excellence, empowers individuals and celebrates their contributions. In doing so, we aim to create a workplace that delivers results and earns the enduring admiration of all our employees and stakeholders alike.

Compliance and corporate governance

Our approach to effective compliance management is multi-dimensional and includes:

- Comprehensive training and awareness initiatives
- Cross-functional collaboration and ownership
- Deployment of compliance management tools
- Periodic impact assessments and continuous improvement
- Advocacy of ethical practices across the organisation

We support our governance framework with key policies such as:

- Code of Conduct
- Whistleblower Policy
- Insider Trading Policy
- Related Party Transactions Policy
- Health, Safety & Environment (HSE) Policy



E. Health, safety and environment (HSE) highlights

At Nykaa, the concept of safety extends beyond compliance—it's embedded into the everyday functioning of the organisation. Across our workplaces, we have developed and implemented robust systems to ensure the health, safety and well-being of our employees, partners and consumers.

Creating safer workplaces

Workplace safety begins with infrastructure. Our workplaces are equipped with essential safety systems, including smoke detectors, fire hydrants, sprinklers and public address systems. Fire safety compliance is a precondition before opening any workplace. Beyond infrastructure, we have built layers of preparedness into our operations—Emergency Response Teams (ERTs) are active across all workplaces, conducting bi-monthly inspections and leading evacuation drills to ensure readiness.

Our occupational health and safety management system covers every part of our operations and is governed by a centralised HSE Policy. New contract workers receive structured safety inductions upon onboarding. We also conduct weekly safety training across our warehouses on 16 critical HSE topics, supplemented by customised posters and microlearning videos to maintain consistent and high awareness. This year, we introduced standardised training guidelines and rolled out incident case study discussions to support learning from real scenarios.

We recorded zero major safety incidents. Minor incidents were addressed through corrective actions, targeted training sessions and expanded awareness programmes.

Embedding a culture of accountability

Safety at Nykaa is not limited to infrastructure or procedure—it depends on people. To empower our workforce, we have developed a structured incident reporting system with a designated Health, Safety and Environment (HSE) Single Point of Contact (SPOC) at each location. Employees are encouraged to report near misses, unsafe conditions and unsafe acts quickly via QR codes displayed throughout the workplace. These reports are investigated, followed up with corrective actions and reviewed monthly to ensure transparency and accountability.

To further strengthen our safety culture, we are planning to implement behavioural safety programmes and introduce activity-based Hazard Identification and Risk Assessment (HIRA).

Supporting employee health and well-being

Recognising the role of holistic well-being in organisational performance, Nykaa has launched an employee wellness programme that provides both physical and mental health support. This programme includes discounted gym memberships, unlimited teleconsultations with doctors across 32+ specialities, access to dietitians, therapists and on-site counselling sessions. Additionally, employees and their families can access health content, receive discounted clinic visits, undergo health tests and utilise a round-the-clock helpline for support.

While our operations are considered low-risk and do not involve exposure to hazardous materials, we ensure medical preparedness by maintaining accessible first-aid kits at all locations and having a medical professional available for consultation. This approach reflects our commitment to maintaining a safe and supportive work environment for all employees.

Environmental stewardship and compliance

Nykaa's environmental footprint is modest given our business model. Nonetheless, we adhere to regulatory requirements and actively pursue responsible practices. Since April 2021, we have been fully compliant with Extended Producer Responsibility (EPR) regulations and are certified as a 'Brand Owner and Importer' by the Central Pollution Control Board (CPCB). We met our EPR targets for FY2025 and completed all mandatory filings.

Expired or damaged inventory is disposed of through authorised vendors via incineration and plastic packaging waste is recycled through registered recyclers. Water usage is tracked via installed meters and limited to domestic needs. Diesel generators serve as backup only and plans are underway to operationalise renewable energy in selected locations from FY2026.

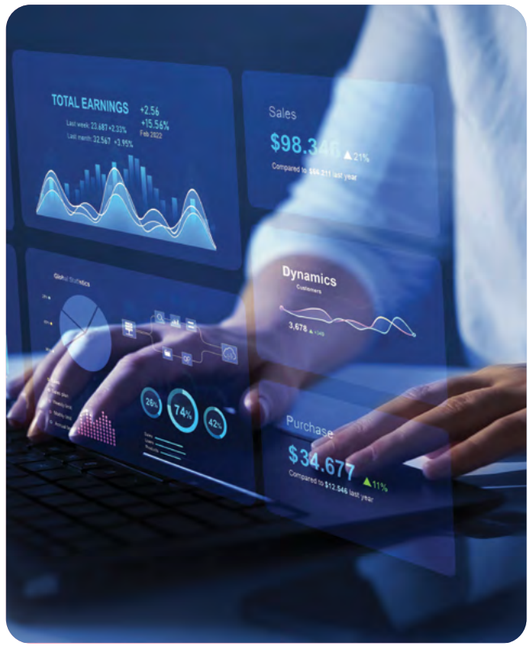
All operations comply with applicable environmental laws and regulations. No penalties or violations were reported during the year.

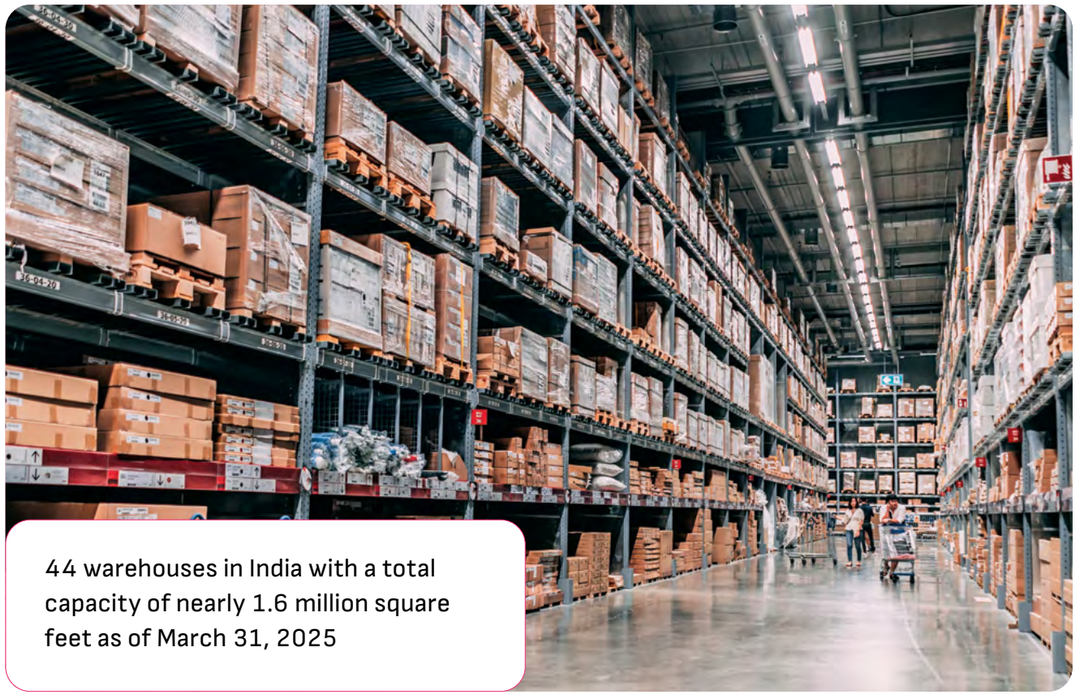
F. Technology

At Nykaa, technology is more than just a pillar; it is the very essence of our operations, serving as the strategic engine that propels our growth and innovation. In FY2025, we embarked on a transformative journey, accelerating our evolution from a 'Digital Native' to an 'AI Native Platform.' This monumental shift is deeply embedding artificial intelligence across every facet of our technological infrastructure, business processes and customer interactions, propelling us towards unparalleled experiences and robust operational excellence.

Our unwavering commitment is to make every interaction with Nykaa seamless, personalised and truly delightful. Behind every delightful customer experience lies a backbone of robust and efficient operations. Our tech teams have delivered remarkable results in optimising internal processes, translating into significant gains and fortifying our future readiness.

Our commitment to becoming an AI-native platform is underscored by ambitious initiatives that will further deepen our hyper-personalisation capabilities, enhance operational efficiencies and unlock new avenues for innovation. This continuous evolution, driven by advanced AI, will solidify Nykaa's position as a future-ready enterprise, poised for sustained growth and robust value creation in an increasingly digital and intelligent world.





44 warehouses in India with a total capacity of nearly 1.6 million square feet as of March 31, 2025

G. Supply chain

G.1. Overview

As of March 31, 2025, we have an integrated supply chain comprising 44 warehouses across India, with a total capacity of 15.7 lakh square feet, supported by 237 physical stores.

Fulfilment and operational excellence

As of March 31, 2025, we served more than 19,000 pin codes, covering almost 98% of the serviceable pin codes across the country. Orders are monitored and tracked closely to ensure timely dispatch. We have an allocation engine, which helps fulfil orders by utilising inventory efficiently across our warehouses. Through localised fulfilment, which ensures delivery from the nearest fulfilment centre, we optimise shipment costs and inventory management. We have integrated our supply chain with several sellers' warehouses to support the sale of fashion products through our curated platform.

We manage four models: inventory, sale or return (SOR), curated platform (marketplace) and just-in-time inventory models. We have invested in technology, people and processes to support and scale these models. Our flexibility to operate each model is a core strength, as we believe that brands and products require a customised approach to selling. For our inventory and SOR models, our investment in technology is geared to enable fungible inventory across online and offline channels, allowing for efficient inventory management.

We have also built B2B2C capabilities for Nykaa Fashion, enabling consumers to benefit from global brands and our platform.

Our luxury orders are packed and tracked separately and we maintain consistent communication with the brands and sellers to ensure efficient and seamless delivery of shipments to consumers.

G.1.1. Achievements of FY2025

We strived to elevate customer delight and same-day/next-day delivery further by utilising our existing supply chain tech stack. In FY2025, over 70% of beauty orders from the top 110 cities were delivered within the same day or the next day and ~80% of the beauty order volume was delivered in the top eight cities.

Our fashion vertical is based primarily on curation, where we provide a platform to market third-party vendor products and facilitate their sale and delivery. Here, we also employ a just-in-time delivery model that eliminates inventory risk, enabling our supply chain to be nimble and adaptive to our product catalogue. This approach addresses current trends and consumers' needs without incurring the risk of obsolescence and makes objective determinations on new categories, thereby minimising inventory risk.

We continue to work with delivery companies such as Blue Dart Express Limited, Delhivery Limited, Ecom Express Limited and Xpressbees Logistics Solutions Private Limited and this year, we added Shadowfax Technologies Private Limited and Altruist India Private Limited (Dependo) to execute our deliveries and ensure smooth and efficient courier delivery of products to our consumers.

Focus on sustainability

We leveraged paperless infrastructure to improve workforce efficiency and reduce costs We have implemented paperless picking in most of our warehouses, resulting in a 90% reduction in paper usage across the organisation. We continued to focus on using sustainable, eco-friendly packaging on the majority of our orders. We used paper fillers and Hexcush (eco-friendly, honeycomb paper bubble wrap) for beauty and personal care, while we used paper flyers for fashion products.

Inventory management

Our inventory management is guided by supply chain forecasts, which consider historical sales trends, lead time, safety stock, minimum order quantity and replenishment frequency. We have negotiated stock correction and return-to-vendor clauses to mitigate excess inventory and close-to-expiry products. We have implemented initiatives like Electronic Data Exchange (EDI) with blockchain technology to optimise the supply chain. This approach streamlines brand partner transactions and provides visibility into data for seamless alignment. We manage over 12 million SKUs across categories and warehouses. Our concurrent inventory audit mechanism ensures accuracy, with in-house teams conducting regular material, allocation and cycle counts audits.

H. Internal control systems and their adequacy

Given the nature and size of our business operations, your Company has designed an adequate internal control system to ensure the following:

- Transactions are accurately recorded, completed and authorised.
- Adherence to accounting standards, compliance with applicable laws and alignment with Company policies and procedures.
- Effective use of resources and safeguarding of assets.
- Prevention and detection of fraud.

Your Company has complied with the specific requirements outlined in Section 134(5)(e) of the Companies Act, 2013, which mandates the establishment and implementation of an Internal Financial Control framework that supports compliance with the Act concerning the Directors' Responsibility Statement.



The key components of our internal control system include:

- Establishment and periodic review of business plans.
- Identification of key risks and opportunities, with regular reviews by senior management and the Board of Directors.
- Policies for operational and strategic risk management.
- A clear and well-defined organisational structure along with limits of financial authority.
- Continuous identification of areas that require stronger internal controls.
- Standard operating procedures to ensure the effectiveness of business processes.
- Systems to monitor compliance with statutory regulations.
- Well-defined principles and procedures for evaluating new business proposals or capital expenditures.
- A robust management information system.
- Comprehensive information security policies and guidelines.
- A thorough internal audit and review system.
- A well-defined internal financial controls framework.
- An effective whistle-blowing mechanism.
- Training and awareness sessions on policy and code of conduct compliance.

The Internal Financial Controls have been documented and integrated into business processes. The design and operational effectiveness of these controls are tested annually by management, with the support of external consultants and are subsequently audited by statutory auditors.

Our statutory auditors have issued an unqualified report for the year ended 31 March 2025, following an assessment of the effectiveness of these controls. We believe that strengthening Internal Financial Controls (IFC) is a continuous process and we will continue to seek enhancements to our internal controls, focusing on preventive and automated measures rather than merely relying on mitigating detective and manual controls.

Furthermore, your Company, with the support of an appointed Internal Audit firm, conducts risk-based internal audit reviews in accordance with the annual Internal Audit plan approved by the Audit Committee of the Board. The Internal Audit function assesses compliance with the established design of internal controls, while ensuring operational efficiency and effectiveness.

Any significant deficiencies in internal control that are identified are tracked for resolution and validated. A summary of the Internal Audit findings and the status of implementing mitigation action plans for any residual risks identified is submitted to and discussed with the Audit Committee on a quarterly basis.

Your Company remains committed to leveraging technology to strengthen its internal control framework continually.

I. Enterprise risk management

In today's fast-paced business world, risks are constantly evolving as customer preferences shift rapidly and regulations change frequently. At Nykaa, we continually look ahead, actively scanning the business landscape to identify and mitigate potential risks that could impact our strategic objectives.

Our Risk Management Framework is key to our performance and progress. It's a consistent, clear and strong system for managing risks throughout the entire Nykaa group. This framework helps us ensure that our risk management activities are well-designed, effectively implemented and operating efficiently.

Enterprise risk management (ERM) at Nykaa

Nykaa's Enterprise Risk Management (ERM) framework is robust and comprehensive, designed to align with industry best practices, including the COSO ERM framework and ISO 31000 Risk Management processes. This framework enables us to effectively balance our growth ambitions with the associated risks, thereby helping us achieve our strategic and operational objectives.

Our risk management process covers the entire value chain. We analyse significant risks—including emerging threats—that could disrupt business operations in both the short and long term. Each risk is evaluated based on its nature, likelihood and potential impact. We develop clear action plans to mitigate material risks and continuously monitor the effectiveness of our risk management strategies across the entire value chain.

Risk management governance framework

Nykaa's Risk Management Framework is designed to be an end-to-end framework for managing and reporting risks from the Group's operations to the Board. Nykaa adopts an integrated approach to risk management throughout the organisation, involving cross-functional business teams, senior leadership and an Internal Risk Steering Committee. Oversight of the Enterprise Risk Management (ERM) framework is provided by the Board, specifically through the dedicated Risk Management Committee (RMC) of the Board. The RMC reviews the effectiveness of risk identification, evaluation and risk management framework, including the mitigation of material and emerging risks. Additionally, the Risk Management policy outlines the Board's requirements for establishing and complying with a framework that facilitates the effective, consistent and aligned management of business risks, in line with the Company's risk appetite. The Head of Risk Management plays a key role in supporting the Board in risk management matters through deliberations with the Risk Management and Audit Committee.

Key risks and mitigating actions

Given below are the risks that we have identified as most relevant and material to our business and its performance. We recognise that this is not an exhaustive overview of all risks applicable to the Company. New risks may emerge and existing ones may also evolve. We endeavour to ensure that key risks are identified and that appropriate risk mitigation measures are implemented promptly.

The key risks identified and the risk management measures instituted are given below:

1. Business risks (macroeconomic/geopolitics/ competition/customer preferences)

Macroeconomic volatility and trade-linked cost pressures

Brief risk description: Global and local macroeconomic fluctuations—including persistently high inflation, interest rate variability, currency depreciation and trade tariff wars—can impact consumer confidence and constrict disposable incomes. As a retailer in the beauty and personal care space, this may affect the discretionary spending patterns of consumers and, in turn, our revenue generation and growth trajectories.

Risk mitigation: Nykaa retails a diverse portfolio of products across various price segments, catering to different customer segments with varying spending power. We retail both discretionary and essential items, enabling customers to quickly discover products that suit their evolving needs during economically volatile periods. We also develop detailed long-term and short-term business forecasts, which are periodically re-evaluated, enabling efficient resource allocation and deployment.

Rapidly evolving consumer behaviour

Brief risk description: Customer tastes, preferences and purchasing behaviour are evolving at a pace faster than ever before. Customers' interest in categories, brands and product types can change in tandem with their preferred medium of purchase, encompassing both digital and physical formats.

Risk mitigation: We actively mitigate the risks of evolving consumer preferences and intense competition by continuously expanding our lifestyle portfolio. This strategy enables us to enter new categories and expand our brand and product offerings, thereby significantly reducing our dependency on any single product type, category or brand.

Simultaneously, we are strengthening our omnichannel presence. Our robust digital ecosystem spans mobile applications and desktop formats and we continually explore and implement new sales channels. This approach, coupled with our expanding offline retail footprint and strategic investments in technology-enabled distribution, diversifies our business formats and enhances our ability to adapt to shifting consumer behaviours and preferred purchasing channels.

2. Operational risks

Market relevance, customer acquisition and retention risk

Brief risk description: The Company's revenues, profitability and long-term brand equity can be threatened by the dynamic and intensely competitive digital retail landscape. Two main factors drive this threat: rapidly evolving customer expectations—encompassing demands for convenience, personalised discovery, alignment with values (such as sustainability) and integrated shopping experiences (both digital and physical)—and the proliferation of marketing channels combined with a reliance on third-party platforms.

As Nykaa expands its reach across beauty and fashion, failure to continuously understand and adapt to evolving consumer behavioural patterns across the Total Addressable Market (TAM), or to effectively acquire and retain customers cost-effectively, could lead to reduced platform stickiness, declining brand loyalty and a loss of market share to new competitors offering quicker, more curated or hyper-localised experiences. This misalignment ultimately risks eroding our market relevance and diluting long-term brand equity.

Risk mitigation: We make significant efforts to build the right customer acquisition through a 360-degree marketing strategy that spans digital marketing, mass media, multiple content channels and offline marketing. Hence, we do not have any overdependence on a single marketing channel. Customer loyalty is delivered through differentiated experiences, rewards and loyalty programme and targeted reactivation strategies. We continuously monitor retention metrics across customer segments to proactively take measures that ensure we deliver the right experience for all, while also innovating and investing in technology to provide a superior customer experience.

Inadequate business continuity management

Brief risk description: The absence of a well-defined Business Continuity Management (BCM) framework and robust Business Continuity Plans (BCPs) poses a substantial risk to the Company. Without these, an unforeseen disaster or disruption (e.g., natural calamity, system failure) could lead to prolonged business outages, resulting in significant financial losses, operational paralysis, reputational damage and potential legal repercussions. Our ability to rapidly recover, minimise downtime and protect critical assets and personnel would be severely compromised.

Brief risk description: We have significantly strengthened our resilience against business disruptions through a robust Business Continuity Management (BCM) framework. This framework comprehensively covers all critical organisational domains, including technology infrastructure, security, human resources, administration and core business operations, such as warehouse and logistics operations and customer support.

Our proactive measures include conducting regular enterprise-level Disaster Recovery (DR) drills. We have completed Business Impact Analyses (BIA) and Risk Assessments (RA) for all critical systems and processes across all identified functions. Crucially, Recovery Point Objectives (RPO) and Recovery Time Objectives (RTO) have been clearly defined for these critical processes, ensuring our capacity for rapid recovery and minimal operational downtime in the face of unforeseen events.

3. Legal and compliance risks

Market relevance, customer acquisition and retention risk

Brief risk description: An evolving and complex regulatory landscape can impact the retail, digital, e-commerce and consumer products industries, both in India and globally. Changes in these regulations may necessitate adjustments to business processes or lead to increased compliance costs.

Risk mitigation: Nykaa ensures that statutory compliance is met and adherence to all relevant laws of the land. We have invested in people capabilities, an IT-enabled compliance management system (including monitoring of SEBI's PIT regulations) and established processes to monitor the regulatory landscape for changes proactively. Furthermore, we provide ongoing education to our business units on compliance requirements and engage with government bodies and industry associations to stay informed about all relevant developments. We have also invested in a digital compliance tracking and monitoring tool that covers all key compliances across the business, as well as a quarterly certification process for these compliances, overseen by the person responsible for the function. We have also invested in the digitisation of the Board meeting processes and key regulatory amendments (like Market Rumour Verification and Reporting).

4. Technology and info-security risks

Cybersecurity and data privacy risk

Brief risk description: An evolving technology and data infrastructure threat landscape, driven by deepening digital engagement with consumers, suppliers and partners, is resulting in an increasing risk of cyberattacks, data breaches and system disruptions.

Unauthorised access, misuse of sensitive data, or disruptions in IT infrastructure could severely impact business operations, hinder sales, disrupt supply chains and compromise consumer trust. Furthermore, growing reliance on third-party technology providers and cloud-based solutions introduces additional complexities in managing IT security. Safeguarding our IT ecosystem is a top strategic priority as we continue our digital transformation.

Risk mitigation: We maintain a comprehensive, multi-layered security posture to proactively safeguard our digital assets and sensitive information. Our approach is rooted in industry-leading standards, including ISO 27001 certification and alignment with the NIST Cybersecurity Framework.

Our cybersecurity strategy is built on significant investments in advanced defences and rigorous risk mitigation practices. We engage independent third-party auditors to assess critical IT systems that store sensitive data, driving continuous improvements and ensuring robust protection.

Our information security controls emphasise prevention, timely detection and effective remediation of threats. These controls are continuously monitored and enhanced across our IT infrastructure through an ongoing programme, ensuring they remain effective against evolving risks.

To reinforce our human firewall, we provide frequent cybersecurity training to all employees, fostering a culture of vigilance and awareness. Our digital infrastructure integrates advanced cybersecurity technologies, including:

- **Advanced threat monitoring and analytics**
- **Strong access controls safeguarding customer, financial and sensitive data**
- **Third-party risk management for supplier chain management**
- **Compliance with applicable regulatory requirements**

Additionally, we conduct regular Business Continuity Plan (BCP) and Disaster Recovery (DR) drills to ensure operational resilience in the event of adverse conditions.

Together, these layers create a robust defence framework designed to protect our organisation, our client and their data against emerging cybersecurity and privacy threats.

5. People risks

Workforce capability and talent retention risk

Brief risk description: Our business innovation and excellence depend on the skill development of our workforce along with Nykaa's agile ways of working. Our ability to attract and retain talent is critical to the success of our operations. Employees lacking the right skills in an evolving landscape could further impact our ability to innovate. The competitive labour market for key skill sets, combined with the potential attrition of key staff and managerial personnel, could affect our growth.

Risk mitigation: We proactively mitigate workforce risks through strategic investments in our people and by attracting top talent from diverse backgrounds. Our ability to rapidly scale our employee base while maintaining an agile work environment effectively addresses growing business needs. We champion a high-performance culture grounded in diversity and inclusion, ensuring our team is equipped with the right tools for continuous upskilling and reskilling.

6. Financial risks/Treasury risks

Foreign exchange (forex) exposure risk

Brief risk description: Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relates to its operating activities, which are denominated in foreign currency, specifically trade payables and advances paid to vendors.

Risk mitigation: The Group's foreign currency risks are identified, measured and managed at regular intervals in accordance with the Group's policies. When a derivative is entered into to hedge any foreign currency exposure, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

Board's Report

Dear Members,

Your Board of Directors **("Board")** are pleased to present the 13th (Thirteenth) Annual Report of FSN E-Commerce Ventures Limited ("your Company" or "the Company" or "Nykaa") together with the Audited Financial Statements of the Company, for the financial year ended March 31, 2025 ("the year under review" or "the year" or "FY25").

Financial Performance – An Overview

(₹ in crores)

Particulars	Standalone		Consolidated	
	2024-25	2023-24*	2024-25	2023-24*
Revenue from Operations	419.95	312.52	7,949.82	6,385.62
Other Income	157.33	184.64	27.26	29.94
Total Income	**577.28**	**497.16**	**7,977.08**	**6,415.56**
Total Expenditure	479.99	403.24	7,849.63	6,346.54
Profit before Tax	**97.29**	**93.92**	**127.45**	**69.02**
Current Tax	16.80	9.01	41.50	106.73
Deferred Tax (Credit)/Expenses	(16.87)	(36.11)	12.25	(81.42)
Profit after Tax	**97.36**	**121.02**	**73.70**	**43.71**
Share in loss of associate	-	-	(1.63)	(3.97)
Profit for the period	**97.36**	**121.02**	**72.07**	**39.74**
Other Comprehensive Income/Loss (OCI)	**(0.95)**	**0.20**	**(4.31)**	**0.44**
Total Comprehensive Income	**96.41**	**121.22**	**67.76**	**40.18**
Balance in the Profit/ (Loss) Account in the Balance Sheet	**345.13**	**246.91**	**48.46**	**(6.15)**

* Restated on account of acquisition of business through slump sale, Scheme of Amalgamation and Scheme of Arrangement.

REVIEW OF OPERATIONS

During the year under review, the Standalone income of your Company increased to ₹577.28 crores as compared to ₹497.16 crores in the previous year, registering a growth of 16%. The Standalone profit after tax for the year was ₹97.36 crores as compared to ₹121.02 crores in the previous year registering a decrease of 20%.

During the year under review, the Consolidated income of the Group increased to ₹7,977.08 crores compared to ₹6,415.56 crores in the previous year, registering growth of 24%. The Consolidated profit for the period for the Group was ₹72.07 crores as compared to ₹39.74 crores in the previous year registering an increase of 81%.

The operating and financial performance of your Company has been covered in the Management Discussion and Analysis Report which forms part of the Annual Report.

DETAILS OF MATERIAL CHANGES AND COMMITMENTS FROM THE END OF THE FINANCIAL YEAR

There were no material changes and commitments affecting the financial position of your Company, which have occurred between end of the FY25 and the date of this report.

RESERVES

Your Board has decided to retain the entire amount of profit for FY25.

DIVIDEND

Your Board has not recommended any dividend on the equity shares of the Company for financial year ended March 31, 2025, as the Company is in growing stage and would require funds to support its growth objectives.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the Board in determining the dividend pay-out. The policy is available on the website of the Company at Dividend Distribution Policy.

SHARE CAPITAL

The details of changes in paid-up equity share capital during the year under review, are as under:

#	Paid-up Equity Share Capital	₹ in crores
A	At the beginning of the year, i.e., as on April 01, 2024	285.599
B	Allotments made pursuant to exercise of vested stock options under the various employee stock option schemes of the Company	0.326
C	At the end of the year, i.e., as on March 31, 2025 (C=A+B)	285.925

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The Audited Standalone and Consolidated Financial Statements of the Company, for the financial year ended March 31, 2025, are prepared, in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with relevant Rules and other accounting principles. The Consolidated Financial Statement has been prepared based on the financial statements received from Subsidiaries and an Associate company, as approved by their respective Board of Directors.

STRATEGIC INITIATIVES DURING THE YEAR UNDER REVIEW AND TILL THE DATE OF THIS REPORT

Your Company strives to create and enhance the value for its stakeholders through synergising and optimising its business operations and thus, in line with your Company's value of **'Be Better Everyday'**, the following strategic initiatives were taken during the year under review:

A. DEMERGER OF E-B2B BUSINESS FROM FSN DISTRIBUTION LIMITED TO NYKAA E-RETAIL LIMITED

Your Board, at its meeting held on February 06, 2024, approved Scheme of Arrangement between FSN Distribution Limited and Nykaa E-Retail Limited, wholly owned subsidiaries of the Company, and their respective shareholders and creditors.

Nykaa E-Retail Limited primarily has an inventory led business model of selling beauty and personal care products of its own brands as well as third party brands through online channels i.e., its own online platforms and websites. FSN Distribution Limited has a B2B inventory led business model of selling beauty and personal care products through its distribution networks using online as well as offline sales channels. The Scheme comprised of demerger of online B2B beauty business from FSN Distribution Limited to Nykaa E-Retail Limited. Post demerger, residual business of offline B2B business i.e. general / modern trade business would continue in FSN Distribution Limited.

This demerger would facilitate synergy in operations such as effective utilisation of warehouse and office space, synergy in technology cost and overheads. It would further result in consolidation of online beauty business under one entity, leading to reduction in compliances and intercompany transactions and improved customer experience.

The Hon'ble National Company Law Tribunal, Mumbai approved the scheme of arrangement vide its order dated May 9, 2025. The Appointed date for the Scheme of Amalgamation is April 01, 2024, and the Scheme is operationalised with effect from May 29, 2025.

Pursuant to the Scheme, 10,000 equity shares of ₹10 each (fully paid up) of Nykaa E-Retail Limited will be issued and allotted to FSN E-Commerce Ventures Limited.

B. AMALGAMATION OF ILUMINAR MEDIA LIMITED WITH NYKAA FASHION LIMITED

Your Board had at its meeting held on May 22, 2024, approved Scheme of Amalgamation of Iluminar Media Limited with Nykaa Fashion Limited.

Iluminar Media Limited ('Transferor Company'), inter alia, had been engaged in the business of digital media marketing and advertising services on online portal. The Transferor Company is a wholly owned subsidiary of Nykaa Fashion Limited. Nykaa Fashion Limited 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. Nykaa Fashion Limited is a wholly owned subsidiary of the Company.

The Scheme would result in streamlining of the corporate structure and consolidation of assets and liabilities, drive synergies in technology, infrastructure and collaboration with all the stakeholders of the companies, facilitate more efficient utilisation of capital for enhanced development and growth of the consolidated business in one entity, easier implementation of corporate actions through simplified compliance structure, cost savings through legal entity rationalisation and consolidation of support functions & business processes, elimination of duplicate expenses, and would also improve management oversight.

The Hon'ble National Company Law Tribunal, Mumbai approved the Scheme vide its order dated May 27, 2025. The Appointed date for the Scheme of Amalgamation is April 01, 2024, and the Scheme is operationalised with effect from May 29, 2025.

As the Scheme of Amalgamation is between Nykaa Fashion Limited with its wholly owned subsidiary company – Iluminar Media Limited, there will not be any issuance of shares pursuant to the Scheme. Post the Scheme becoming effective (i.e., from May 29, 2025), Iluminar Media Limited stands dissolved and ceases to exist as a separate legal entity.

C. INCREASED STAKE IN "DOT & KEY WELLNESS LIMITED"

Your Board, at its meeting held on August 13, 2024, approved further acquisition of 39% stake in "Dot & Key Wellness Limited" (formerly "Dot & Key Wellness Private limited)

as per the terms of the Shareholder Agreement dated September 19, 2021 and January 09, 2024, respectively. All the necessary conditions as per the said Documents and the Share Purchase Agreement were completed by the Company during the financial year under review.

The Company acquired additional 5,030 equity shares on March 28, 2025. Accordingly, the Company currently holds ~90% of equity shares in "Dot & Key Wellness Limited".

Dot & Key is engaged in the business of manufacturing, marketing, branding and sale of skincare and personal care products, including serums, toners, cleansers, face masks and face creams. Dot & Key has also launched products in the nutraceuticals category. The products are listed on Company's and other online retailers' platforms as well as available in physical retail stores. Following this investment, Dot & Key became one of Company's owned brands and this investment would allow the Company to expand its skincare, personal care and nutraceuticals offerings.

D. INCREASED STAKE IN "EARTH RHYTHM PRIVATE LIMITED"

Your Board at its meeting held on August 13, 2024 approved entering into Share Subscription & Shareholders' Agreement ('SSHA') and Share Purchase Agreement ('SPA') with Earth Rhythm Private Limited ('Earth Rhythm') to acquire its issued and paid-up share capital by way of subscription and/or purchase of Compulsory Convertible Cumulative Preference Shares and/ or Optionally Cumulative Redeemable Preference Shares and Share Warrants, through primary as well as secondary issuances. Post this subscription, your Company holds ~74.63% of the issued and paid-up share capital of Earth Rhythm on a converted basis, in accordance with the terms and conditions of the above-mentioned SSHA and SPA.

Earth Rhythm is a personal care brand which manufactures and sells sustainable/non-toxic beauty products on their website and other e-commerce websites. This additional investment would not only strengthen your Company's product portfolio into sustainable beauty segment but also solidify its positioning in the growing market for products that are committed to efficacy as well as the planet.

E. ACQUISITION OF WESTERN WEAR AND ACCESSORIES BUSINESS BY WAY OF SLUMP SALE FROM NYKAA FASHION LIMITED

Your Board, at its meeting held on May 22, 2024, had approved the proposal to acquire the Western Wear and Accessories business of 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") entered between the Company and the Transferor Company. The total cost of acquisition was approximately ₹133.7 crores.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

As on March 31, 2025, the Company has Eleven direct subsidiaries and Ten step-down subsidiaries. The status of Dot & Key Wellness Limited was converted from private limited company to public limited company during the year under review.

During the year under review, Nykaa Essentials Private Limited was incorporated as a wholly owned subsidiary of the Company.

The following step-down subsidiaries were incorporated during FY25 by Nessa International Holdings Limited, a step-down subsidiary of the Company:

(i) Nysaa Distribution FZE., JAFZA, UAE

(ii) Nysaa Cosmetics Trading, Qatar

(iii) Nysaa Trading LLC, Saudi Arabia

(iv) Nysaa Cosmetics SPC, Oman

(v) Nysaa International for Wholesale and Retail Trade Co. SPC, Kuwait

Pursuant to the provisions of Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014 and in accordance with applicable accounting standards, a statement containing the salient features of financial statements of your Company's subsidiaries in Form No. AOC-1 is annexed as **Annexure – I** to this Report.

In accordance with the provisions of Section 136 of the Act and the amendments thereto, and the Listing Regulations, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and financial statements of your Company's subsidiaries have been placed on the website of your Company at https://www.nykaa.com/investor-relations/lp

Your Company has formulated a Policy for determining Material Subsidiaries pursuant to the Listing Regulations. The said policy is available on the website of the Company at Policy for determining Material Subsidiary

During the year under review, Nykaa E-Retail Limited and FSN Brands Marketing Private Limited were material subsidiaries of the Company as per Regulation 16 and Regulation 24 of the Listing Regulations, which required appointment of one of the Company's independent directors on the board of the material subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming a part of the Annual Report.

INTEGRATED ANNUAL REPORT

In compliance with the SEBI circular dated February 06, 2017, your Company has voluntarily published the Integrated Annual Report, which includes both financial and non-financial information and is

based on the International Integrated Reporting Framework. This report covers aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the seven forms of capitals viz. financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital, digital capital and natural capital.

An Integrated Report intends to give a holistic picture of an organisation's performance and prospects to the providers of financial capital and other stakeholders. It is thus widely regarded as the future of corporate reporting. Your Board acknowledges its responsibility for the integrity of the report and the information contained therein.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ('BRSR')

The BRSR, including BRSR Core consisting of Key Performance Indicators and the reasonable assurance statement by TUV India Private Limited, for the year under review, as stipulated under Regulation 34(2)(f) of the Listing Regulations, describing the initiatives taken by your Company from social and governance perspective, forms an integral part of the Annual Report as '**Annexure – VII**'.

CORPORATE GOVERNANCE

Your Company embeds sound Corporate Governance practices and constantly strives to adopt emerging best practices. It has always been the Company's endeavour to excel through better Corporate Governance alongwith fair and transparent practices. A Report on Corporate Governance forms part of this Report as '**Annexure – II**'.

M/s. S. N. Ananthasubramanian & Co., Company Secretaries, the Secretarial Auditors of the Company vide their certificate dated May 29, 2025, have confirmed that the Company is and has been compliant with the conditions stipulated in Chapter IV of the Listing Regulations. The said certificate is annexed as '**Annexure – III**' to this Report.

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2025 in Form MGT – 7 in accordance with Section 92(3) and Section 134(3)(a) of the Act, as amended from time to time and the Companies (Management and Administration) Rules, 2014, has been uploaded on the website of the Company at https://www.nykaa.com/annual-report/lp.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, the Directors of the Company confirm that:

a) In the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards had been followed and there have been no material departures from the same;

b) They had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profits of the Company for the year ended on that date;

c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They had prepared the annual accounts on a going concern basis;

e) They had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and operating effectively; and

f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND THEIR REPORT

(i) Statutory Auditors

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), were re-appointed as Statutory Auditors of the Company at the 9th AGM of the Company held on September 29, 2021, to hold office till the conclusion of the 14th AGM to be held for FY26.

In terms of Section 139 and 141 of the Act and relevant Rules prescribed thereunder, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company. The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have issued an unmodified opinion on the Financial Statements for the FY25 and the Auditor's Report forms part of this Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark.

(ii) Secretarial Auditors

In compliance with Regulation 24A of the Listing Regulations and Section 204 of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board at its meeting held on May 30, 2025, based on recommendation of the Audit Committee, approved the appointment of M/s. S. N. Ananthasubramanian & Co., Practising Company Secretaries, a peer reviewed firm (Firm Registration No. P1991MH040400) as Secretarial Auditors of the Company for a term of five consecutive financial years commencing from FY26 till

FY30, subject to approval of the Members at the ensuing AGM. Resolution seeking their appointment along-with other details as required under Regulation 36(5) of the Listing Regulations forms part of the Notice of Thirteenth Annual General Meeting.

Further, in compliance of Regulation 24A of the Listing Regulations, Company's unlisted material subsidiaries also undergo Secretarial Audit and the Secretarial Audit Reports of the Company and its unlisted material subsidiaries thereto, in the prescribed Form No. MR-3, have been attached as **Annexure — IV, IV(A) and (B)** forming part of this Report.

The Secretarial Auditors Reports of the Company and of the Material Subsidiaries do not contain any qualification, reservation, adverse remark or disclaimer.

REGISTRAR AND TRANSFER AGENT

During the year under review, Link Intime India Private Limited, Registrar and Transfer Agent ("RTA") of the Company has changed its name to 'MUFG Intime India Private Limited' ("MIIPL") with effect from December 31, 2024. MIIPL is now the RTA of the Company.

DISCLOSURES IN TERMS OF THE PROVISIONS OF THE ACT & THE LISTING REGULATIONS

A. Board of Directors ("Board")

(i) Number of meetings

The Board met 5 (Five) times during the year under review. The details of such meetings are disclosed in the Corporate Governance Report forming part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days.

(ii) Directors retiring by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Adwaita Nayar, (DIN:07931382), Executive Director and Mr. Milan Khakhar, (DIN:00394065), Non - Executive (Non-Independent) Director, are due to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ('NRC'), has approved and recommended their re-appointment.

Resolution seeking their re-appointment along-with their profile and other details as required under Regulation 36(3) of the Listing Regulations forms part of the Notice of Thirteenth Annual General Meeting.

(iii) Board Evaluation

In sync with Nykaa value of **"Be Better Everyday",** the Nomination and Remuneration Committee / Board of Directors reviewed the Board evaluation framework and process for the FY25 to further strengthen the criteria, parameters and sharpness of rating/feedback for Board, its Committees & its individual Directors.

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and its individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, in accordance with the compliance requirements.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the FY25 in accordance with the framework. The details of evaluation process of the Board, its Committees and its individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

The Policy on Board of Directors' Evaluation Framework can be accessed at: Policy on Board of Director's Evaluation Framework.

(iv) Declaration of Independence

The Company has received necessary declaration from each Independent Director of the Company stating that:

(i) they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations; and

(ii) as required vide Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 they have registered their names in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs.

Based on the declarations received from the Directors, the Board confirms, there has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors are competent, experienced, proficient and possess necessary expertise and integrity to discharge their duties and functions as Independent Directors.

(v) Familiarisation programme for Independent Directors

Disclosure pertaining to familiarisation programme for Independent Directors is provided in the Corporate Governance Report forming part of this Annual Report.

B. Committees of the Board

The Board has constituted five committees which are mandated by the Act and the Listing Regulations, viz.

(i) Audit Committee,

(ii) Nomination and Remuneration Committee,

(iii) Stakeholders' Relationship Committee,

(iv) Risk Management Committee

(v) Corporate Social Responsibility & Environmental, Social, and Governance Committee.

In addition to the said committees, the Board has also constituted Fundraise and Investment Committee.

During the year, all recommendations of the Committees were approved by the Board. Details of all the Committees, along with their charters, composition and meetings held during the year, are provided in the Corporate Governance Report forming part of this Annual Report.

C. Directors and Key Managerial Personnel

During the year, following were the changes in Directors:

1. Mr. Pradeep Parameswaran (DIN: 07206780) was re-appointed as an Independent Director of the Company, for a second term of 3 (Three) years commencing from July 15, 2024, vide special resolution passed through Postal Ballot.
2. Mr. Seshashayee Sridhara (DIN: 09247644) was re-appointed as an Independent Director of the Company, for a second term of 3 (Three) years commencing from July 26, 2024, vide special resolution passed through Postal Ballot.
3. Mr. Santosh Desai (DIN: 01237902) was appointed as an Independent Director of the Company, for the first term of 3 (Three) years commencing from July 15, 2024, by vide special resolution passed through Postal Ballot.
4. Ms. Alpana Parida (DIN: 06796621) ceased to be an Independent Director of the Company w.e.f. July 14, 2024, due to completion of her term as an Independent Director of the Company.

In accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are the Key Managerial Personnel of the Company:

(a) Ms. Falguni Nayar – Executive Chairperson, Managing Director and Chief Executive Officer.

(b) Mr. P. Ganesh – Chief Financial Officer.

(c) Mr. Neelabja Chakrabarty - Company Secretary & Compliance Officer.

There were no changes in the Key Managerial Personnel of the Company during the year under review.

None of the Company's Directors are disqualified from being appointed as a director as specified in Section 164 of the Act. All Directors have further confirmed that they are not debarred from holding the office of a director under any order from SEBI or any other authority.

During the year under review, the Non-Executive Directors (including Independent Directors) of the Company had no pecuniary relationship or transactions with the Company, other than receipt of sitting fees, commission, reimbursement of expenses incurred by them for the purpose of attending meetings of the Board and its Committees or other Company events and any other transactions as approved by the Audit Committee or the Board which have been disclosed under the Notes to Accounts. For more details about the Directors, please refer to the Corporate Governance Report.

D. Remuneration of Directors and Employees

Disclosure comprising particulars with respect to the remuneration of Directors and employees and other details, as required in terms of the provisions of Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **"Annexure - V"** to this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Pursuant to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report, excluding the aforesaid information, is being sent to the Members of the Company. Any Member interested in obtaining such information may write to the Company Secretary at nykaacompanysecretary@nykaa.com.

Your Company has adopted 'Remuneration Policy for Directors, Key Managerial Personnel and other Employees' which sets out criteria for the remuneration for Directors and Key Managerial Personal and the same can be accessed at: Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

E. Vigil Mechanism/Whistle-Blower

Your Company is committed to highest standards of business ethics and integrity and ensuring compliance to applicable laws. Your Company continues to believe in conducting its affairs in a fair and transparent manner by adopting highest standards of honesty, integrity, professionalism and ethical behaviour. Your Company has established a Vigil Mechanism/ Whistle-blower Policy in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations with a view to provide a platform and mechanism for employees, Directors and other stakeholders of the Company to report actual or suspected unethical behaviour, fraud or violation of the Company's Code of Conduct, ethics, principles and matters specified in the policy without any fear of retaliation, and also provide for direct access to the Chairperson of the Audit Committee as the case may be, in exceptional cases. Your Company is committed to developing a culture where it is safe for all persons covered under the Code and enables access to raise concerns without any fear of retaliation regarding potential violation.

Employees and other stakeholders are encouraged to report actual or suspected concerns or violations of applicable laws and regulations and the Code of Conduct. Such genuine concerns or violations are called 'Protected Disclosures' which can be raised by a Whistle-blower to "Speak-up Helpline" (an external independent agency or agencies

appointed by the Company to receive and attend to the Protected Disclosures through toll-free number / e-mail / web portal), established in terms of the Policy.

The Company affirms compliance with the Whistle-Blower Policy/Vigil Mechanism. All Employees and Directors have access to the Chairperson of the Audit Committee in appropriate and exceptional circumstances and it is affirmed that no person has been denied access to the Chairperson of the Audit Committee.

The policy is available on the Company's website and can be accessed at: Whistle-Blower Policy/ Vigil Mechanism.

F. Corporate Social Responsibility ('CSR')

A brief outline of the CSR Philosophy, salient features of the CSR Policy of the Company, the CSR initiatives undertaken during the FY25 together with progress thereon and the report on CSR activities in the prescribed format, as required under Section 134(3)(o) read with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in **'Annexure – VI'** to this Report and the CSR Policy can be accessed on the website of the Company at CSR Policy.

G. Employee Stock Option Scheme and Share Based Employee Benefits

Your Company grants employee stock options that would enable the employees to share the value they create for the Company in the years to come. Accordingly, pursuant to the approval of Board and Members of the Company and in terms of the provisions of applicable laws, your Company has formulated Employees Stock Options Scheme – 2012 ("ESOS 2012"), FSN Employees Stock Scheme – 2017 ("ESOS 2017"), FSN E- Commerce Ventures Limited – Employee Stock Option Plan 2022" ("ESOP 2022") and FSN E-Commerce Ventures Limited – Employee Stock Unit Plan 2022 ("RSU Scheme") for grant of stock options to eligible employees.

The Nomination and Remuneration Committee of the Company, inter alia, administers and monitors the ESOS & RSU Schemes, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations"). During the year under review, there is no material change in the ESOS & RSU Schemes, and they have been in compliance with the provisions of SBEB Regulations and other applicable provisions of law.

The applicable disclosures as stipulated under Regulation 14 of SBEB Regulations with regard to the ESOP & RSU Schemes of the Company are available on the website of the Company at https://www.nykaa.com/annual-report/lp

A certificate from M/s. S. N. Ananthasubramanian & Co., Company Secretaries, the Secretarial Auditor of the Company, confirming that the aforesaid ESOP & RSU Schemes have been implemented in accordance with the SBEB Regulations, will be open for inspection at the ensuing Annual General Meeting.

H. Investor Education and Protection Fund ('IEPF')

The Company, till date, is not required to transfer any amount to the IEPF Account in terms of the provisions of the Act and the Rules thereunder.

I. Related Party Transactions

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. Prior omnibus approval is obtained for transactions which are of a repetitive nature and are in the ordinary course of business and at arm's length pricing.

All contracts/arrangements/transactions entered by the Company during the year under review with related parties were in the ordinary course of business and on arm's length pricing. During the year under review, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy of the Company, the Act and the Listing Regulations or which are required to be reported in Form AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Accordingly, there are no transactions that are required to be disclosed in Form AOC-2.

The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of the Company at Related Party Transaction Policy.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in the Standalone Financial Statement of the Company. Your Company in terms of Regulation 23 of the Listing Regulations submits, within the stipulated time, disclosures of related party transactions, in the specified format to the stock exchanges. The said disclosures can be accessed on the website of the Company at RPT Disclosure.

J. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Considering the nature of business of your Company, the particulars with respect to conservation of energy and technology absorption required pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

The foreign exchange earnings and outgo are as below:

Particulars	2024-25	2023-24
Earnings in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	₹357.6 Mn	₹80.50 Mn

K. Risk Management

Your Company has a risk management framework which proactively identifies, assess and mitigates risks, supporting decision making across various levels of the Company.

To effectively mitigate risks that impact our strategic business objectives, we have employed an Enterprise-wide Risk Management framework ('ERM') by adapting the frameworks of COSO Enterprise Risk Management (ERM) framework 2017 and also ISO 31000 Risk Management framework, to support proactive identification, assessment, prioritisation, management and monitoring of risks that could have a material impact on the achievement of Company's business objectives, while also formulating relevant risk mitigation strategies which helps protecting our assets, and support informed decision making which will reduce the impact of any adverse events.

The Board of Directors of the Company has also formed a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact the mid-term to the long-term objectives of the business, including those which are reputational in nature.

The Company endeavours to continually strengthen its Risk Management systems and processes in line with a rapidly changing business environment. There were no risks which in the opinion of the Board threaten the existence of the Company. Details of various risks faced by your Company are provided in the Management Discussion & Analysis Report.

Your Company has framed and implemented a Risk Management Policy in terms of the provisions of Regulation 21 of the Listing Regulations, for assessment and minimisation of risk, including identification of elements of risk, if any, which may threaten the existence of the Company. The policy can be accessed at Risk Management Policy.

L. Internal Financial Control

According to Section 134(5)(e) of the Act the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The Act also mandates the need for an effective internal financial control system in the Company which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of internal financial control with reference to the financial statements to be disclosed in the Board's report.

The Company has adequate internal financial control system over financial reporting ensuring that all transactions are authorised, recorded, and reported correctly in a timely manner inorder to provide reliable financial information and to comply with applicable accounting standards which commensurate with the size and volume of business of the Company.

The key internal financial controls have been documented, automated wherever possible and embedded in the respective business processes. Assurance to the Board on the effectiveness of internal financial controls is obtained through 3 Lines of Defence which include:

(a) Management reviews and self-assessment.

(b) Continuous control monitoring by functional experts; and

(c) Independent design and operational testing by an external professional firm.

The Company believes that these systems provide reasonable assurance that the Company's internal financial controls are adequate and are operating effectively as intended. During the year under review, such controls were tested by the Statutory Auditors of the Company and no material weaknesses or significant deficiencies in the design or operations were observed and reported by the Statutory Auditors. Details of the internal controls system are provided in the Management Discussion & Analysis Report.

M. Policy on Directors' Appointment and Remuneration

In terms of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of your Company, on recommendation of the NRC, had adopted a "Remuneration Policy for Directors, Key Managerial Personal and other employees" ('Remuneration Policy') and "Policy on Board Diversity".

The Company's Remuneration Policy is directed towards designing remuneration so as to attract, retain, and reward talent who will contribute to long-term success of the Company and build value for its shareholders. Objective of Board Diversity Policy is to ensure that the Board is fully diversified and comprises of an ideal combination of Executive and Non-Executive Directors, including Independent Directors, with diverse backgrounds.

The salient features of the policies are outlined in the Corporate Governance Report and the policies are made available on the Company's website, which can be accessed at https://www.nykaa.com/policies.

N. Particulars of Loans, Guarantees and Investments

Particulars of loans given, investments made, guarantees given and securities provided under Section 186 of Companies Act, 2013 along with the purpose for which the loan or guarantee or security provided is proposed to be

utilised by the recipient has been provided in the Standalone Financial Statement.

O. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In compliance with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has adopted a Prevention of Sexual Harassment Policy for the prevention of sexual harassment and constituted Internal Complaints Committee (ICC) to deal with complaints relating to sexual harassment at workplace. For details of complaints received during the year, kindly refer to relevant disclosures in the Corporate Governance Report which forms part of the Annual Report.

P. Environment & Safety

Your Company is conscious of the importance of environmentally clean and safe operations and has accordingly framed and adopted Health, Safety and Environment (HSE) Policy which can be accessed at Health, Safety and Environment Policy. The Company's policy requires conduct of operations in such a manner that it ensures safety of all concerned, compliances of environmental regulations and preservation of natural resources.

Your Company is committed to the highest standards of health, safety and environment practices within the organisation and the extended areas within our influence, with an aim to provide safe and healthy working environment to our employees, customers, business partners, suppliers and visitors.

During the year under review, the Company continued its waste management efforts through various environment friendly measures i.e., use of eco-friendly packaging material, recycling of plastic waste and redesigning packaging to reduce plastic waste. Scrap disposal was in line with industry benchmarks.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events on these items during the year under review:

- There was no change in the nature of business of your Company as stipulated under Rule 8(5)(ii) of Companies (Accounts) Rules, 2014.
- Your Company has not accepted any deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.
- No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
- No issuance of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- No fraud has been reported by the Auditors to the Audit Committee or the Board under Section 143(12) of the Act.
- There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 during FY25.
- The Company has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.
- Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- Your Company has not raised funds through preferential allotment or qualified institutions placement as per Regulation 32(7A) of the Listing Regulations.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with the Secretarial Standard 1 and 2 on 'Meetings of the Board of Directors' and on 'General Meetings', respectively, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, in terms of Section 118(10) of the Act.

MAINTENANCE OF COST RECORDS

Your Company is not engaged in the business of production of goods or providing of services as specified in Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 ("Rules"). Accordingly, the requirement of maintaining cost records in accordance with Section 148(1) of the Act read with the Rules is not applicable to the Company for the period under review.

ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the assistance, co-operation and encouragement extended to the Company by its' customers, business partners, brands, bankers, authorities and other stakeholders.

The Directors take this opportunity to place on record their warm appreciation for the valuable contribution, untiring efforts and spirit of dedication demonstrated by the employees and officers at all levels, in ensuring an excellent all- around operational performance. We applaud them for their superior levels of competence, solidarity, and commitment to the Company. The Directors would also like to thank the shareholders for their wholehearted support and contribution. We look forward to their continued support in future.

For and on behalf of the Board of Directors

Falguni Nayar
Executive Chairperson, Managing Director & CEO
DIN: 00003633

Place: Rome, Italy
Date: May 30, 2025

Annexure – I

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary presented with amounts in ₹ crores)

Sr. No.	Particulars	Details											
1	Name of the subsidiary	FSN Brands Marketing Pvt. Ltd.	Nykaa E-Retail Ltd.	Nykaa-KK Beauty Pvt. Ltd.	Nykaa Fashion Ltd.**	FSN International Ltd.*	FSN Distribution Ltd.[1]	Nykaa Foundation	Nykaa Essentials Private Limited[2]	Dot & Key Wellness Ltd.	Nudge Wellness Pvt. Ltd.	Ilumniar Media Ltd.[3]	Earth Rhythm Private Limited
2	The date since when the subsidiary was acquired	(since incorporation)								September 28, 2021	June 30, 2022	September 09, 2022	November 26, 2024[4]
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	March 31, 2025											
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries												
5	Share capital	102.00	9.52	1.00	175.01	45.08	0.01	0.01	0.05^^^	1.36	6.00	-	0.05
6	Reserves & surplus	(69.18)	530.11	34.92	(276.14)	(30.20)^^	(340.92)	-	-	116.68	(2.94)	-	27.50
7	Total assets	937.27	2,325.46	67.61	445.43	62.40	332.11	0.02	-	184.42	3.59	-	43.44
8	Total Liabilities	904.45	1,785.83	31.69	546.56	47.52	673.02	0.01	-	66.38	0.52	-	15.89
9	Investments	0.00#	0.00#	-	0.16	-	0.00#	-	-	0.00#	-	-	-
10	Turnover	1,257.86	6,259.27	131.76	638.91	23.96	15.89	4.20^	-	423.37	0.35	-	26.14
11	Profit/(loss) before tax	21.40	144.54	14.79	(19.39)	(29.54)	(145.08)	-	-	75.13	(0.94)	-	(10.63)
12	Less: Provision for taxation												
	- Current Tax	1.02	0.29	4.14	-	-	-	-	-	19.25	-	-	-
	- Deferred Tax	5.51	38.21	(0.32)	-	(0.50)	-	-	-	(0.20)	(0.21)	-	(1.71)
13	Profit/(loss) after tax	14.87	106.04	10.98	(19.39)	(29.04)	(145.08)	-	-	56.09	(0.73)	-	(8.92)
14	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
15	% of shareholding	100.00%	100.00%	51.00%	100.00%	100.00%	100.00%	100.00%	100.00%	90.04%	60.00%	100.00%	74.83%

[1]Includes assets and liabilities held for sale pursuant to the demerger of E-B2B business (demerged undertaking) of the Company with Nykaa E-Retail Limited. The Appointed date for the Scheme of Amalgamation is April 01, 2024, and the Scheme is operationalised with effect from May 29, 2025.

[2]Nykaa Essentials Private Limited was incorporated as a wholly owned subsidiary of the Company with effect from March 10, 2025.

[3]Ilumniar Media Limited has been merged with Nykaa Fashion Limited w.e.f. May 29, 2025 and has ceased to exist.

[4]Earth Rhythm Private Limited ("ERPL"), which was an Associate Company, became a Subsidiary of the Company with effect from November 26, 2024 consequent to increase in stake in ERPL.

*On consolidated basis including its subsidiaries i.e. FSN Global FZE, Nykaa International UK Limited and Nessa International Holdings Ltd. The Company has 100% stake in FSN Global FZE and Nykaa International UK Limited and 55% stake in Nessa International Holdings Ltd.

**includes profit from continuing and discontinued operations.

#Less than 0.01 crores.

^includes donation income.

^^includes non-controlling interest of ₹74.72 crores.

^^^ Subsequent to March 31, 2025, the Company has received an infusion of share capital.

Notes:

1. Names of subsidiaries which are yet to commence operations: Nykaa Essentials Private Limited, which was incorporated on March 10, 2025, is yet to commence its operations.
2. Names of subsidiaries which have been liquidated or sold during the year: None except Iluminar Media Limited which has been merged with Nykaa Fashion Limited w.e.f May 29, 2025

Part"B": Associates and Joint Ventures:

Since the Company does not have any Associates or Joint Ventures as on March 31, 2025, this section is Not Applicable

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, Managing Director & CEO
DIN No.: 00003633
Place: Rome, Italy
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358
Place: London, United Kingdom
Date: May 30, 2025

P. Ganesh
Chief Financial Officer
Place: Mumbai
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075
Place: Mumbai
Date: May 30, 2025

Annexure – II

Report on Corporate Governance

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At NYKAA, we are committed to strong corporate governance that is aligned with our objective of maximising our stakeholders' interests. We adhere to the highest standards of governance, integrity, ethics and transparency. These are driven by our values and principles, which are imbibed at all levels in the Company to ensure that we gain and retain the trust of our stakeholders. Aligning our organisation around this cohesive set of values is critical to the fulfilment of our mission and achievement of our business goals.

The Company believes that any meaningful policy on Corporate Governance must empower the executive management of the Company and simultaneously create a mechanism of checks and balances which ensure that the decision-making powers vested in the executive management are used with care and responsibility and, not misused.

We have a Code of Conduct with the underlying belief of conducting business in a principled manner. It lays down our values and principles that always guide our actions to live up to our best ideals and to operate our business with the utmost integrity. We ensure that ethical conduct is embedded across our operations, and we expect all our employees and external partners to follow the same. Our policies and procedures operate alongside our Code to guide our employees as they conduct their day-today activities. They encompass all relevant laws, regulations and promotional standards.

The Company and its Subsidiaries have a wide range of stakeholders like shareholders and investors, customers, business partners etc. and the Company recognises that these relationships form an important portion of our overall corporate value. The Company is committed to focus on long-term value creation and protecting stakeholders' interests by applying proper care, skill and diligence to business decisions. To achieve this objective, the Company is ensuring fair and transparent decision-making and bolstering dynamic management through swift and decisive decision-making based on an effective use of the corporate resources.

In order to have a robust governance, we have a multi-tiered governance structure with defined roles and responsibilities of every constituent of the system. The Board is the apex body constituted by the shareholders to oversee the Company's overall functioning. They are responsible for providing strategic supervision, overseeing the Management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company's affairs. While the Company's day-to-day affairs are managed by a competent Management team, it is under the overall supervision of the Board.

The Board has constituted several Committees to focus on well-defined areas of responsibility, with a mandate to make time-bound recommendations. The Company has also adopted various Codes/Policies towards achieving the best Corporate Governance practices which *inter alia* includes Code of Conduct for Board and Senior Management, Vigil Mechanism/Whistle-Blower Policy, Code for Prevention of Insider Trading and Related Party Transactions Policy and endeavour to continuously contribute to social and environmental spheres through various CSR programmes creating shared values.

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**) and the report contains the details of Corporate Governance systems and processes at FSN E-Commerce Ventures Limited. There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

2. CODE OF CONDUCT

Your Company firmly believes that with success comes more responsibility & accountability of being a credible corporate citizen following highest standards of compliance & governance. Your Company has adopted a Code of Conduct for its Directors and Senior Management which reflects the values cherished and practiced at the organisation. The same is hosted on the website of your Company at Code of Conduct for its Directors and Senior Management.

All the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. A declaration signed by the Executive Chairperson, Managing Director and Chief Executive Officer to this effect is enclosed as **Annexure – II(A)** at the end of this Report.

3. BOARD OF DIRECTORS

The Board is at the core of the Corporate Governance system of your Company. The Board is committed towards compliance of sound principles of Corporate Governance and plays a crucial role in overseeing how the Management serves the short and long-term interests of the Members and other stakeholders. This belief is reflected in the governance practices of the Company, under which it strives to maintain an effective, informed and independent Board.

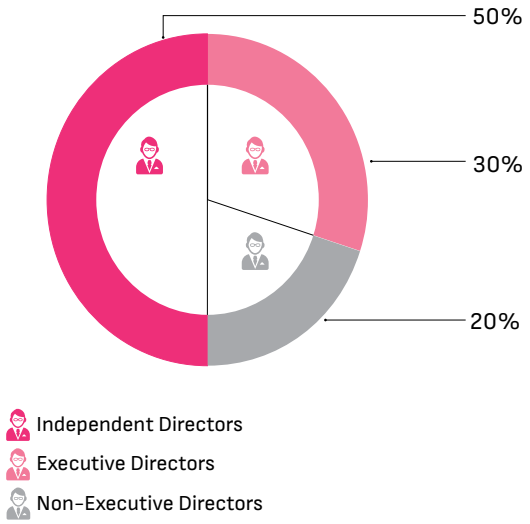
The Board's operations are duly supported by the Executive Chairperson, Managing Director and Chief Executive Officer, Executive Directors, Key Managerial Personnel ("KMPs") and the Senior Management, while discharging its fiduciary duties and in ensuring effective functioning of your Company.

An independent and well-informed Board goes a long way in protecting the stakeholders' interest. The composition of your Company's Board represents an optimal mix of professionalism, knowledge and experience that enables the Board in discharging its responsibilities and providing effective leadership and support to the business.

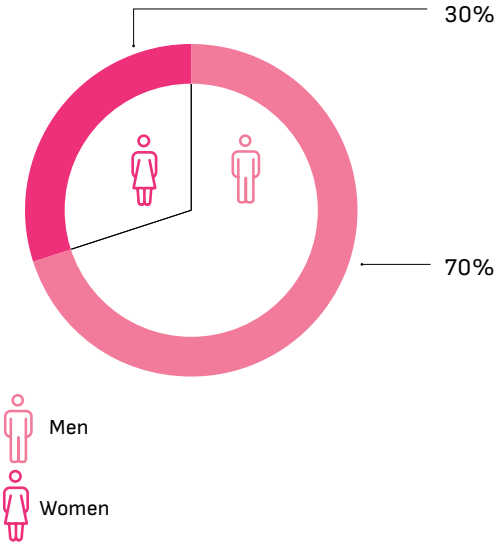
As on March 31, 2025, the Board consists of 10 Directors comprising of 5 Independent Directors, 2 Non-Executive (Non-Independent) Directors and 3 Executive Directors. The composition of your Board is in conformity with Regulation 17(1) of the Listing Regulations and the Companies Act, 2013 ("**the Act**"). Details of appointments/re-appointments of Directors during the FY25 are provided in Board's Report.

A. Board Composition

Board Classification



Board Gender Diversity



The Composition and category of Directors is given in below table. The profile of Directors can be accessed at our website at www.nykaa.com/board-of-directors/lp

Sr. No.	Name of the Director	Category of Director	Date of first appointment on the Board	Inter-se Relationship between Directors
1	Ms. Falguni Nayar (DIN: 00003633)	Executive Chairperson, Managing Director & CEO	April 24, 2012	• Spouse of Mr. Sanjay Nayar • Mother of Mr. Anchit Nayar and Ms. Adwaita Nayar
2	Mr. Sanjay Nayar (DIN: 00002615)	Non-Executive Director	April 09, 2021	• Spouse of Ms. Falguni Nayar • Father of Mr. Anchit Nayar and Ms. Adwaita Nayar
3	Ms. Adwaita Nayar (DIN: 07931382)	Executive Director	January 22, 2018	• Daughter of Ms. Falguni Nayar and Mr. Sanjay Nayar • Sister of Mr. Anchit Nayar
4	Mr. Anchit Nayar (DIN: 08351358)	Executive Director	August 13, 2019	• Son of Ms. Falguni Nayar and Mr. Sanjay Nayar • Brother of Ms. Adwaita Nayar
5	Mr. Milan Khakhar (DIN: 00394065)	Non-Executive Director	September 28, 2015	-
6	Ms. Anita Ramachandran (DIN: 00118188)	Independent Director	July 15, 2021	-
7	Mr. Milind Sarwate (DIN: 00109854)	Independent Director	July 15, 2021	-
8	Mr. Pradeep Parameswaran (DIN: 07206780)	Independent Director	July 15, 2021	-
9	Mr. Seshashayee Sridhara (DIN: 09247644)	Independent Director	July 26, 2021	-
10	Mr. Santosh Desai (DIN: 01237902)	Independent Director	July 15, 2024	-

The composition, diversity and strength of the Board is reviewed from time to time for ensuring that the same is in line with the applicable laws and that it remains aligned with the strategy and long-term needs of the Company. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The Policy is available on our website at Board Diversity Policy

B. Matrix setting out the core skills/expertise/competence of the Board of Directors

Your Board comprises of qualified members who collectively bring in the skills, expertise and competencies stated below that allow them to make effective contribution to the Board and its Committees as required in context of its business sector and to ensure highest standards of Corporate Governance. The Directors have identified the list of core skills/expertise/competencies as required for them to function effectively and the Board believes that Directors of the Company possess these skills/expertise/competencies, which helps the Company function effectively. While all the Board Members possess the skills identified, their respective area of core expertise is given below:

Core Area of Expertise	Falguni Nayar	Sanjay Nayar	Anchit Nayar	Adwaita Nayar	Anita Rama-chandran	Milind Sarwate	Milan Khakhar	Seshashayee Sridhara	Pradeep Parameswaran	Santosh Desai
Entrepreneurship	√	√	√	√	√	√	√	√	√	√
Leadership/ Operational Experience	√	√	√	√	√	√	√	√	√	√
Business Strategy	√	√	√	√	√	√	√	√	√	√
Marketing – Digital, Consumer & E-commerce	√	√	√	√	√	-	√	√	√	√
Industry knowledge	√	√	√	√	√	√	√	√	√	√
Brand Building	√	√	√	√	-	-	√	√	√	√
Governance and Regulatory oversight	√	√	√	√	√	√	√	√	√	√
Financial literacy	√	√	√	√	√	√	√	√	√	√
Human Capital Management	√	√	√	√	√	-	√	-	√	√
M&A, Investment Management, Risk Management	√	√	√	√	-	√	√	√	√	√

The Company did not have any material pecuniary relationship or transactions with any of the Non-Executive Directors during the financial year ended March 31, 2025 except for payment of sitting fees and commission incurred in the discharge of their duties. None of the Directors hold convertible instruments of the Company.

C. The names of other companies where Directors of the Company hold directorship, its category and the number of directorships and committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2025, is given below:

Name of Director	Directorship held in other Listed Entities along with Category*		Number of Directorships in other Companies**	Membership and Chairmanship of the Committees of the Board of other Companies***		Number of Equity Shares held (with % of paid-up share capital)
	Name of the listed entity	Category of Directorship		Member	Chairperson	
Ms. Falguni Nayar	-	-	2	1	1	NIL
Mr. Sanjay Nayar	-	-	2	-	-	NIL
Ms. Adwaita Nayar	-	-	1	-	-	1,80,360 (0.01%)
Mr. Anchit Nayar	-	-	1	-	-	9,60,480 (0.03%)
Ms. Anita Ramachandran	Happiest Minds Technologies Limited	Independent Director	8	8	2	4,38,384 (0.02%)
	Ujjivan Small Finance Bank Limited					
	Blue Star Limited					
	Grasim Industries Limited					
	Ultratech Cement Limited					
	Aditya Birla Sun Life AMC Limited					
Mr. Milind Sarwate	Sequent Scientific Limited	Independent Director	6	7	4	63,156 (0.00%)
	Mahindra and Mahindra Financial Services Limited					
	Asian Paints Limited					
	CEAT Limited					
	Hexaware Technologies Limited					
Mr. Pradeep Parameswaran	-	-	1	-	-	31,584 (0.00%)
Mr. Seshashayee Sridhara	Happiest Minds Technologies Limited	Independent Director	2	-	-	Nil
Mr. Santosh Desai	D. B. Corp Limited	Independent Director	2	2	-	Nil
	Cupid Limited					
Mr. Milan Khakhar	Solid Stone Company Limited	Managing Director	4	1	-	Nil

* Regulation 17A of the Listing Regulations provides for the inclusion of only equity listed entities for reckoning the directorship in the listed entity, hence directorships held in debt listed entities have not been considered for reporting as above.

** For the purpose of reckoning Directorship /Committees position , all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, and companies under Section 8 of the Act, have been excluded.

*** In terms of Regulation 26(1)(b) of the Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted). Further, membership includes positions as Chairperson of the Committee. Also excludes the membership & chairmanship in FSN E-Commerce Ventures Limited.

As per declarations received from the Directors:

a) None of the Directors is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director.

b) None of the Directors hold Directorship in more than ten public companies and in more than seven listed companies, across the directorships held including that in the Company.

D. Board Meetings and attendance

During the financial year ended March 31, 2025, 5 (Five) Board Meetings were held. The meetings were held on May 22, 2024; August 13, 2024; November 12, 2024; February 10, 2025 and March 8, 2025 respectively. Attendance of the Directors at the Board meetings and the last Annual General Meeting ('AGM') is given below:

Name of Directors	Category	No. of Board Meetings during FY25			Whether attended last AGM held on September 18, 2024
		Entitled to attend	Attended	%	
Ms. Falguni Nayar	Executive Chairperson, Managing Director and Chief Executive Officer	5	5	100	Yes
Mr. Sanjay Nayar	Non-Executive Director	5	5	100	Yes
Ms. Adwaita Nayar	Executive Director	5	5	100	Yes
Mr. Anchit Nayar	Executive Director	5	5	100	Yes
Mr. Milan Khakhar	Non-Executive Director	5	5	100	Yes
Ms. Anita Ramachandran	Independent Director	5	5	100	Yes
Mr. Milind Sarwate	Independent Director	5	5	100	Yes
Mr. Pradeep Parameswaran	Independent Director	5	4	80	No
Mr. Seshashayee Sridhara	Independent Director	5	5	100	Yes
Mr. Santosh Desai*	Independent Director	4	4	100	Yes
Ms. Alpana Parida**	Independent Director	1	1	100	NA

* Mr. Santosh Desai was appointed as an Independent Director of the Company with effect from July 15, 2024.

** Ms. Alpana Parida completed her term as an Independent Director and consequently ceased to be a Director of the Company with effect from July 14, 2024.

E. Board Procedures and flow of information

The Management provides the Board with additional information beyond what is required by regulation, which enables informed decision-making and contributes to the Company's growth. The Chairperson, Managing Director & CEO and the Executive Directors are responsible for day-to-day management and are supported by the Senior Management Team members. The Board/Committee Meetings are pre-scheduled and an annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board periodically reviews updates on business performance, projects, corporate restructuring plans, strategic plans, risk management, and other key areas impacting the business, and also on organisation talent and culture. Information is provided continuously for review and approval, including strategic and operating plans, financial statements, appointments in senior management and directors, audits, legal and compliance matters and regulatory updates.

A formal system for follow-up, review, and reporting on actions taken by management on board decisions is in place. The Board members are provided with continuous information about the Company's operations for their review, input, and approval. This includes presenting our annual strategic plan, budget and mid-term plan to the Board. The Management also present various matters such as appointment of Senior Management Personnel, corporate actions and updates, review of internal and statutory audits, details of investor grievances and shareholding analysis, important managerial decisions, risk management initiatives including cyber security along with mitigation actions, CSR and ESG initiatives and plans and status of the implementations and legal/statutory matters to the respective Committees of the Board. These matters are later presented to the Board of Directors for approval, as may be required.

In order to facilitate effective confirmation(s) / declaration(s) at the Board Meetings, the agenda is categorised into items requiring approval and items which are to be noted by the Board. Clarification/queries, if any, on the items which are to be noted/taken on record by the Board are sought and resolved before the meeting itself. This ensures focused and effective discussions at the Meetings.

F. Independent Directors

The Company has received confirmations / declarations from the Independent Directors that they meet the criteria of Independence laid down under the Act and the Listing Regulations. The Independent Directors have also confirmed that their registration with the databank of persons offering to become Independent Directors as created by the Indian Institute of Corporate Affairs is valid.

The Board of Directors, based on the confirmations / declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that in their opinion, the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Act and are independent of the Management of the Company.

All Independent Directors of the Company have been appointed as per the provisions of the Act and the Listing Regulations. None of the Independent Director(s) of the Company resigned before the expiry of their tenure. The terms and conditions of their appointment are disclosed on the Company's website Terms and Conditions of appointment of Independent Directors

G. Separate Meeting of Independent Directors

Schedule IV of the Act, Listing Regulations and Secretarial Standard – 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management.

The Independent Directors Meeting was held on March 26, 2025. The Independent Directors, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Independent Directors and with the Chairperson, and rest of the Board as well as with the Senior Management Team.

H. Familiarisation Programme

The Company's familiarisation programmes for its Independent Directors includes an overview of the business model of the Company and its subsidiaries, the socio-economic environment in which the Company operates, the operational and financial performance of the Company and the significant developments taking place on a continuous basis. The Company also familiarise the Independent Directors with their roles, rights and responsibilities in the Company. The Company also ensures induction and training programmes are conducted for newly appointed Directors.

The details of familiarisation programmes imparted to Independent Directors are also disclosed on the Company's website: Familiarisation Program FY25

I. Directors and Officers Insurance

In line with the requirements of Regulation 25(10) of the Listing Regulations, your Company has undertaken Directors and Officers Insurance ('D and O Insurance') for all its Directors, including Independent Directors, for such quantum and risks as determined by the Board of Directors of the Company.

4. COMMITTEES

The Board Committees are the pillars of the governance structure of the Company. The Board Committees are formed as a means of improving Board's effectiveness and efficiency in areas where more focused, specialised and technically oriented discussions are required. These committees prepare the groundwork for decision-making and enhance the objectivity and independence of the Board's judgement. The Members constituting the Committees are majority Independent Directors and each Committee is guided by its Charter or Terms of Reference, which outlines the composition, scope, roles & responsibilities of the Committees. The Chairperson of the Committees apprise the Board about the executive summary of the discussions held and decisions arrived at the Committee Meetings.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board. The Company has 5 (Five) statutory Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility & Environmental, Social, and Governance Committee and 1 (one) non- statutory Committee namely Fundraise and Investment Committee.

DETAILS OF STATUTORY COMMITTEES

A. Audit Committee

Terms of Reference

The scope and function of the Audit Committee is in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations and its terms of reference are as follows:

(i) The Audit Committee shall have powers, which should include the following:

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee of the Company;
- (c) To obtain outside legal or other professional advice;
- (d) To secure attendance of outsiders with relevant expertise if it considers necessary; and
- (e) Such powers as may be prescribed under the Act and Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

- (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgement by the management of the Company;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications/modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the Listing Regulations and/or the applicable Accounting Standards and/or the Act.

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(p) Discussion with internal auditors of any significant findings and follow up thereon;

(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(u) Reviewing the functioning of the whistle blower mechanism;

(v) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(w) Carrying out any other functions as provided under the provisions of the Act, the Listing Regulations and other applicable laws;

(x) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;

(y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(aa) Reviewing the utilisation of loans and/or advances from/investment by Company in the subsidiaries exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;

(ab) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders; and

(ac) Carrying out any other functions as may be required/ mandated and/or delegated by the Board as per the provisions of the Act , Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

(iii) The Audit Committee shall mandatorily review the following information:

(i) Management's discussion and analysis of financial condition and results of operations;

(ii) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(iii) Internal audit reports relating to internal control weaknesses;

(iv) The appointment, removal and terms of remuneration of the chief internal auditor;

(v) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

(ii) annual statement of funds utilised for purposes other than those stated in the issue document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations;

(vi) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and

(vii) Such information as may be prescribed under the Act and Listing Regulations.

The Audit Committee shall have authority to investigate into any matter in relation to the items as set out above or referred to it by the Board and for this purpose shall have the power to seek information from any employees, obtain outside legal or other professional advice from external sources, have full access to information contained in the records of the Company and secure the attendance of outsiders with relevant expertise, if it considers necessary.

Meetings and Composition

The Committee met 6 (Six) times during the year under review on May 21, 2024, August 12, 2024, November 11, 2024, February 07, 2025, March 05, 2025 and March 13, 2025. Meetings held on May 21, 2024, August 12, 2024, November 11, 2024 and February 07, 2025 were adjourned to May 22, 2024, August 13, 2024, November 12, 2024 and February 10, 2025, respectively, for consideration of certain agenda items. The requisite quorum was present at all the meetings including the adjourned meetings of the Audit Committee. Details of the composition of the Audit Committee and attendance at meetings are as follows.

Sr. No.	Name of the Director	Designation	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended	% of attendance
1	Mr. Milind Sarwate	Independent Director	Chairperson	6	6	100
2	Ms. Anita Ramachandran	Independent Director	Member	6	6	100
3	Mr. Seshashayee Sridhara	Independent Director	Member	6	2	33
4	Mr. Santosh Desai	Independent Director	Member	4	3	75
5	Mr. Anchit Nayar	Executive Director	Member	1	1	100

Notes:

1. Mr. Anchit Nayar ceased to be Member of the Committee w.e.f. May 22, 2024.
2. Mr. Santosh Desai was inducted as a Member of the Committee w.e.f. August 13, 2024
3. Mr. Seshashayee Sridhara ceased to be a Member of the Committee w.e.f. May 30, 2025.

The Company Secretary and Compliance Officer of the Company is the Secretary of the Audit Committee.

B. Nomination and Remuneration Committee

Terms of Reference

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Act read with Regulation 19 of the Listing Regulations and its terms of reference are as follows:

(a) To allot equity shares upon exercise of Employee Stock Options under the Employee Stock Option Schemes of the Company;

(b) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, ensures that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board

and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates.

(d) Formulation of criteria for evaluation of performance of independent directors and the Board;

(e) Devising a policy on Board diversity;

(f) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(g) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

(h) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(i) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);

(j) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(k) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(l) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(m) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:

(i) Determining the eligibility of employees to participate under the ESOP Scheme;

(ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

(iii) Date of grant;

(iv) Determining the exercise price of the option under the ESOP Scheme;

(v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

(vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

(vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

(viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

(x) The grant, vest and exercise of option in case of employees who are on long leave;

(xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;

(xii) The procedure for cashless exercise of options;

(xiii) Forfeiture/ cancellation of options granted;

(xiv) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(n) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(o) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;

(p) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee; and

(q) Such terms of reference as may be prescribed under the Act, Listing Regulations or other applicable laws or by any other regulatory authority.

Meetings and Composition

The Committee met 2 (Two) times during the year under review, on May 20, 2024 and December 11, 2024. The requisite quorum was present at all the meetings of the Committee. Details of the composition of the Nomination and Remuneration Committee and attendance at meetings are as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended	% of attendance
1	Ms. Anita Ramachandran	Independent Director	Chairperson	2	2	100
2	Mr. Milan Khakhar	Non-Executive Director	Member	2	2	100
3	Mr. Pradeep Parameswaran	Independent Director	Member	2	2	100

The Company Secretary and Compliance Officer of the Company is the Secretary of the Nomination and Remuneration Committee.

Board, Director and Committee evaluation and criteria for evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

The Company has a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairperson.

During the year under review, Nomination and Remuneration Committee ("**NRC**") carried out the performance evaluation of the Board, Committees of Board and individual Directors. The process involved a questionnaire-based approach followed by independent one on one discussions with all Board Members. The various steps involved in the evaluation process are as under:

Step I: Circulation of Evaluation forms to all Board Members.

Step II: Sharing of responses in the questionnaire by the Board Members with NRC Chairperson.

Step III: Preparation of Summary report by NRC Chairperson.

Step IV: Presentation of Summary report to the Board & decide appropriate actions.

The parameters for performance evaluation of the Board, Committees of Board and individual Directors are as follows:

- Contribution to and monitor corporate governance practices.
- Commitment to the fulfilment of a Directors' obligation.
- Fiduciary responsibilities.
- Any other aspects agreed by Board from time to time.

The performance evaluation exercise was carried out through a structured questionnaire covering various aspects i.e., composition of Board, governance process, Board/Committee Meetings and procedure, overall functioning of the Board, domain expertise, integrity, inclusive leadership, awareness about Company's strategy/objectives, effective participation in the Meetings, appropriateness and timeliness of information, awareness about role and responsibilities, stakeholders' interest, etc.

The Board evaluation process was completed for FY25. The outcome of the performance evaluation was presented to the Nomination and Remuneration Committee and the Board of Directors of the Company.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

The Policy on Board of Directors' Evaluation Framework can be accessed at: Board of Directors' Evaluation Framework

C. Stakeholders' Relationship Committee

Terms of Reference

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations and its terms of reference are as follows:

(a) Transfer/transmission of shares;

(b) Split up/sub-division and consolidation of shares;

(c) Dematerialisation/rematerialisation of shares;

(d) Issue of new and duplicate share certificates;

(e) Transfer of shares to IEPF Authority;

(f) Release of shares from unclaimed suspense account of the Company;

(g) Registration of Power of Attorneys, Probate, Letters of transmission or similar other documents;

(h) To open/close bank account(s) of the Company for depositing share/debenture applications, allotment and call monies, authorise operation of such account(s) and issue instructions to the Bank from time to time in this regard;

(i) To look into redressal of shareholders' and investors' complaints relating to transfer/transmission of shares, non- receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings, etc;

(j) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(k) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;

(l) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

(m) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Act or Listing Regulations, or by any other regulatory authority;

(n) Any allied matter(s) out of and incidental to these functions and not herein.

Meetings and Composition

The Committee met 2 (two) times in the year, that is on May 09, 2024, and October 14, 2024. The requisite quorum was present at both the meetings. Details of the composition of Stakeholders' Relationship Committee and attendance at meetings are as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended	% of attendance
1	Mr. Seshashayee Sridhara	Independent Director	Chairperson	2	2	100
2	Mr. Anchit Nayar	Executive Director	Member	2	2	100
3	Ms. Adwaita Nayar	Executive Director	Member	2	1	50

The Company Secretary and Compliance Officer of the Company is the Secretary of the Stakeholders' Relationship Committee.

Grievance Redressal Mechanism

The details of shareholders' complaints received and disposed off during the financial year under review, are given below:

Complaints as on April 01, 2024	Received during the year	Resolved during the year	Pending as on March 31, 2025
Nil	Nil	Nil	Nil

Details of queries and requests received in the year under review:

Pending as on April 01, 2024	Received during the year	Resolved during the year	Pending as on March 31, 2025
Nil	143	143	Nil

Nature of Requests/Queries: Request for hard copy of annual reports, book closures, stock-split, e-voting and AGM related, etc.

D. Risk Management Committee

Terms of Reference

The terms of reference of the Risk Management Committee are as follows:

(a) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes;

(b) To periodically review the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(c) The policy includes:

(1) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;

(2) Measures for risk mitigation including systems and processes for internal control of identified risks;

(3) Business Continuity Plan.

(d) To approve the process for risk identification and mitigation;

(e) To decide on risk tolerance and appetite levels, recognising contingent risks, inherent and residual risks including for cyber security;

(f) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;

(g) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(h) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(i) To approve major decisions affecting the risk profile or exposure and give appropriate directions;

(j) To consider the effectiveness of decision making process in crisis and emergency situations;

(k) To balance risks and opportunities;

(l) To generally, assist the Board in the execution of its responsibility for the governance of risk;

(m) To consider the appointment, removal and terms of remuneration of the chief risk officer (if any);

(n) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

(o) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

(p) To attend to such other matters and functions as may be prescribed by the Board from time to time; and

(q) Such terms of reference as may be prescribed under the Act and Listing Regulations.

Meetings and Composition

The Committee met 2 (two) times in the year, that is on May 08, 2024 and October 18, 2024. The requisite quorum was present at both the Meetings. The details of the composition of RMC and attendance at meetings are as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended	% of attendance
1	Mr. Pradeep Parameswaran	Independent Director	Chairperson	2	2	100
2	Mr. Sanjay Nayar	Non-Executive Director	Member	2	2	100
3	Mr. Rajesh Uppalapati	Chief Technology Officer (Non-Board member)	Member	2	2	100

The Company Secretary and Compliance Officer of the Company is the Secretary of the Risk Management Committee.

E. Corporate Social Responsibility & Environmental, Social, and Governance Committee ("CSR & ESG Committee")

Terms of Reference

(a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;

(c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act.

(h) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.

(i) Such terms of reference as may be prescribed under the Act and Listing Regulations.

The Company has adopted a Corporate Social Responsibility (CSR) Policy and identified following key focus areas for implementing CSR –

(a) Upliftment and mentoring of vulnerable age groups

(b) Education, Skilling & Entrepreneurship

(c) Access to healthcare

(d) Sustainability and environmental responsibility

Under the aegis of the ESG initiative, the Committee has an oversight responsibility on the Company's business operations from the standpoint of impact on environment and society. This underscores the Company's commitment as a responsible

corporate citizen to improve execution of its business operations in a sustainable, environment friendly manner in the society and markets it operates in. The ESG initiatives are aimed at favourably impacting creation of opportunities for people, businesses and communities the Company works with. The Committee presents proposed initiatives to the Board in this regard.

Composition of the Corporate Social Responsibility Committee and the terms of reference are in compliance with the requirements under Section 135 of the Act.

Meetings and Composition

The Committee met 3 (three) times in the year, on May 09, 2024, October 11, 2024 and March 19, 2025. The requisite quorum was present at all the meetings. The details of the composition of Corporate Social Responsibility & Environmental, Social, and Governance Committee and attendance at meetings are as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended	% of attendance
1	Ms. Anita Ramachandran	Independent Director	Chairperson	3	3	100
2	Mr. Sanjay Nayar	Non-Executive Director	Member	3	1	33.33
3	Ms. Adwaita Nayar	Executive Director	Member	3	3	100

The Company Secretary and Compliance Officer of the Company is the Secretary of the CSR & ESG Committee.

5. REMUNERATION OF DIRECTORS

Remuneration Policy

In terms of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of your Company, on recommendation of the Nomination and Remuneration Committee ("NRC"), adopted Remuneration policy for Directors, Key Managerial Personnel and other Employees ('Remuneration Policy') which sets out criteria for the remuneration for Directors, Key Managerial Personal ('KMP') and other employees so as to attract, retain and reward talent who will contribute to our long-term success and thereby build value for the shareholders.

As per Remuneration Policy, the Company expects its employees to foster a culture of growth and high performance. Our Policy supports the design of programmes that align rewards – including incentive programmes, retirement benefit programmes, promotion and advancement opportunities – with the long-term success of our stakeholders. The Policy enables and encourages employees to live by and demonstrate the Nykaa Values in its true spirit.

Remuneration of Directors:

- Executive Directors are eligible for remuneration as may be approved by the Board on recommendation of the Committee. The remuneration and Commission/Variable Pay to be paid to the Managing Director/Whole-time Director are in accordance with the provisions of the Act and the rules made thereunder.
- Non-Executive/Independent Directors are eligible for sitting fees for attending Meetings of Board and Committees as fixed by the Board on the recommendation of the NRC in accordance with the provisions of the Act, and the rules made thereunder. The Shareholders at the Extra-Ordinary General Meeting held on July 28, 2021 approved payment of commission to be paid to the Independent Directors not exceeding 1% of the profits of Company and/or its Subsidiaries, as applicable, for the year or such limits as may be prescribed under the Act.

Remuneration to KMP and other employees:

- The KMP and other employees are paid remuneration as per the Company's Compensation Policy, designed around the following primary pay components: fixed pay, annual variable pay, long-term incentives, perks and benefits. The break-up of the pay scale and other components are governed by HR Policies of the Company. The remuneration is reviewed annually through the cyclical compensation review process.

The Remuneration Policy of the Company is available on the Company's website and can be accessed at: Remuneration Policy

Remuneration to Executive Directors for the Financial Year 2024-25

(₹ in Mn)

Sr. No.	Name of the Director	Fixed Compensation	Perquisites/ Benefits	Variable Pay/ Commission	Total Remuneration
1	Ms. Falguni Nayar[3]	7.8	0.82	Nil[1]	8.62
2	Ms. Adwaita Nayar[4]	25.34	1.06	6.35[2]	32.75
3	Mr. Anchit Nayar[3]	1.33	0.06	Nil[2]	1.39

Notes:

1. 2% of the profit before tax of our Company on consolidated basis, subject to applicable statutory limits as approved by the Shareholders pursuant to their resolution dated March 08, 2021.
2. 0.5% of profit before tax of the Company on a consolidated basis, subject to applicable statutory limits as approved by the Shareholders pursuant to their resolution dated July 16, 2021.
3. In addition to the above, Ms. Falguni Nayar has received ₹102.96 million as the remuneration from Nykaa E-Retail Limited, a wholly owned Subsidiary of the Company.
4. Ms. Adwaita Nayar is also the Managing Director and CEO of Nykaa Fashion Limited (100% Subsidiary of the Company). Hence, in addition to the above, Ms. Adwaita Nayar has received ₹25.35 million as the remuneration from Nykaa Fashion Limited.
5. Mr. Anchit Nayar is also the Managing Director and CEO of Nykaa E-Retail Limited (100% Subsidiary of the Company). In addition to the above, Mr. Anchit Nayar has received ₹56.71 million as the remuneration from Nykaa E-Retail Limited.
6. Other than the variable pay plan as envisaged in the agreement entered into with the Company, by Ms. Falguni Nayar, Ms. Adwaita Nayar and Mr. Anchit Nayar, individually, the Company does not have any performance linked bonus or a profit-sharing plan for the said Directors.

Remuneration to Non-Executive Directors for the Financial Year 2024-25

(₹ in Mn)

Sr. No.	Name of the Director	Sitting fees Paid	Commission Paid/ Payable	Total Remuneration
1.	Ms. Anita Ramachandran	0.88	2.50	3.38
2.	Mr. Milind Sarwate	0.83	3.50	4.33
3.	Mr. Santosh Desai	0.53	2.00	2.53
4.	Mr. Pradeep Parameswaran	0.48	0.50	0.98
5.	Mr. Seshashayee Sridhara	0.60	1.00	1.60
6.	Mr. Milan Khakhar	0.50	-	0.50
7.	Ms. Alpana Parida	0.08	-	0.08

Notes:

1. No sitting fees or commission was paid to Mr. Sanjay Nayar for FY25. No commission was paid to Mr. Milan Khakhar and Ms. Alpana Parida for FY25. Only sitting fees was paid.
2. During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Directors.
3. Additionally, commission of ₹1.0 million was paid by Nykaa E-Retail Limited to Mr. Pradeep Parameswaran. Accordingly, the total commission paid to Mr. Pradeep Parameswaran was ₹1.5 million, apart from the sitting fees.
4. Additionally, commission of ₹0.5 million was paid by FSN Brands Marketing Private Limited to Mr. Seshashayee Sridhara. Accordingly, the total commission paid to Mr. Seshashayee Sridhara was ₹1.5 million, apart from the sitting fees.

Other disclosures for Executive Directors:

Sr. No.	Name of the Director	Service Contract	Notice Period	Stock Options	Severance fees
1	Ms. Falguni Nayar	5 years	6 months	Nil	
2	Ms. Adwaita Nayar	5 years	6 months	Nil	Note
3	Mr. Anchit Nayar	5 years	6 months	Nil	

Note: Severance fees for all Executive Directors is 2 Years' compensation (computed basis prevailing annual fixed remuneration and average of immediately preceding two years variable pay paid to the respective Executive Director)

Senior Management Personnel

As on March 31, 2025, the Senior Management Personnel are as follows:

Name	Designation
Ms. Falguni Nayar	Executive Chairperson, Managing Director and Chief Executive Officer Founding Member
Ms. Adwaita Nayar	Executive Director - FSN E-Commerce Ventures Limited, Managing Director & Chief Executive Officer - Nykaa Fashion
Mr. Anchit Nayar	Executive Director - FSN E-Commerce Ventures Limited, Managing Director & Chief Executive Officer – Nykaa E-Retail
Mr. P Ganesh	Chief Financial Officer
Mr. Vishal Gupta	Chief Executive Officer - Nykaa Distribution
Mr. Rajesh Uppalapati	Chief Technology Officer
Mr. Manoj Jaiswal	Chief Officer - Warehouse Operations
Mr. Surender Mehta	Chief Human Resource Officer
Mr. Sujeet Jain	Chief Legal and Regulatory Officer
Mr. Neelabja Chakrabarty	Company Secretary and Compliance Officer

Note:

1. Mr. Nihir Parikh ceased to be a Senior Management Personnel with effect from December 5, 2024.

6. GENERAL MEETINGS

Previous 3 (Three) Annual General Meetings

Year	Date	Time	Location (Deemed Venue)	Special Resolutions passed
2024*	September 18, 2024	03:30 p.m.	104 Vasan Udyog Bhavan, Sun Mill Compound, Lower Parel (W), Mumbai – 400 013	Nil
2023*	September 18, 2023	10:30 a.m.		Nil
2022*	August 10, 2022	05:00 p.m.		Nil

*In compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 09/2023 dated September 25, 2023 and MCA General Circular No. 20/2020 dated May 5, 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated April 08, 2020 and April 13, 2020 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Company conducted the AGM through Video Conferencing/Other Audio Visual Means ("VC"/"OAVM").

Further, in accordance with the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards – 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM are deemed to be conducted at the Registered Office of the Company being the deemed venue of the AGM.

Postal Ballot

Details of special resolutions proposed to be conducted through postal ballot:

No resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

Details of special resolutions passed in the last year through postal ballot:

During the FY25, the approval of the Members of the Company was sought through Postal Ballot on the following resolution(s):

Sr. No.	Description of Resolutions	% of Votes cast in favour	% of Votes cast against	Type of Resolution	Date of passing of the Special Resolution
1.	Re-appointment of Mr. Pradeep Parameswaran as a Non-Executive, Independent Director for a second consecutive term of three years effective July 15, 2024	99.76	0.24	Special Resolution	July 12, 2024
2.	Re-appointment of Mr. Seshashayee Sridhara as a Non-Executive, Independent Director for a second consecutive term of three years effective July 26, 2024	99.39	0.61	Special Resolution	July 12, 2024
3.	Appointment of Mr. Santosh Desai as a Non-Executive, Independent Director for a term of three years effective July 15, 2024.	99.99	0.01	Special Resolution	July 12, 2024

All the Resolution(s) as set out in the Postal Ballot Notice, were passed by the Members of the Company with requisite majority.

Procedure

Pursuant to the provisions of Sections 108, 110 and all other applicable provisions, if any, of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, Listing Regulations, read with General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and subsequent circulars issued in this regard, the latest being circular dated September 25, 2023 issued by the Ministry of Corporate Affairs in this regard, Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India and other applicable regulations, rules, circulars and notifications issued thereunder (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the approval of Members of the Company for the above mentioned resolutions were obtained by Postal Ballot through remote e-voting process. The details of the Postal Ballot activity is mentioned hereunder:

Remote e-voting	The Company had engaged the services of NSDL for the purpose of providing e-voting facility for the Postal Ballot to all its members
Scrutiniser	The Board of Directors had appointed Sachin Sharma (Membership No.: F12788/ CP. No.: 20423), Designated Partner, M/s. Sharma and Trivedi LLP (LLPIN: AAW-6850), Practicing Company Secretaries, as the Scrutiniser for conducting the e-voting process in a fair and transparent manner
Cut-off date	Friday, June 07, 2024
Total number of Shareholders as on Cut-off date	4,87,259
Dispatch date of Notice	The postal ballot notice was sent to all eligible shareholders, electronically, on Wednesday, June 12, 2024
Remote e-voting period	Commenced at 9:00 A.M. IST on Thursday, June 13, 2024 and concluded at 05:00 P.M. IST on Friday, July 12, 2024
Date of declaration of voting results	The Voting results were declared on Saturday, July 13, 2024

7. MEANS OF COMMUNICATION

Financial Results

Your Company's quarterly financial results are submitted to the stock exchanges within forty-five days from the end of the quarter and the audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations which are also available on the website of your Company at https://www.nykaa.com/i-r-quarterly-half-yearly-annual-filings-2025/lp The results are usually published in (Financial Express/Free Press Journal) English newspaper having country-wide circulation and in (Navshakti/Loksatta) Marathi newspaper where the registered office of the Company is situated.

Investors/analysts Meets

Your Company's officials interact on a regular basis with stakeholders through investor meetings, investor calls, media interactions, interviews, etc. Intimation, presentations and outcome of such meets are uploaded on the website of stock exchanges and displayed on your Company's website at https://www.nykaa.com/investor-analyst-meets-2025/lp

Press/Media releases

Official news and press/media releases are uploaded on the website of stock exchanges and displayed on your Company's website at https://www.nykaa.com/press-release-media-release-2025/lp

Compliance reports, corporate announcements, material information and updates

Your Company disseminates the requisite compliance reports and corporate announcements/updates to the stock exchanges through their designated portal.

Website

Your Company's website https://www.nykaa.com/investor-relations/lp contains a separate section for investors. Information on various topics such as the Board of Directors, Committees of the Board, Annual Reports, various policies, intimation to stock exchanges etc. are available on the website.

Designated Exclusive E-mail IDs

Your Company has designated the following E-mail IDs exclusively for investor servicing:

(a) For Investor Queries and Grievance Redressal:

investor-relations@nykaa.com

nykaacompanysecretary@nykaa.com

(b) For queries in respect of shares in physical mode:

rnt.helpdesk@in.mpms.mufg.com

In line with the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company will be sending this year's Annual Report (including subsequent notices and communications, as permissible) to the shareholders who have registered their email address with the Company/ Depository. The Annual Reports of your Company are also available in the Investor Relations section of the Company's website.

8. GENERAL SHAREHOLDER INFORMATION

Corporate Identification Number:

L52600MH2012PLC230136

Registered Office Address:

104 Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel Mumbai – 400 013.

Annual General Meeting:

Date: Monday, August 25, 2025	Time: 10:30 A.M. (IST)

Venue: Meeting through VC/OAVM
[Deemed Venue for Meeting: Registered Office of the Company at 104 Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel Mumbai – 400 013]

Financial Year:

The financial year covers the period from April 01, 2024 to March 31, 2025. The Company has not recommended any dividend on the equity shares of the Company for financial year ended March 31, 2025.

Listing details:

Particulars	Details
Trading Symbol at BSE Limited	543384
Trading Symbol at National Stock Exchange of India Limited	NYKAA

Payment of Listing Fees

Annual Listing Fees for the Financial Year 2025-26 has been paid by the Company to National Stock Exchange of India Limited and BSE Limited.

Transfer of unclaimed/unpaid amount to the Investor Education and Protection Fund

During the year under review, the Company was not required to transfer any fund to the Investor Education and Protection Fund.

Suspension from trading:

Equity Shares of your Company were not suspended from trading during the FY25.

Investor Correspondence

Registrar and share transfer agent: (For Shares held in Physical form)	MUFG Intime India Private Limited (previously known as Link Intime India Private Limited) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, India. Tel. No. : 022 4918 6000 Fax : 022 - 4918 6060 Email : rnt.helpdesk@in.mpms.mufg.com Website : https://in.mpms.mufg.com/ Toll Free No. : 1800 1020 878
For Shares held in Demat form	Investors' concerned Depository Participant
Secretarial Department	Your Company has designated nykaacompanysecretary@nykaa.com as an exclusive E-mail ID for Investors for the purpose of registering grievances and complaints.

Share Transfer System:

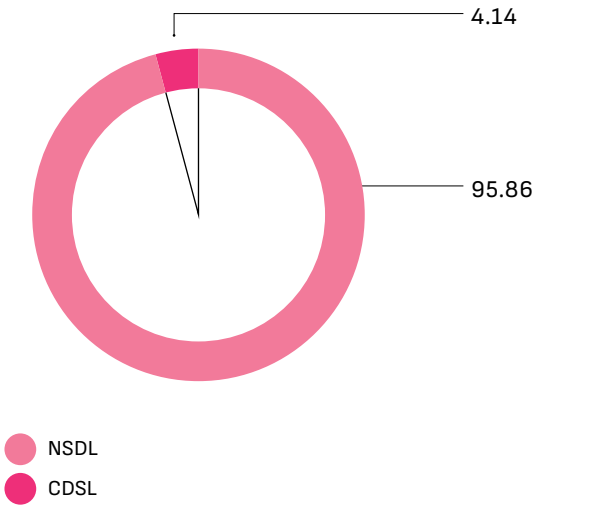
Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders. Shareholders, who hold shares in physical form, are advised to convert them into dematerialised mode to avoid the risk of losing shares, fraudulent transactions, and to receive better investor servicing.

Dematerialisation of shares:

As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred/traded only in dematerialised form. As on March 31, 2025, approximately 100% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

MODE OF HOLDING	NO. OF SHARES	% OF SHARE CAPITAL
Physical Segment	198	0.00
Demat Segment	2,85,92,52,285	100.00
NSDL (A)	2,74,09,22,140	95.86
CDSL (B)	11,83,30,145	4.14
Total	**2,85,92,52,483**	**100.00**

Dematerilisation Position



Distribution of Shareholding by Size as on March 31, 2025:

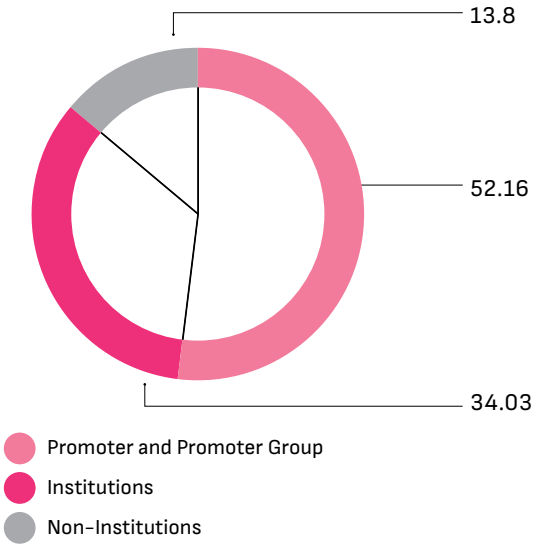
Category (shares)	No. of Shareholders*	% of Shareholders	No. of Shares held	% of shareholding
1 to 500	4,54,746	94.99	3,11,89,691	1.09
501 to 1000	14,080	2.94	1,02,81,636	0.36
1001 to 2000	5,460	1.14	78,03,369	0.27
2001 to 3000	1,652	0.34	41,90,831	0.15
3001 to 4000	615	0.13	21,77,507	0.08
4001 to 5000	477	0.10	22,13,467	0.08
5001 to 10000	718	0.15	51,34,764	0.18
10001 and Above	938	0.19	2,79,62,61,218	97.80
Total	**4,78,686**	**100**	**2,85,92,52,483**	**100**

*The number of shareholders herein are calculated on the basis of folio count.

Shareholding Pattern as on March 31, 2025:

Sr. No.	Category of Shareholder	No. of shareholders*	Total number of shares	% of total no. of shares
A	**Shareholding of Promoter and Promoter Group**			
1	Indian	9	1,49,13,92,142	52.16
2	Foreign	-	-	-
	Total shareholding of Promoter and Promoter Group	**9**	**1,49,13,92,142**	**52.16**
B	**Public Shareholding**			
1	Institutions	243	97,32,61,514	34.03
2	Non-Institutions	4,72,210	39,45,98,827	13.8
	Total Public Shareholding	**4,72,453**	**1,36,78,60,341**	**47.84**
	Total (A+B)	**4,72,462**	**2,85,92,52,483**	**100.00**

*The number of shareholders herein are clubbed on the basis of PAN of shareholders.



Liquidity:

The shares of your Company are actively traded on BSE and NSE. Relevant data for the average daily turnover for FY25 is given below:

Particulars	NSE	BSE	NSE + BSE
Shares (in No.)	86,29,014	5,82,413	92,11,427
Value (in ₹ crores)	1,60,06,68,258	11,12,78,532	1,71,19,46,790

(Source: The above information is compiled from the data available on the websites of BSE and NSE)

Outstanding GDRs/ADRs/Warrants and Convertible Instruments:

Pursuant to ESOP and RSU Schemes approved by the Company, there are 1,38,43,183 outstanding employee stock options and 4,20,000 restricted stock units as on March 31, 2025 with vesting period from 1 to 4 years from the date of grant. Such outstanding employee stock options and restricted stock units represents 1,42,63,183 equity shares, constituting 0.50% of the Company's paid-up equity share capital.

Save and except the above, the Company does not have any outstanding GDRs/ADRs/Warrants or any other convertible instruments as on March 31, 2025, having any impact on equity.

Plant Locations:

Considering the nature of business in which your Company is engaged it does not have any manufacturing plant.

List of all Credit Ratings obtained by the Company along with revisions for the FY25:

CRISIL Ratings Limited had assigned the credit rating to your Company as follows:

Type of Credit rating	During the Financial year 2024-25
Long Term Rating	Crisil A/ Stable (re-affirmed)

Management Discussion and Analysis Report: Management Discussion and Analysis Report forms part of this Annual Report.

9. OTHER DISCLOSURES / COMPLIANCES / CERTIFICATIONS DISCLOSURE FROM SENIOR MANAGEMENT

Subsidiary Companies — Monitoring Framework

The Company monitors performance of its Subsidiary Companies, *inter alia*, by the following means:

(i) The Audit Committee reviews financial statements of the Subsidiary Companies, along with investments made by them, on a quarterly basis.

(ii) The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of Subsidiary Companies.

(iii) At least one Independent Director of the Company is on the Board of Directors of unlisted Material Subsidiaries - Nykaa E-Retail Limited and FSN Brands Marketing Private Limited in terms of Regulation 24 of the Listing Regulations.

The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company. The weblink for the same is Policy for determining Material Subsidiaries

The Material Subsidiaries of the Company along with the details of their Statutory Auditors are specified hereunder:

Sr. No.	Material Subsidiary	Date and Place of Incorporation	Name of Statutory Auditors	Appointment Date of such Auditor
1	Nykaa E-Retail Limited	February 22, 2017, Mumbai	M/s. S. R. Batliboi & Associates LLP, Mumbai	November 30, 2021
2	FSN Brands Marketing Private Limited	February 19, 2015, Mumbai		

Under the Listing Regulations, a "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. [for appointment of independent director of the Company on the board of material subsidiary (refer iii above) - twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year].

The Company does not have a listed subsidiary.

Vigil Mechanism/Whistle-Blower Policy

The Vigil Mechanism/Whistle-Blower Policy has been explained in detail in the Directors' Report.

Related Party Transactions & Conflict of Interest

All the contracts/arrangements/transactions entered by your Company during the financial year with related parties were in its ordinary course of business and on arms' length basis. The Company has made full disclosure of transactions with the related parties as set out in the Notes of Standalone Financial Statement, forming part of the Annual Report. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

Your Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of the Company at Policy on Materiality of Related Party Transactions

Details of non-compliance on matters relating to Capital Market Compliance with Listing Regulations

Equity shares of the Company are listed and traded on National Stock Exchange of India Limited and BSE Limited. The Company has complied with the Rules, Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) and Stock Exchange as applicable to the Company, from time to time. There were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI and/or any other statutory authorities on matters relating to capital market during the year under review.

Website

All the information and disclosures required to be disseminated pursuant to the Listing Regulations and the Act are being posted at Company's corporate website at https://www.nykaa.com/investor-relations

Disclosure of commodity price risks and commodity hedging activities

The Company has taken suitable steps to hedge against foreign exchange risk(s) from time to time to protect from currency risk fluctuations.

However, the Company has not entered into any commodity pricing risk hedging activities and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular dated November 15, 2018, is not required to be made.

Equity Shares in the demat suspense account/ unclaimed suspense account

The Company does not have any equity shares in the demat suspense account or unclaimed suspense account.

Code for prevention of Insider-Trading Practices

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has in place following Policies/Codes which are revised from time to time according to applicable laws or as per need.

- Code of Conduct for Prevention of Insider Trading; and
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). Policy for determination of "legitimate purposes" forms part of this Code.

All compliances relating to Code of Conduct for Prevention of Insider Trading are being managed through a web-based portal installed by the Company. This code lays down guidelines advising the designated persons, insiders and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of FSN E-Commerce Ventures Limited, and while handling any unpublished price sensitive information, cautioning them of the consequences of violations. The Company Secretary has been appointed as the Compliance Officer.

CEO/CFO Certification

The Executive Chairperson, Managing Director & Chief Executive Officer and Chief Financial Officer of the Company have jointly furnished an annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and is attached to this Report as **Annexure – II(B)**.

Further, the Executive Chairperson, Managing Director & Chief Executive Officer and Chief Financial Officer of the Company have also jointly certified and issued the quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

No Disqualification Certificate from Company Secretary in Practice

A certificate from M/s. S. N. Ananthasubramanian & Co., Company Secretaries, the Secretarial Auditor of the Company, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Board/Ministry of Corporate Affairs or any such Statutory Authority, as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations, is attached to this Report as **Annexure – II(C)**.

Fees to Statutory Auditor and its Affiliates

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended March 31, 2025, is ₹ 5.37 crores (including the audit fees of ₹2.82 crores).

Prevention of Sexual Harassment (PoSH)

Your Company is committed to create and provide an environment free from discrimination and harassment including sexual harassment for all its employees. Your Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 which mandates no tolerance against any conduct amounting to workplace sexual harassment. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The Company prohibits and has zero tolerance towards any actions relating to workplace sexual harassment and it is dealt expeditiously and fairly through prompt and thorough investigation whenever any instance in this regard is reported, the details of which are as under:

Sr. No.	Particulars	Number of Complaints
1	Filed during the financial year under review	NIL
2	Disposed of during the financial year under review	NIL
3	Pending as on end of the financial year	NIL

Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested:

During the Financial Year ended March 31, 2025, there are no loans or advances provided by the Company and its subsidiaries to firms/companies in which directors were interested except as disclosed in the financial statements for the FY25.

Disclosure of certain types of agreements

Your Company has not entered into any agreement which requires disclosures pursuant to clause 5A of Para A of Part A of Schedule III of Listing Regulations.

Compliance with Mandatory Requirements and Adoption of Discretionary Requirements

Your Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations and the following discretionary requirement of the Listing Regulations are adopted:

(1) Unmodified Audit Opinion

During the year under review, there is no audit qualification in your Company's standalone financial statements and consolidated financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

(2) Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Act, your Company has appointed Internal Auditor who directly reports to the Audit Committee of the Board of Directors.

Compliance Report on Corporate Governance

The Company submits on quarterly basis, a compliance report on corporate governance in the format prescribed by the Securities and Exchange Board of India, within the statutory period, from the close of the quarter with the Stock Exchanges. The said report is placed before the Board every quarter at its subsequent meeting, for its noting and comments/observations/advice, if any.

Compliance with requirement of Corporate Governance Report

Your Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report:

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/ N.A.	Key Compliance Observed
1	Board of Directors	17	Yes	• Composition and Appointment of Directors • Meetings and Quorum • Review of compliance reports • Plans for orderly succession • Code of Conduct • Fees/compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate by Chief Executive Officer and Chief Financial Officer • Risk management plan, Risk assessment and Minimisation procedures • Performance evaluation of Independent Directors • Recommendation of Board for each item of special business
2	Maximum Number of Directorships	17A	Yes	• Directorships in listed entities
3	Audit Committee	18	Yes	• Composition • Meetings and quorum • Chairperson present at AGM • Role of the Committee
4	Nomination and Remuneration Committee	19	Yes	• Composition • Meetings and quorum • Chairperson present at AGM • Role of the Committee
5	Stakeholders Relationship Committee	20	Yes	• Composition • Meetings and quorum • Chairperson present at AGM • Role of the Committee
6	Risk Management Committee	21	Yes	• Composition • Meetings and quorum • Role of the Committee
7	Vigil Mechanism	22	Yes	• Vigil Mechanism and Whistle-Blower Policy for Directors and employees • Adequate safeguards against victimisation • Direct access to the Chairperson of Audit Committee
8	Related party transactions	23	Yes	• Policy on Materiality of related party transactions and dealing with related party transactions • Prior approval including omnibus approval of Audit Committee for related party transactions • Quarterly review of related party transactions • Disclosure on related party transactions
9	Subsidiaries of the Company	24	Yes	• Appointment of Company's Independent Director on the Board of unlisted material subsidiaries • Review of financial statements and investments of unlisted subsidiaries by the Audit Committee • Minutes of the Board of Directors of the unlisted subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of unlisted subsidiaries are placed at the meeting of the Board of Directors

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/ N.A.	Key Compliance Observed
10	Secretarial Audit	24A	Yes	• Secretarial Audit of the Company and of material unlisted subsidiaries • Secretarial Audit Report of the Company and of material subsidiaries are annexed with the Annual Report of the Company • Annual Secretarial Compliance Report
11	Obligations with respect to Independent Director	25	Yes	• Tenure of Independent Directors • Meetings of Independent Directors • Appointment and Cessation of Independent Directors • Familiarisation of Independent Directors • Declaration from Independent Director that he/she meets the criteria of independence are placed at the meeting of Board of Directors • Directors and Officers insurance for all the Independent Directors
12	Obligations with respect to employees including Senior Management, Key Managerial Persons, Directors and Promoters	26	Yes	• Memberships/Chairmanships in Committees • Affirmation on compliance with Code of Conduct by Directors and Senior Management • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
13	Other Corporate Governance requirements	27	Yes	• Compliance with discretionary requirements • Filing of quarterly, half-yearly and yearly compliance report on Corporate Governance
14	Website	46(2)(b) to (i)	Yes	• Terms and conditions of appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism/Whistle-blower policy • Criteria of making payments to Non-Executive Directors • Policy on dealing with related party transactions • Policy for determining material subsidiaries • Details of familiarisation programmes imparted to Independent Directors

Compliance Certificate from Secretarial Auditor regarding compliance of conditions of Corporate Governance

A certificate from M/s. S. N. Ananthasubramanian & Co., Company Secretaries, regarding compliance of conditions of Corporate Governance forms part of this Annual Report as **Annexure – III.**

Disclosure in relation to recommendation made by any Committee which was not accepted by the Board

There was no instance during the FY25, where the Board of Directors of the Company has not accepted any recommendations, if any, of its Committees.

Various policies and the weblinks of respective policies adopted by your Company which are in accordance with the provisions of the Act and Listing Regulations:

Particulars	Website Links
Vigil Mechanism / Whistle-blower Policy	Vigil Mechanism/Whistle-blower Policy
Terms & Conditions of Appointment of Independent Directors	Terms & Conditions of Appointment of Independent Directors
Risk Management Policy	Risk Management Policy
Remuneration Policy for Directors, Key Managerial Personnel and other Employees	Remuneration Policy for Directors, Key Managerial Personnel and other Employees
Related Party Transaction Policy	Related Party Transaction Policy
Policy for Succession Planning for the Board & Senior Management	Policy for Succession Planning for the Board & Senior Management
Policy on Board Diversity	Policy on Board Diversity
Policy on Material Subsidiaries	Policy on Material Subsidiaries
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Code of Practices and Procedures for fair disclosure of UPSI
Induction and Familiarisation Programme for Independent Director	Induction and Familiarisation Programme for Independent Director
Dividend Distribution Policy	Dividend Distribution Policy
Policy for Determining Materiality of Events and Information	Policy for Determining Materiality of Events and Information
Code of Conduct for Board and Senior Management	Code of Conduct for Board and Senior Management
Board of Directors' Evaluation Framework	Board of Directors' Evaluation Framework
Policy for Archival of Documents	Policy for Archival of Documents
Policy for Preservation of documents	Policy for Preservation of documents
Nykaa Health, Safety and Environment Policy	Nykaa Health, Safety and Environment Policy
Corporate Social Responsibility Policy	Corporate Social Responsibility Policy
Anti-Corruption & Anti-Bribery Policy	Anti-Corruption & Anti-Bribery Policy

For and on behalf of the Board of Directors

Falguni Nayar
Executive Chairperson, Managing Director & CEO
DIN: 00003633

Place : Rome, Italy
Date : May 30, 2025

Annexure – II(A)

DECLARATION ON ADHERENCE TO THE CODE OF CONDUCT

To,
The Members of FSN E-Commerce Ventures Limited

I hereby confirm that pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2025.

For and on behalf of the Board of Directors

Falguni Nayar
Executive Chairperson, Managing Director & CEO
DIN: 00003633

Place : Rome, Italy
Date : May 30, 2025

Annexure – II(B)

CEO AND CFO CERTIFICATION

To
The Board of Directors ('Board')
FSN E-Commerce Ventures Limited
104 Vasan Udyog Bhavan, Sun Mill Compound,
Tulsi Pipe Road, Lower Parel,
Mumbai – 400 013

(1) We have reviewed financial statements and the cash flow statement of FSN E-Commerce Ventures Limited ("the Company") for the year ended March 31, 2025 and to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(4) We have indicated to the Auditors and the Audit Committee:

(i) there are no significant changes in internal controls over financial reporting during the year;

(ii) there are no significant changes in accounting policies during the year; and

(iii) there are no instances of significant fraud of which we have become aware.

For FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, Managing Director & CEO
DIN: 00003633

Place : Rome, Italy
Date : May 30, 2025

P Ganesh
Chief Financial Officer

Place : Mumbai
Date : May 30, 2025

Annexure – II(C)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

FSN E-Commerce Ventures Limited
CIN: L52600MH2012PLC230136
104 Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai – 400013

We have examined the following documents:

i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of **FSN E-Commerce Ventures Limited** ("the Company") having its registered office at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai – 400013, to the Board of Directors of the Company ("the Board") for the **Financial Year 2024-25 and Financial Year 2025-26** and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the **Financial Year ending March 31, 2025** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1)	Ms. Falguni Nayar	00003633	24-04-2012	–
2)	Mr. Milan Khakhar	00394065	28-09-2015	–
3)	Ms. Alpana Parida	06796621	28-09-2015	14-07-2024
4)	Ms. Anita Ramachandran	00118188	12-10-2015	–
5)	Ms. Adwaita Nayar	07931382	22-01-2018	–
6)	Mr. Anchit Nayar	08351358	13-08-2019	–
7)	Mr. Sanjay Nayar	00002615	09-04-2021	–
8)	Mr. Pradeep Parameswaran	07206780	15-07-2021	–
9)	Mr. Milind Sarwate	00109854	15-07-2021	–
10)	Mr. Seshashayee Sridhara	09247644	26-07-2021	–
11)	Mr. Santosh Desai	01237902	15-07-2024	–

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended March 31, 2025.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955G000486214
May 29, 2025 | Thane

Annexure – III

CORPORATE GOVERNANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
FSN E-Commerce Ventures Limited
CIN: L52600MH2012PLC230136
104, Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai – 400013

1. Background

We have been approached by **FSN E-Commerce Ventures Limited** ("the Company") to examine the compliance with the conditions of Corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the **Financial Year ended March 31, 2025.**

2. Management's Responsibility

The Compliance of conditions of Corporate Governance stipulated in the Listing Regulations is the responsibility of the management. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. Our Responsibility

Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. Methodology

4.1. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.

4.2. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Company to monitor and ensure compliance with the conditions of Corporate Governance and to certify thereon.

5. Opinion

Based on our examination as aforesaid, the information, explanations and representations provided by the management, we certify that, the Company has complied with the with the conditions of the Corporate Governance stipulated in the Listing Regulations, for the **Financial Year ended March 31, 2025.**

6. Disclaimer

6.1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

6.2. This Report is neither an assurance as to the future viability of the Bank/Company nor the efficiency or effectiveness with which the management has conducted the affairs.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No. : 24335
ICSI UDIN: A061955G000486236
May 29, 2025 | Thane

Annexure – IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
FSN E-Commerce Ventures Limited
CIN: L52600MH2012PLC230136
104, Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai – 400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FSN E-Commerce Ventures Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2025**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2025** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Applicable only to the extent of Foreign Direct Investment;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable as there was no reportable event during the financial year under review;**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review;**

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable as there was no reportable event during the financial year under review;**

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – **Not Applicable as there was no reportable event during the financial year under review;**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;

(vi) Management of the Company has confirmed that there are no laws specifically applicable to the Company.

We have also examined compliance with the applicable provisions of the following:

(i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and Women Directors. Changes in the composition of the Board of Directors which took place during the period under review are in compliance with the provisions of the Act;
- Adequate notice is given to all Directors of the schedule of the Board and Committee Meetings and Agenda & detailed notes on agenda were sent at least seven days in advance and wherever necessary at shorter notice with the consent of all Directors and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting;
- All decisions of Board and Committee meetings were carried requisite majority;

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period except for the following, no event has occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

a. The Board of Directors of the Company at their meeting held on August 13, 2024, has approved the acquisition of 57,302 equity shares and 12,226 warrants of Earth Rhythm Private Limited (Earth Rhythm) through Primary and Secondary acquisition thereby resulting in Earth Rhythm at a consideration of up to ₹44.5 crores, thereby becoming a subsidiary of the Company,

b. Pursuant to the approval of the Board of Directors of the Company at their meeting held on 09th February, 2025, the Company has incorporated 'Nykaa Essentials Private Limited' as a Wholly Owned Subsidiary on 10th March, 2025.

c. The Company has increased its shareholding in Dot & Key Wellness Limited, from 51% to 90.04%.

d. The Company has transferred its shareholding in Iluminar Media Limited to Nykaa Fashion Limited, subsidiary of the Company.

This Report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No. : 24335
ICSI UDIN: A061955G000486104

May 29, 2025 | Thane

Annexure – A

To,
The Members,
FSN E-Commerce Ventures Limited
CIN: L52600MH2012PLC230136
104, Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai – 400013

Our Secretarial Audit Report for the **Financial Year ended March 31, 2025**, of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023
May 29, 2025 | Thane

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955G000486104

Annexure – IV(A)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Nykaa E-Retail Limited.
(Formerly known as Nykaa E-Retail Private Limited).
104, Vasan Udyog Bhavan,
S Bapat Road, Lower Parel,
Mumbai - 400013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nykaa E-Retail Limited (CIN: U74999MH2017PLC291558) ("the Company").** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records provided to us and maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(Not applicable to the Company)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under

(Not applicable to the Company)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not applicable to the Company)**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company)**

(d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulation, 2021; **(Not applicable to the Company)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not applicable to the Company)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015; **(Not applicable to the Company)** and

(vi) Other laws as may be applicable specifically to the company

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Not applicable to the company)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.

All decisions at Board Meetings are carried out unanimously and recorded in the minutes of the meetings of the Board of Directors.

We further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

We further report that as per the explanations given to us and the representation made by the Management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no other event/action having major bearing on the Company's affairs.

Place Vashi, Navi Mumbai
Date: May 21, 2025

Name of Firm: SAP & Associates
Company Secretaries

Name of the Partner: Prakash Shenoy
FCS No. 12625
CP No. 22619
PR No. 3269/2023
UDIN : F012625G000397383

Note : This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Annexure – A

To,
The Members,
Nykaa E-Retail Limited.
(Formerly known as Nykaa E-Retail Private Limited).
104, Vasan Udyog Bhavan,
S Bapat Road, Lower Parel,
Mumbai - 400013

Re: Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions or corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place Vashi, Navi Mumbai
Date: May 21, 2025

Name of Firm: SAP & Associates
Company Secretaries

Name of the Partner: Prakash Shenoy
FCS No. 12625
CP No. 22619
PR No. 3269/2023

Annexure – IV(B)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
FSN Brands Marketing Private Limited
A-1,135, Shah and Nahar Industrial Estate,
Sitaram Jadhav Marg, Lower Parel,
Delisle Road, Mumbai 400013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FSN Brands Marketing Private Limited (CIN: U74120MH2015PTC262096) ("the Company").** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records provided to us and maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not applicable to the Company)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under **(Not applicable to the Company)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not applicable to the Company)**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company)**

(d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulation, 2021; **(Not applicable to the Company)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not applicable to the Company)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015; **(Not applicable to the Company)** and

(vi) Other laws as may be applicable specifically to the company

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Not applicable to the company)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.

All decisions at Board Meetings are carried out unanimously and recorded in the minutes of the meetings of the Board of Directors.

We further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

We further report that as per the explanations given to us and the representation made by the Management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no other event/action having major bearing on the Company's affairs.

Place Vashi, Navi Mumbai
Date: May 21, 2025

Name of Firm: SAP & Associates
Company Secretaries

Name of the Partner: Prakash Shenoy
FCS No. 12625
CP No. 22619
PR No. 3269/2023
UDIN : F012625G000397284

Note : This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Annexure – A

To,
The Members,
FSN Brands Marketing Private Limited
A-1,135 Shah and Nahar Industrial Estate
Sitaram Jadhav Marg, Lower Parel,
Delisle Road
Mumbai 400013

Re: Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions or corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place Vashi, Navi Mumbai
Date: May 21, 2025

Name of Firm: SAP & Associates
Company Secretaries

Name of the Partner: Prakash Shenoy
FCS No. 12625
CP No. 22619
PR No. 3269/2023

Annexure – V

PARTICULARS OF EMPLOYEES

[Disclosures required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of employees for the FY25; and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the FY25:

Sr. No	Name	Designation	Remuneration for the FY25 (in ₹ Mn)	Percentage increase/ (decrease) in Remuneration in the FY25	Ratio to Median Remuneration (in times)
Non-Executive Directors					
1	Ms. Anita Ramachandran	Independent Director	2.50	25%	2.60
2	Ms. Alpana Parida[1]	Independent Director	-	-	-
3	Mr. Pradeep Parameswaran[2]	Independent Director	0.50	150%	0.52
4	Mr. Seshashayee Sridhara[3]	Independent Director	1.00	0%	1.04
5	Mr. Milind Sarwate	Independent Director	3.50	17%	3.65
6	Mr. Santosh Desai	Independent Director	2.00	-	2.08
7	Mr. Milan Khakhar[4]	Non-Executive Director	-	-	-
8	Mr. Sanjay Nayar[5]	Non-Executive Director	-	-	-
Executive Directors					
9	Ms. Falguni Nayar[6]	Executive Chairperson, Managing Director & Chief Executive Officer	8.62	30%	8.98
10	Ms. Adwaita Nayar[7]	Executive Director	32.75	12%	34.11
11	Mr. Anchit Nayar[8]	Executive Director	1.39	5%	1.45
Key Managerial Personnel					0.00
12	Mr. P. Ganesh	Chief Financial Officer	44.99	21%	46.86
13	Mr. Neelabja Chakrabarty[9]	Company Secretary & Compliance Officer	12.48	-	13.00

Notes:

1. No commission was paid to Ms. Alpana Parida for FY25. Only sitting fees was paid to Ms. Alpana Parida.
2. Additionally, commission of ₹1.0 million was paid by Nykaa E-Retail Limited to Mr. Pradeep Parameswaran. Accordingly, the total commission paid to Mr. Pradeep Parameswaran was ₹1.5 million, apart from the sitting fees.
3. Additionally, commission of ₹0.5 million was paid by FSN Brands Marketing Private Limited to Mr. Seshashayee Sridhara. Accordingly, the total commission paid to Mr. Seshashayee Sridhara was ₹1.5 million, apart from the sitting fees.
4. No commission was paid to Mr. Milan Khakhar for FY25. Only sitting fees was paid to Mr. Milan Khakhar.
5. No commission or sitting fees was paid to Mr. Sanjay Nayar for FY25.
6. In addition to the above, Ms. Falguni Nayar had received ₹102.96 million as the remuneration from Nykaa E-Retail Limited (100% Subsidiary of the Company). Accordingly, total earning for the Financial Year 2024-25 was ₹111.58 million.
7. Ms. Adwaita Nayar is also the Managing Director and CEO of Nykaa Fashion Limited (100% Subsidiary of the Company). Hence, in addition to the above, Ms. Adwaita Nayar had received ₹25.35 million as the remuneration from Nykaa Fashion Limited. Accordingly, total earning for the Financial Year 2024-25 was ₹58.10 million.
8. Mr. Anchit Nayar is also the Managing Director and CEO of Nykaa E-Retail Limited (100% Subsidiary of the Company). In addition to the above, Mr. Anchit Nayar had received ₹56.71 million as the remuneration from Nykaa E-Retail Limited. Accordingly, total earning for the Financial Year 2024-25 was ₹58.10 million.
9. As Mr. Neelabja Chakrabarty had been appointed as the Company Secretary & Compliance Officer w.e.f. February 08, 2024, hence the percentage increase in remuneration is not applicable.

2. The percentage increase in the median remuneration of employees during the financial year

Median remuneration of the employees of the company as at the end of the year under review was ₹0.96 million which was 14.29% higher than the previous year's median remuneration.

3. The number of permanent employees on rolls of the company as on March 31, 2025: 491

4. Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase in the salary (includes fixed pay) of employees other than the managerial personnel in the last financial year is 9.2%. Managerial remuneration from the Company increased by 14.95% in the Financial Year 2024-25

5. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration paid is as per the remuneration policy of the Company.

Place: Rome, Italy
Date: May 30, 2025

For and on behalf of the Board of Directors

Falguni Nayar
Executive Chairperson, Managing Director & CEO
DIN: 00003633

Annexure – VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY25

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

(1) Brief outline on CSR Policy of the Company

The Board of Directors of the Company has approved Corporate Social Responsibility ("CSR") Policy in compliance with Section 135 of the Companies Act, 2013 and Rules made thereunder.

The objective of Corporate Social Responsibility ('CSR') policy of the Company is to lay down the guidelines and mechanism to carry out CSR projects by the Company and its subsidiaries and to report its CSR efforts in the format provided by the Rules under the Act.

The Company through its CSR projects aims to be a champion of authentic self-expression and one that inspires positive change. The philosophy centres around driving Empowerment and Inclusion for all. This includes the communities our business operates in, and the marginalised – socially and economically, as well as society at large. Nykaa's CSR projects seamlessly align with its social voice and business behaviour. Our intention and efforts will be to ensure programmes that are meaningful, scalable, sustainable and timeless.

In order to build focus and have a more impactful execution – with a view to make a difference, Company's focus areas for CSR are as follows:

- Upliftment and mentoring of vulnerable age groups
- Beauty skilling & entrepreneurship
- Education
- Access to healthcare
- Sustainability and environmental responsibility
- Support to research & technology
- Promote sports

Over and above these, from time to time, on need and criticality basis the Company will review additional CSR activities which are prescribed under Schedule VII of the Companies Act 2013, such as:

- Contribution to Government's various Relief funds
- Support Armed forces welfare
- Protection of National heritage

The Company has been making consistent efforts over the years towards economic and social upliftment of the marginalised and vulnerable sections of society. It continually seeks ways to bring about an overall positive impact on the society wherein it operates. The Company implements its CSR initiatives through the Nykaa Foundation (Foundation), a Section 8 registered company set up by the Company in June 2022.

The Company (along with the Foundation and its subsidiary companies) is involved in undertaking any or all of the permissible CSR activities set out in Schedule VII of the Companies Act 2013, in accordance with the applicable provisions of the Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 and other applicable laws, as amended from time to time.

The projects undertaken by the Company (directly or through Foundation or by subsidiary companies pursuant to CSR obligation by such subsidiary) were as follows:

(a) **Akanksha Foundation:** Nykaa collaborated with Akanksha Foundation to support a school in Pune, providing free, high-quality education to 877 students from Jr. KG to Grade 10. The school serves children from low-income families, many of whom are first-generation learners with parents engaged in daily wage work and limited educational backgrounds. This initiative aims to break the cycle of poverty through education, empowering students with the knowledge and opportunities to build brighter futures.

Nykaa Entity: FSN E-Commerce Ventures Limited

(b) **Delhi Council for Child Welfare:** In partnership with DCCW, Nykaa is supporting 10 vocational training centres that are equipping 500 girls and young women from low-income communities with practical skills in Beauty & Wellness and Stitching. These year-long courses, delivered through daily two-hour sessions, are designed to foster employability and self-reliance – opening doors to dignified work, income generation, and a more empowered future.

Nykaa Entity: FSN E-Commerce Ventures Limited

(c) **NCAER:** In partnership with India's oldest and largest independent economic policy Think Tank, the National Council of Applied Economic Research (NCAER), Nykaa has launched a first-of-its-kind national study to assess women's social, economic and financial empowerment across India. The study's first phase spans across 11 states, reaching 10,000 women, capturing grassroots insights across diverse communities. The outcome of the study will be an index of women's empowerment and will help in measuring progress and identifying barriers to women's empowerment so that appropriate policies can be designed to overcome these barriers.

Nykaa Entity: FSN E-Commerce Ventures Limited

(d) **Nykaa Chair in Consumer Technology implemented by IIM-A:** Nykaa partnered with the Indian Institute of Management Ahmedabad (IIM-A) Endowment Fund to institute the "Nykaa Chair in Consumer Technology". This collaborative program spanning three years focuses on advancing research and education in the field of marketing – on how Nykaa provides brands its omnichannel ecosystem to grow and build brands, and

what marketing/ funnel choices need to be made at different junctures. Additionally, collaborated for a 24-hour hackathon to identify and empower student-led tech innovations.

Nykaa Entity: FSN E-Commerce Ventures Limited and Nykaa E-Retail Limited (wholly-owned subsidiary of the Company)

(e) **Rise Against Hunger India:** In alignment with Rise Against Hunger India's mission to end hunger and empower communities, Nykaa supported to prepare 58,000 nutrient-rich meals. These fortified meals were distributed to underserved communities, helping combat malnutrition and food insecurity. This initiative contributes to immediate hunger relief while supporting long-term health and well-being for vulnerable populations.

Nykaa Entity: FSN E-Commerce Ventures Limited and Nykaa E-Retail Limited

(f) **American India Foundation Trust:** Supported by Nykaa, the STEM SPARK Program is transforming STEM education in 30 government schools across Nandurbar, an aspirational district in Maharashtra. By strengthening the capacity of teachers and introducing hands-on STEM Kits and Labs, the initiative is fostering engaging, inquiry-based learning for 4,597 students—including 2,352 girls. The program empowers young minds, especially girls in grades 6–8, to dream bigger and pursue pathways in science, technology, engineering, and math.

Nykaa Entity: FSN E-Commerce Ventures Limited and Nykaa E-Retail Limited

(g) **Sambhav Foundation:** In FY25, Nykaa, in partnership with Sambhav Foundation, empowered 1,094 women from low-income communities by training them as professional beauty service providers. Delivered across five fully-equipped centres in Bangalore, Guwahati, Delhi, Navi Mumbai, and Kolkata, the five-month program combined technical training with on-the-job experience. Women participants were supported with placement opportunities at local salons and freelancing opportunities. This initiative not only unlocked new career pathways for these women but also helped them move closer to financial independence and social inclusion.

Nykaa Entity: Nykaa E-Retail Limited

(h) **Beauty & You:** Nykaa has partnered with Estée Lauder International as a lead partner for Beauty & You Grants. The primary objective of these Grants, is to discover and propel the next generation of beauty entrepreneurs and to help founders, innovators, and creators build their businesses holistically, incorporating innovative and research-oriented ideas and by identifying brand goals, achieving scale ambitions, and curating product portfolios for Indian consumers. The awardees receive a Grant that can be utilised to take forward their ideas and build their innovative and research-oriented business models in the beauty space, along with receiving mentorship, guidance, training and awareness that would facilitate their progress in the beauty industry. In FY25, Nykaa supported three women-led organisations.

Nykaa Entity: Nykaa E-Retail Limited

(i) **Aatapi Seva Foundation:** Through our partnership with Aatapi Seva Foundation, Nykaa is empowering rural women to become beauty care entrepreneurs by combining technical training with financial literacy and business skills. This holistic approach builds capability and confidence, enabling women to launch and sustain their enterprises. In FY25, 65 women have transformed their aspirations into thriving, homegrown businesses and resilient livelihoods.

Nykaa Entity: Nykaa E-Retail Limited

(j) **Latika Roy Memorial Foundation:** Nykaa has partnered with Latika Foundation to create a state-of-the-art salon for children with sensory needs at the Foundation's purpose-built campus in Dehradun, designed with the concept of universal accessibility. This Diversity & Inclusion initiative will not only provide essential beauty services but also serve as a training centre for differently-abled youth enrolled in Latika Foundation's skilling programmes. The project will directly impact 200 children, equipping them with valuable skills for employment and fostering a more inclusive future.

Nykaa Entity: Nykaa E-Retail Limited

(k) **Indian Deaf Cricket Association (IDCA):** Nykaa has been a proud supporter of the Indian Deaf Cricket Association (IDCA), advancing the development, training, and recognition of differently-abled athletes. In FY25, Nykaa served as the Principal Sponsor of the 2nd IDCA T10 Women's Deaf Premier League held in Mumbai, which empowered 250 women cricketers with training, exposure, and a platform to showcase their talent. This initiative underscores Nykaa's commitment to inclusivity and equal opportunities in sports.

Nykaa Entity: Nykaa-KK Beauty Private Limited

(l) **Krida Vikas Sanstha (Slum Soccer):** For the third consecutive year, Nykaa has supported Slum Soccer in its mission to empower underprivileged youth through the unifying power of sports. In FY25, Nykaa proudly backed the National Inclusion Cup in Nagpur, where 250 young athletes – 120 girls and 130 boys from marginalised communities across India trained, competed, and grew together. This initiative is not just about football - it's about building confidence, teamwork, and opportunity for the game changers of tomorrow.

Nykaa Entity: Nykaa-KK Beauty Private Limited

(m) **Anushkaa Foundation:** Nykaa, in partnership with Anushkaa Foundation, is helping children with Clubfoot, walk confidently into a better future. Using the globally acclaimed Ponseti method, this initiative offers a cost-effective, two-phase treatment to children from rural and semi-urban low-income communities. In FY25, Nykaa supported the full treatment journey of 91 children, ensuring long-term mobility and a life free from physical and social limitations.

Nykaa Entity: Dot & Key Wellness Limited

(2) Composition of Corporate Social Responsibility & Environmental, Social and Governance Committee ("CSR Committee"):

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Anita Ramachandran	Chairperson (Independent Director)	3	3
2	Ms. Adwaita Nayar	Member (Executive Director)	3	3
3	Mr. Sanjay Nayar	Member (Non-Executive [Non-Independent] Director)	3	1

(3) Web-Link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Sr. No.	Particulars	Weblink
1	CSR Committee	https://www.nykaa.com/committees-of-the-Board
2	CSR Policy	https://www.nykaa.com/media/wysiwyg/2021/Investors-Relations/pdfs/10-11/CSR-Policy.pdf
3	CSR Projects	https://www.nykaa.com/media/wysiwyg/uiTools/2025-4/csr-projects-approved-by-the-board-of-the-company-for-the-financial-year-2025.pdf

(4) Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable for the financial year under review.

(5)

Sr. No.	Particulars	Amount (in ₹)
(a)	Average net profit of the company as per sub-section (5) of section 135	84,47,29,672
(b)	Two percent of average net profit of the Company as per Section 135(5) of the Act	1,68,94,593
(c)	Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year	Nil
(e)	Total CSR obligation for the financial year (5b+5c-5d)	1,68,94,593

(6)

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹94,65,226 /-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment: Not Applicable

(d) Total amount spent for the Financial Year [(a) +(b) +(c)]: ₹94,65,226 /-

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
94,65,226	74,30,000	April 08, 2025	-	-	-

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	1,68,94,593
(ii)	Total amount spent for the Financial Year	94,65,226
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

(7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (in ₹)	Balance Amount in Unspent CSR Account under section 135(6) of the Act (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(5) of the Act			Amount remaining to be spent in succeeding Financial Years	Deficiency, If any
					Name of the Fund	Amount (in ₹)	Date of transfer		
1	2023-24	76,45,000	76,45,000	Nil	-	-	-	76,45,000	Nil

(8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

(9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

The Company is executing certain multiyear ongoing projects with "Delhi Council for Child Welfare", "American India Foundation Trust", "National Council of Applied Economic Research (NCAER)", "Sambhav Foundation", "Nykaa Chair in Consumer Technology implemented by IIM-A" and "Latika Roy Memorial Foundation". Due to such ongoing projects and plan of spending funds in multi-years, the Company was not able to spend two per cent of the average net profit as per section 135(5) in the current financial year. Unspent CSR amount pertaining to the commitments made by the Company towards multi-year ongoing projects has been transferred to a separate Unspent CSR account of the Company. The amount transferred to the aforesaid Unspent CSR account will be spent for the said projects within the permissible time limit. Accordingly, the Company has duly complied with section 135 of the Act read with rules thereunder and the CSR policy of the Company.

For and on behalf of the Board of Directors

Falguni Nayar
Executive Chairperson, Managing Director & CEO
DIN: 00003633

Date: May 30, 2025
Place: Rome, Italy

Anita Ramachandran
Independent Director
DIN: 00118188
Chairperson – CSR Committee

Date: May 30, 2025
Place: Mumbai

Annexure – VII

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity

L52600MH2012PLC230136

2. Name of the Listed Entity

FSN E-Commerce Ventures Limited

3. Year of incorporation

April 24, 2012

4. Registered office address

104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400 013, Maharashtra, India.

5. Corporate address

A2, 4th Floor, Cnergy IT Park, Appasaheb Marathe Marg, Opposite Tata Motors, Prabhadevi, Mumbai 400025, Maharashtra, India.

6. E-mail

nykaacompanysecretary@nykaa.com

7. Telephone

+9122 6838 9616

8. Website

https://www.nykaa.com/

9. Financial year for which reporting is being done

April 1, 2024 - March 31, 2025

10. Name of the Stock Exchange(s) where shares are listed

- BSE Limited (BSE)
- National Stock Exchange of India Limited (NSE)

11. Paid-up Capital (as on March 31, 2025)

₹2,85,92,52,483

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Mr. P. Ganesh, CFO
Email: nykaacompanysecretary@nykaa.com
Tel: + 91 22-66149696

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

We have considered FSN E-Commerce Ventures Limited and its subsidiary Nykaa E-Retail Limited ('E-Retail') for the purpose of disclosures under this report, collectively referred to as 'Company' or 'Nykaa'. From this financial year, Nykaa E-Retail Limited also comprises of Superstore business of FSN Distribution Limited.

14. Name of assurance provider

TUV India Pvt. Ltd.

15. Type of assurance obtained

Reasonable Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Retail sale via e-commerce	The Company is engaged in the business of selling & distribution of beauty, wellness, fitness, personal care, health care, skin care, hair care products on the online platforms or websites such as e-commerce, m-commerce, internet, intranet.	83%
2.	Marketing support and marketplace service		11%
3.	Wholesale of cosmetics (Offline - Own Brands)		6%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Retail sale via e-commerce	52512	94%
2.	Wholesale of cosmetics (Offline - Own brands)	51391	6%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable	38*	38
International		NA	

*Includes 31 warehouses and 7 office clusters.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil, the Company has a separate subsidiary (FSN International) which deals with exports.

c. A brief on types of customers

Nykaa leverages an omnichannel strategy encompassing e-commerce, mobile commerce, and physical retail to cater to the growing demand for beauty and personal care (BPC) products among tech-savvy consumers in India, with a particular focus on Gen Z and millennial demographics.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Employees			
1	Permanent (D)	1,981	1,327	67.00%	654	33.00%
2	Other than Permanent (E)	912	158	17.32%	754	82.68%
3	**Total employees (D + E)**	**2,893**	**1,485**	**51.33%**	**1,408**	**48.67%**
			Workers			
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	8,098	7,626	94.17%	472	5.83%
6	**Total workers (F + G)**	**8,098**	**7,626**	**94.17%**	**472**	**5.83%**

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Differently abled employees			
1	Permanent (D)	1	1	100%	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	**Total differently abled employees (D + E)**	**1**	**1**	**100%**	**-**	**-**
			Differently abled workers			
4	Permanent (F)	-	-	-	-	-
5	Other than permanent (G)	-	-	-	-	-
6	**Total differently abled workers (F + G)**	**-**	**-**	**-**	**-**	**-**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30%
Key Management Personnel	3	1	33%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY25			FY24			FY23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31%	23%	26%	26%	40%	31%	27%	38%	31%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding /Subsidiary / associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nykaa E-Retail Limited	Direct Subsidiary	100.00%	Yes
2	FSN Brands Marketing Private Limited	Direct Subsidiary	100.00%	No
3	Nykaa-KK Beauty Private Limited	Direct Subsidiary	51.00%	No
4	Nykaa Fashion Limited	Direct Subsidiary	100.00%	No
5	FSN International Limited	Direct Subsidiary	100.00%	No
6	FSN Distribution Limited	Direct Subsidiary	100.00%	No
7	Dot & Key Wellness Limited	Direct Subsidiary	90.04%	No
8	Nudge Wellness Private Limited	Direct Subsidiary	60.00%	No
9	Earth Rhythm Private Limited#	Direct Subsidiary	74.63%	No
10	Iluminar Media Limited*	Step down Subsidiary	100.00%	No
11	Nykaa Essentials Private Limited	Direct Subsidiary	100.00%	No
12	Nykaa Foundation	Direct Subsidiary	100.00%	No
13	FSN Global FZE	Step down Subsidiary	100.00%	No
14	Nykaa International UK Limited	Step down Subsidiary	100.00%	No
15	Nessa International Holdings Limited	Step down Subsidiary	55.00%	No
16	Nysaa Beauty LLC	Step down Subsidiary	55.00%	No
17	Nysaa International for Wholesale and Retail Trade Co. SPC	Step down Subsidiary	55.00%	No
18	Nysaa Cosmetic Trading	Step down Subsidiary	55.00%	No
19	Nysaa Trading LLC	Step down Subsidiary	55.00%	No
20	Nysaa Cosmetics SPC	Step down Subsidiary	55.00%	No
21	Nysaa Distribution FZE	Step down Subsidiary	55.00%	No

#Earth Rhythm Private Limited ("ERPL"), which was an Associate Company, became a Subsidiary of the Company with effect from November 26, 2024 consequent to increase in stake in ERPL.

*Ilumniar Media Limited has been merged with Nykaa Fashion Limited w.e.f. May 29, 2025 and has ceased to exist effective the mentioned date.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹) – 66,792.1 million

(iii) Net worth (in ₹) – 19,304.1 million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY25			FY24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes*	0	0	-	0	0	-
Investors (other than shareholders)	Yes*	0	0	-	0	0	-
Shareholders	Yes*	0	0	-	8	0	-
Employees and workers	Yes*	2	0	-	3	1	-
Customers	Yes* Privacy Policy (nykaa.com)	6,933	0	0.014% of total orders - reduction due to optimising SOPs	8,156	0	0.021% of total orders
Value Chain Partners	Yes*	0	0	-	0	0	-
Others – Brand Partners	Yes*	0	0	-	0	0	-

*Vigil mechanism/ Whistle blower policy, all stakeholders can write mail to nykaa@tip-offs.in/ whistleblower.employees@nykaa.com or call on toll free number 1800 210 8988 and anonymously raise actual or suspected concerns regarding incidents of wrongdoing, fraud or any unethical practices that violates Nykaa code of conduct.

The Company policies are hosted on the website at https://www.nykaa.com/policies

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Products Quality and Safety	Risk & Opportunity	Product safety and quality pose risks to Nykaa due to the need for stringent quality control over ingredients and products sourced from third-party suppliers, as any lapse can lead to regulatory penalties and loss of consumer trust. Conversely, maintaining rigorous quality assurance enables Nykaa to build a reputation as a reliable platform offering genuine, high-quality products, thereby strengthening customer confidence and loyalty.	Nykaa mitigates product safety and quality risks through ethically sourced ingredients, environmentally friendly formulations, and rigorous safety testing throughout development. All products also undergo annual safety testing. The Company follows low carbon footprint manufacturing practices aligned with Good Manufacturing Practices (GMP) and uses eco-conscious packaging. Extensive consumer testing ensures product efficacy and safety, while partnerships with high-quality	Negative & Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				suppliers maintain strict standards. These measures collectively uphold Nykaa's commitment to delivering safe, reliable, and high-quality products.	
2.	Talent Attraction & Retention	Risk & Opportunity	While high attrition and competitive hiring dynamics present challenges in attracting and retaining skilled talent, Nykaa counters these pressures through focused employee development, robust engagement initiatives, and a compelling employer brand. These efforts collectively foster a motivated, high-performing workforce that is aligned to the Company's values and instrumental in driving sustained growth.	At Nykaa, we adopt a strategic and consistent approach to talent acquisition, focusing on experienced professionals across critical domains - including product design, technology, sales, digital marketing, brand management, omni-channel retail, customer experience, supply chain, operations, and corporate functions. We actively strengthen our senior management by onboarding key market leaders, bolstering our leadership depth and capability. This deliberate focus on high-calibre talent enables us to stay competitive, foster innovation, and uphold operational excellence, thereby supporting our long-term growth aspirations.	Negative & Positive
3.	Responsible Marketing & Customer Satisfaction	Risk & Opportunity	Risks arise from potential service failures, misleading claims, and the need to comply with regulations such as ASCI advertising guidelines, the Consumer Protection Act, etc. However, they also offer opportunities to build trust, deepen customer relationships, and strengthen brand loyalty through transparent communication, personalised experiences, and responsive service.	Nykaa has adopted a diversified 360-degree marketing strategy that reduces dependence on any single channel and ensures compliance with industry labelling standards. The platform's extensive product rating and review system enables transparent consumer feedback, while our grievance mechanism systematically tracks and analyses customer complaints and satisfaction surveys. By continuously monitoring product reviews and post-resolution feedback, we identify areas for improvement to better meet customer expectations.	Negative & Positive
4.	Responsible Supply Chain	Risk & Opportunity	Nykaa's supply chain faces risks from disruptions due to geopolitical events, extreme weather, infrastructure failures, and the growing demand for sustainable practices. These risks can impact revenue, customer satisfaction, and brand reputation. On the other hand, sustainable sourcing and a resilient supply chain present opportunities to reduce environmental impact, strengthen ESG performance, build partnerships with ethical suppliers and investors, and enhance overall brand value.	The Company operates a decentralised supply chain strategy focused on localised fulfilment, which optimises shipment costs, inventory management, and reduces environmental impact. Nykaa supports social responsibility by procuring packaging from small and medium-scale enterprises, fostering the MSME ecosystem. Furthermore, Nykaa endeavours to either recommend or contractually impose compliance with human rights standards by its business partners and suppliers, including child labour, forced labour, harassment prevention, and non-discriminatory employment practices, thereby working towards the strengthening of supply chain resilience and ethical integrity.	Negative & Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Data Privacy, Digitisation and Innovation	Risk	Data privacy and fraud risks threaten Nykaa due to its role as an e-commerce platform handling sensitive customer data, potentially leading to financial losses, legal penalties, and a loss of consumer trust if breaches occur.	Nykaa employs advanced cybersecurity technologies, conducting regular internal and third-party IT system assessments, and working towards ISO 27001 certification. The Company closely monitors high-risk activities, evaluates sellers based on transactional histories, and enforces restrictions when necessary to prevent fraud. Additionally, Nykaa fosters a culture of security through Company-wide awareness sessions, ensuring best practices are upheld to protect customer data and enhance overall satisfaction.	Negative
6.	Climate Change, GHG Emissions and Energy Efficiency	Risk & Opportunity	Extreme weather events due to climate change have the potential to disrupt operations, while regulations relating to emissions management can add to the Company's operating costs. Improving energy efficiency provides an opportunity to adopt advanced AI-driven tools for inventory management and automation, which can contribute to improving customer experience via reduced delivery times and enable the Company to optimise logistics costs.	The Company is integrating renewable energy sources at its facilities. We are also consistently striving to improve our operational and energy efficiency.	Negative & Positive
7.	Packaging and Waste Management	Risk & Opportunity	Packaging and waste management pose a risk to Nykaa due to regulatory requirements environmental impact, and potential damage to brand reputation from excessive or non-sustainable packaging. At the same time, it presents an opportunity for Nykaa to lead in sustainability by adopting eco-friendly packaging, optimising logistics, and engaging consumers in recycling initiatives, thereby enhancing operational efficiency and strengthening customer loyalty.	Nykaa incorporates recycled plastics in tertiary packaging used for e-Commerce delivery and sources packaging materials from eco-friendly suppliers. All of our e-Commerce packaging is composed of recycled plastics and paper. We ensure proper recycling of an equivalent quantity of the plastic waste generated via CPCB registered recyclers and have been compliant with EPR regulations since 2021. We have further launched initiatives to reduce the amount of waste we generate, such as reduction in the amount of BOPP tape used for packaging.	Negative & Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	• Anti-Corruption & Anti-Bribery Policy • Code of Conduct for Prevention of Insider Trading • Code Of Conduct • Whistle-Blower (Vigil-Mechanism) Policy (both versions) • Information Security Policies (such as Access Management Policy, Acceptable Usage Policy, Cryptographic Control Policy)	• Health, Safety, and Environment (HSE) Policy • Sustainable Sourcing Policy	• HR Security Policy • Human Rights Policy • Employee Referral Policy • Learning & Development Policy • Leave Policy, Maternity Policy, Time & Attendance Policy, Transfer Policy • Employee Grievance Redressal Policy • Prevention of Sexual Harassment Policy (POSH)	• Code of Practices and Procedures for Fair Disclosure of UPSI • Whistle-Blower (Vigil-Mechanism) Policy	• Human Rights Policy • Prevention of Sexual Harassment Policy (PoSH)	• Health, Safety, and Environment (HSE) Policy	• Whistle-Blower (Vigil-Mechanism) Policy	• Corporate Social Responsibility Policy • Human Rights Policy	• Privacy Policy • Record Retention, Disposal, and Cardholder Information Privacy Policy
b. Has the policy been approved by the Board? (Yes/ No)	Yes. Policies are approved by the Board where their review and approvals are required, other policies are reviewed and approved by the respective responsible functionaries.								
c. Web Link of the Policies, if available	Policies can be accessed on the link: https://www.nykaa.com/policies/lp and some internal policies as applicable to employees are available on our intranet.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes / No)					Yes				
3. Do the enlisted policies extend to your value chain partners? (Yes/No)					Yes				
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		BIS CDSCO							Vegan and cruelty-free products- BUREAU VERITAS certified, PETA certification for Own Brands

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

Nykaa is committed to building a strong foundation for long-term ESG impact. Our efforts are anchored in the Nykaa 10x10 initiatives a platform designed to drive progress across key areas such as energy efficiency, sustainable packaging, employee well-being, and ethical sourcing. Over the past year, we have taken meaningful steps to further shape and enhance the Nykaa 10x10 platform, strengthening our overall ESG strategy through deeper cross-functional engagement and alignment with evolving business priorities.

A critical part of this journey has been improving the quality and granularity of our data. This year, we made significant progress in establishing standardised measurement systems across locations - for instance, installing water meters at most of our operational sites has allowed us to shift from estimated to actual water consumption. Similarly, we have expanded our tracking of different waste streams, including paper and wood waste, which will support better monitoring and targeted reduction efforts going forward.

We also continue to advance waste management across our operations. In FY25, we recycled over 159.73 tonnes of plastic across locations and re-used 17.23 tonnes of carton waste within our Owned Brand warehouses and superstores. Our approach to packaging remains firmly rooted in sustainability, with a consistent preference for Eco-friendly materials wherever feasible.

Recognising the importance of extending our ESG focus beyond our operations, we have adopted a Sustainable Sourcing Policy along with a Supplier Code of Conduct, both of which signal our commitment to responsible practices throughout our value chain. In parallel, we are also working towards ISO 27001 certification as we strengthen our information security and governance standards. Our shift towards cleaner energy is underway, with renewable energy expected to be operationalised at multiple warehouses in FY 26.

Nykaa continues to strengthen internal people-centric initiatives through ongoing investments in employee engagement, leadership development, and inclusive workplace practices. On the community front, we deepened our social impact through targeted CSR programmes. We supported 4000+ students through the STEM SPARK Programme with the American India Foundation and enabled vocational training for young women in partnership with the Delhi Council for Child Welfare. We also continued our longstanding partnerships with the Indian Deaf Cricket Association and SlumSoccer, empowering young athletes from marginalised communities with opportunities for skill development, confidence building, and inclusion through sport.

Together, these initiatives reflect our steady and deliberate progress towards building a more sustainable and responsible business.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure*).

We at Nykaa recognise that long-term business resilience and stakeholder trust are closely linked to our ability to deliver not just financial performance but also meaningful progress on environmental, social, and governance (ESG) priorities. ESG considerations are becoming an integral part of our operational approach, informing decision-making processes and contributing to our evolving definition of long-term business success.

Over the past year, we have taken important steps to build the internal infrastructure needed to embed ESG more deeply into our operations. This has included setting up data collection processes across multiple locations, conducting internal assessments to identify material issues, and initiating goal-setting exercises in consultation with relevant functions.

We also continue to invest in responsible practices across our value chain - from sustainable sourcing and waste management to employee engagement and workplace inclusion. While we are still at an early stage in our ESG journey, we are laying a strong foundation for consistent and transparent performance tracking in the years to come.

As we move forward, our focus remains on driving improvement through structured initiatives, meaningful stakeholder engagement, and targeted investments. We remain committed to building a sustainable business that creates long-term value for our shareholders, employees, customers, and the broader community.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policies.

The Company's Board of Directors establishes well-defined goals that promote shareholder value and encourage growth, all while adhering to the organisation's sustainability principles. Oversight and review of ESG-related activities are carried out by the Corporate Social Responsibility (CSR) and Environment, Social, and Governance (ESG) Committee to ensure proper implementation.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, Corporate Social Responsibility (CSR) and Environment, Social, and Governance (ESG) Committee.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, the Company's Board of Directors, alongwith its Board-level Committees, including the Nomination and Remuneration Committee (NRC), Stakeholders' Relationship Committee, Audit Committee, Risk Management Committee, and Corporate Social Responsibility (CSR) & Environment Social Governance (ESG) Committee, are diligently involved in governance matters.									Quarterly/Half yearly/Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, the Company adheres to all relevant statutory and regulatory mandates.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If "Yes", provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
We have an internal audit program that includes independent evaluations of key procedures and process to ensure alignment with the intent and requirements of our polices. These audits are conducted by external, independent firms during the year, helping to ensure that critical policy elements are thoroughly reviewed and effectively reinforced.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)				Not applicable					
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

The Company has disclosed both ''Essential'' (all) and ''Leadership'' (to the extent applicable to the Company) indicators in this report.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	Regulatory updates and analysis of implication: a) Listing Regulations 2015 b) Insider Trading Regulations, 2015 c) Rumour Verification process d) Related Party Transactions and disclosures	100%
Key Managerial Personnel	6	Training Sessions on PIT implementations, handling of UPSI, Structured Digital database	100%
Employees other than BoD and KMPs	137	The employees at Nykaa are being trained in a diverse range of topics covering POSH, HSE, Annual Awareness training, code of conduct, Annual security awareness training, digital marketing, data analytics, business strategy, leadership, project management, supply chain, UX/UI design, AI and machine learning, financial management, programming, and IT skills.	100%
Workers	86	Awareness training POSH, Human Rights Policy and Gender Diversity; Emergency Response trainings; road safety trainings; Awareness on Women Safety, Employee Wellbeing sessions, Health & Safety trainings, Waste segregation & disposal trainings, Sessions on safety Do's & Dont's and Awareness sessions on workplace safety incidents etc.,	85%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Nykaa's 'Anti-Corruption and Anti-Bribery Policy' applies to all directors, officers, and employees of the Company and its subsidiaries or affiliates, collectively referred to as "the Company," "Our Company," or "Nykaa." This policy also extends to anyone acting on behalf of the Company, including direct and indirect employees, contractors, suppliers, and directors.

To uphold Nykaa's commitment to the highest ethical standards, every employee is required to acknowledge the Code of Conduct (CoC) during onboarding. The CoC explicitly covers anti-corruption and anti-bribery provisions. Additionally, Nykaa conducts a comprehensive annual training programme that includes both the CoC and the Prevention of Sexual Harassment (POSH) policies.

Web-link: https://www.nykaa.com/media/wysiwyg/2021/Investors-Relations/pdfs/10-11/Anti-Corruption-andAnti-Bribery-Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY25	FY24
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY25		FY24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable, as no such cases were observed.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY25	FY24
Number of days of accounts payables	35	36

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY25	FY24
Concentration of purchases	a.	Purchases from trading houses as % of total purchases	NIL	NIL
	b.	Number of trading houses where purchases are made from	NIL	NIL
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	NIL	NIL
Concentration of sales	a.	Sales to dealers / distributors as % of total sales	10%	6%
	b.	Number of dealers / distributors to whom sales are made	27,578	623
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	71%	77%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	18%	16%
	b.	Sales (Sales to related parties / Total Sales)	7%	5%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d.	Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nykaa regularly conducts awareness programmes for specific value chain partners covering a wide range of important topics. These include fire safety, emergency response procedures, and road safety to maintain a secure working environment. Sessions on POSH guidelines help foster inclusive workplaces, while monthly updates keep them informed about relevant rules and regulations. Periodic seminars also aim to promote positive social values.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company upholds a Code of Conduct specifically designed for its Board of Directors and Senior Management, collectively referred to as "Leadership." This Code establishes ethical guidelines, including a clear framework for identifying and managing conflicts of interest. Leadership members are expected to act impartially, avoiding any situations that might compromise their independent judgment or lead to personal or associate gain. To promote transparency and ethical decision-making, Leadership must disclose any actual or potential conflicts of interest, including relationships with individuals, firms, or entities that could affect their objectivity in fulfilling their duties. These disclosures are required both at the time of appointment and whenever relevant circumstances change.

Nykaa is deeply committed to maintaining the highest ethical standards and enforces a strict zero-tolerance policy towards bribery and corruption. The Board's effectiveness is continuously evaluated under a strong governance framework, with the Chairperson of the Nomination and Remuneration Committee leading ongoing discussions to improve Board performance. Additionally, a dedicated reporting channel, speakup@nykaa.com, is available for raising concerns related to conflicts of interest. The complete Code of Conduct can be found on the Company's Investor Relations webpage: Code-of-Conduct-for-Board-and-Senior-Management.pdf (nykaa.com)

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY25	FY24	Details of improvement in environmental and social aspects
R&D	100%	-	₹18,70,950 was spent on improving the formulation of Own Brands' products by incorporating non-hazardous and environmentally friendly ingredients
Capex	0.24%	-	Amount spent on upgrading infrastructure at offices and warehouses with energy-efficient technologies to reduce electricity consumption and lower carbon emissions

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Nykaa does have procedures in place for sustainable sourcing.

b. If yes, what percentage of inputs were sourced sustainably?

The Company has formally adopted a Sustainable Sourcing Policy that integrates Environmental, Social, and Governance (ESG) principles into its procurement and supply chain operations. This policy sets out expectations for business partners, covering areas such as ethical business conduct, fair labour practices, safe working conditions, and environmental responsibility.

To operationalise these commitments, the Company has instituted a framework for ESG due diligence, partner evaluation, and performance monitoring. ESG criteria are embedded into supplier onboarding and selection processes and business partners are required to adhere to the Supplier Code of Conduct. Evaluations will be conducted using a Sustainable Supply Chain Questionnaire, and assessments on critical partners will be undertaken to ensure alignment with the Company's sustainability goals.

The Company also encourages the adoption of sustainable materials and circularity practices through ongoing collaboration with its supply chain partners. These measures reflect a structured approach to responsible sourcing, with continuous improvement and transparency at the core.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Given Nykaa's emphasis on retail operations, the generation of product-related waste is mainly confined to expired and damaged goods. The Company works with authorised vendors to guarantee the safe disposal of such waste through incineration. Additionally, since April 2021, Nykaa has adhered to Extended Producer Responsibility (EPR) guidelines. The plastic packaging waste from product shipments is recycled through certified vendors.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Nykaa actively upholds environmental responsibility by fully complying with Extended Producer Responsibility (EPR) regulations since April 2021, having obtained certification as a "Brand Owner and Importer" from the Central Pollution Control Board (CPCB). To ensure effective waste management across various states, the Company collaborates with authorised CPCB-registered recyclers. This partnership enabled Nykaa to meet its EPR targets for FY25 and complete all required annual filings on the EPR portal.

Leadership Indicators

1. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action taken
The Company's core business centres around retail operations, there is no direct involvement in manufacturing activities. However, Nykaa embraces its broader environmental and social responsibilities, guiding its approach throughout the entire product lifecycle - from creation and design to execution. Ethical sourcing is a key focus area, with ingredients carefully selected to minimise environmental impact. Product formulations are developed with eco-friendliness in mind, while production follows Good Manufacturing Practices (GMP) and incorporates low-carbon footprint methods. This commitment extends to packaging, where environment friendly materials are prioritised to support sustainability goals. Ensuring product safety and quality is paramount at Nykaa. All products undergo rigorous safety testing to meet strict regulatory standards, alongside extensive consumer testing to guarantee a positive user experience before launch. Social responsibility is further reflected in Nykaa's wide range of offerings that exclude parabens and mineral oils, adhere to cruelty-free practices, and include many vegan and naturally derived products. This comprehensive dedication to ethical sourcing and sustainable development highlights Nykaa's commitment to the wellbeing of both society and the environment.		

2. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY25	FY24
Not Applicable		

3. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY25			FY24		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste (Expired products)	NA	NA	4.89	NA	NA	12.17

4. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by: Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,327	1,327	100.00%	1,327	100.00%	NA	NA	1,327	100%	Provision of day care facilities for all eligible locations is under review	
Female	654	654	100.00%	654	100.00%	654	100%	NA	NA		
Total	**1,981**	**1,981**	**100%**	**1,981**	**100%**	**654**	**33.01%**	**1,327**	**66.98%**		
Other than Permanent employees											
Male	158	158	100%	-	-	-	-	-	-	-	-
Female	754	754	100%	-	-	-	-	-	-	-	-
Total	**912**	**912**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	Not Applicable										
Female	-										
Total	**-**										
Other than Permanent workers											
Male	7,626	7,626	100.00%	7,626	100.00%	NA	NA	NA	NA	NA	NA
Female	472	472	100.00%	472	100.00%	472	100.00%	NA	NA	NA	NA
Total	**8,098**	**8,098**	**100.00%**	**8,098**	**100.00%**	**472**	**5.83%**	**NA**	**NA**	**NA**	**NA**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY25	FY24
Cost incurred on well- being measures as a % of total revenue of the Company	0.03%	0.04%

Note: If any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, reasonable assurance has been carried out by TUV India Private Limited on the above indicator.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY25			FY24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited withthe authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100.00%	Yes	100%	100%	Yes
Gratuity	100%	100.00%	Yes	100%	100%	Yes
ESI	0.15%	71.84%	Yes	0.48%	96%	Yes
Others – please Specify (Employee Compensation Policy as per Act)	-	28.16%	Yes	-	4%	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Nykaa aims to create an inclusive and accessible work environment for all employees. Our office spaces are designed and continuously improved to meet accessibility standards, ensuring a comfortable and supportive experience for everyone on site. This commitment is reinforced by our Human Rights Policy, which emphasises respect for human rights and specifically declares our support for employees with disabilities by providing the necessary resources and facilities to perform their roles effectively, in accordance with the Rights of Persons with Disabilities Act.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Nykaa's commitment to equal opportunity is firmly embedded in our Code of Conduct, which enforces a strict zero-tolerance policy against discrimination of any kind - whether based on gender, caste, colour, creed, disability, or any other unlawful factor throughout its value chain. This commitment is further strengthened by the Human Rights Policy, which underlines Nykaa's dedication to enabling equal opportunity and a fair workplace where every individual has the chance to compete and succeed.

To support inclusivity, Nykaa provides necessary resources to employees with disabilities, ensuring they can perform their roles effectively. The Company strives to continuously nurture a diverse and inclusive culture, promoting respect and equal treatment for all employees across the organisation.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00%	76%	-	-
Female	100.00%	42%	-	-
Total	**100.00%**	**67%**	**-**	**-**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, Nykaa has instituted multiple channels for grievance redressal and a well-defined process to address employee concerns in a timely manner. **Formal Channels:** • **Direct Communication:** Employees are encouraged to initially discuss any grievances with their Reporting Manager and the respective Head of Department. • **Human Resources Department**: Provided satisfactory resolution is not reached, employees can approach the HR department for further investigation and action. **Additional Reporting Options:** • **Independent Third-Party Facility:** Nykaa utilises an independent, third-party facility which enables the reporting of concerns, which enables employees to report their concerns anonymously if desired. • **Periodic HR Connect:** The HR department conducts regular visits to various workplace locations. This encourages direct interaction with employees, encouraging them to raise any concerns directly with HR personnel. **E-Grievance Reporting:** The Company further offers dedicated email addresses for reporting specific concerns: • **SpeakUp (speakup@nykaa.com):** This platform facilitates the reporting of concerns related to ethics and compliance. • **POSH (Posh@nykaa.com):** Employees can use this email address to report incidents of harassment or discrimination under the Prevention of Sexual Harassment (POSH) Act. • **Whistle Blower policy (nykaa@tip-offs.in):** This platform facilitates the reporting of any irregularity/concern.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY25			FY24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY25					FY24				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Male	1,327	910	68.57%	962	72.49%	1,071	675	63%	765	71%
Female	654	635	97.09%	507	77.52%	598	348	58%	407	68%
Total	**1,981**	**1,545**	**78%**	**1,469**	**74.15%**	**1,669**	**1,023**	**61%**	**1,172**	**70%**
Workers										
Male	7,626	7,626	100%	-	-	4,185	700	17%	-	-
Female	472	472	100%	-	-	155	57	37%	-	-
Total	**8,098**	**8,098**	**100%**	**-**	**-**	**4,340**	**757**	**17%**	**-**	**-**

9. Details of performance and career development reviews of employees and worker:

Category	FY25			FY24		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	1,327	1,135	85.13%	1,071	1,008	94%
Female	654	534	81.65%	598	545	91%
Total	**1,981**	**1,669**	**84.25%**	**1,669**	**1,553**	**93%**
Workers						
Male						
Female				NA		
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes, Nykaa has implemented a comprehensive occupational health and safety management system that covers all its operations, including workplaces, warehouses, logistics, and related activities. This system is founded on a robust Health, Safety, and Environment (HSE) Policy that prioritises the health and safety of employees, customers, business partners, suppliers, and visitors.

The management system emphasises proactive risk management by continuously identifying and mitigating potential safety and environmental hazards. Regular evaluations and benchmarking against industry standards ensure ongoing improvement. Incident response procedures are well-established to enable effective reporting, investigation, and learning from safety incidents, preventing recurrence.

Continuous improvement is embedded in the culture through regular audits, enhancement programmes, and active employee engagement in safety initiatives. Comprehensive training and communication programmes equip employees with the necessary knowledge and skills to comply with policies and best practices, while lessons learned from past incidents are shared company-wide.

Nykaa maintains and upgrades its HSE systems across all facilities, with Emergency Response Teams (ERTs) established in every warehouse. These teams conduct bi-monthly inspections and lead emergency evacuation drills, supported by multiple training sessions throughout the year to reinforce safety awareness.

To ensure compliance with safety regulations, regular HSE & electrical safety audits are conducted at all locations, with recent audits confirming adherence to electrical and general safety standards. Additional safety measures include weekly training sessions on 16 critical HSE topics across all warehouses, safety incident case study discussions, and a monthly review meeting with all relevant stakeholders to monitor HSE progress and provide support.

In this year, our HSE management has been strengthened by the institution of safety inductions for all new contract workers in our warehouses. Programmes addressing behavioural aspects of safety are planned for implementation in the future. Microlearning videos, fire safety mock drills in all warehouses, customised safety posters in critical areas, and weekly safety awareness sessions are some other initiatives undertaken to enhance our safety culture. Standardised guidelines for carrying out HSE related trainings have also been developed, leading to an increase in training coverage. We are further planning to carry out activity-based Hazard Identification and Risk Assessment (HIRA), framing corrective and preventive actions (CAPA), and preparing emergency evacuation plans across warehouses.

There have been zero major safety incidents in the current financial year.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company is dedicated to ensuring a safe and secure work environment for all employees. Due to the nature of our operations, the risk of exposure to hazardous materials remains minimal. There were no significant incidents or workplace accidents reported throughout the year. By monitoring workplace incidents on a monthly basis, we are able to quickly identify and address potential hazards.

Understanding the importance of proactive safety initiatives, Nykaa remains committed to continually enhancing workplace safety and implementing further improvements in this area.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Nykaa is committed to promoting a culture of safety and transparent communication throughout the organisation. To support this goal, we have established a robust incident reporting system that operates across all our workplaces.

At each site, a dedicated Health, Safety, and Environment (HSE) Single Point of Contact (SPOC) is assigned. Employees are encouraged to promptly report any incidents, including near misses or unsafe conditions, directly to their designated HSE SPOC. These SPOCs play a key role in the process by:

- Receiving and recording all incident reports
- Leading investigations into reported issues
- Implementing corrective measures to address hazards and prevent recurrence.

To promote awareness of this reporting process, regular training sessions are held for all staff. Additionally, QR codes are displayed throughout our workplaces enabling employees to quickly report near misses, unsafe conditions and unsafe act using their mobile devices. This comprehensive strategy empowers our workforce to take an active role in sustaining a safe and healthy workplace environment.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, although Nykaa does not operate an on-site healthcare centre due to the non-hazardous nature of its business activities, first-aid kits are easily accessible in all workplace areas. Additionally, the Company has arranged a partnership with a medical professional to ensure employees can access necessary healthcare services whenever required. During this year, a new employee wellness programme has been launched. It offers discounted gym memberships, onsite well-being programmes, and unlimited teleconsultations with doctors across 32+ specialties for employees and their immediate families. Other benefits include diet and therapist consultations, in-person counsellor visits to all offices, discounted in-clinic visits and health tests, 24/7 helpline support, and access to wellness content like videos and events-all designed for convenient, accessible holistic employee wellness management.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY25	FY24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Nykaa ensures a safe and healthy workplace through a layered approach that integrates preventive infrastructure, rapid response systems, ongoing education, and employee wellness initiatives.

a. Preventive Safety Infrastructure

Comprehensive Safety Installations: Workplaces are equipped with smoke detectors, public address systems, sprinklers, and fire hydrants.

Workplace Compliance: Fire safety compliance is a prerequisite for opening of any new workplace.

b. Proactive Risk Management

Routine HSE Audits: Regular Health, Safety, and Environment (HSE) audits are conducted to identify and mitigate risks before they escalate.

Continuous Hazard Identification: Ongoing evaluation ensures hazards are addressed promptly.

c. Emergency Preparedness & Response

Emergency Response Teams (ERTs): Trained ERTs, including first-aid and fire-fighting personnel, are stationed at every location.

Mock Drills & Simulations: Emergency drills, conducted in collaboration with certified agencies across all our workplaces, to test and improve readiness.

Accessible First-Aid: First-aid boxes are strategically placed across all workplaces for immediate care.

d. Employee Training & Awareness

Safety Inductions: Every new employee receives comprehensive HSE induction training.

E-Learning Modules: All staff have access to an online HSE module, ensuring ongoing knowledge retention.

Regular Safety Training: Employees participate in frequent safety training and awareness sessions.

e. Continuous Improvement Initiatives

Standardised Protocols: Standard training guidelines for HSE trainings and mock drills have been defined, ensuring consistency and thoroughness.

Feedback & Enhancement: Drills and audits are used to identify gaps and drive improvements in safety practices.

f. Holistic Employee Well-being

Wellness Programme: Nykaa has launched a cost-effective wellness programme supporting physical as well as mental health, ensuring employees' holistic well-being.

13. Number of Complaints on the following made by employees and workers:

Topic	FY25			FY24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	No complaints			No complaints		
Health & Safety						

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

During the current year, no major workplace-related incidents have been reported. In response to a few minor incidents, the Company has taken corrective and preventive measures, including offering additional safety training and enhancing safety awareness programmes throughout the entire workforce. Through these proactive initiatives, we aim to further reduce the risk of future incidents.

Leadership Indicators

1. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Nykaa secures statutory compliance from its value chain partners through several measures. All partners are contractually obligated to adhere to relevant agreements and legal requirements. The Company conducts regular assessments to evaluate whether partners are meeting regulatory standards. In addition, Nykaa engages specialised third-party agencies to perform thorough compliance checks. Ongoing oversight by compliance partners further ensures that all statutory obligations are consistently met.

2. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY25	FY24	FY25	FY24
Employees	None			
Workers				

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Nykaa places a strong emphasis on transparent communication and active collaboration with its stakeholders. The Company has established a dedicated Stakeholder's Relationship Committee to oversee and guide the engagement process, ensuring that all relevant groups are appropriately identified and involved.

Stakeholder identification is carried out using the following three criteria:

Dependence: Individuals or groups who rely, directly or indirectly, on Nykaa's products, services, activities, or performance.

Interdependence: Entities that Nykaa relies upon for its own effective functioning.

Influence: Stakeholders who have the capacity to affect Nykaa's strategic or operational decisions.

Special attention is given to disadvantaged, vulnerable, and marginalised groups, in alignment with Nykaa's CSR priorities. These priorities include supporting the upliftment and mentorship of vulnerable age groups, enhancing access to healthcare, and advancing equitable quality education and skill development. By engaging proactively with a broad spectrum of stakeholders, Nykaa not only nurtures mutually beneficial relationships but also reinforces its commitment to social responsibility and inclusive growth.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, notice boards, meetings, townhalls and internal portals (HRMS)	Regularly	Business Discussions and Employee Connect to share Feedback on processes, policies and improvement areas. Talent management, Internal Job Postings, Employee Surveys, Skill Development Sessions, Learning Portals and Helpdesk Portals
Vendors/ Value Chain Partners/ Brand Partners	No	Emails, notice boards, calls and meetings, management reviews, and relationship meetings	Regularly	Vendor Selection, Onboarding, Work execution, invoice processing and payments, business scaling, ideas to attract customers, and brand partnerships
Customers	No	Website, Email, Newsletters, Brochures, social media platforms, helpline, and store visits	Regularly	Identifying opportunities to improve customer service and products, retain them, improve overall experience.
Shareholders/ Investors	No	Website, Email, Newspaper advertisements and portals of regulatory bodies	Quarterly	Financial Results, Investor Presentations, Annual Report, Press Release, Financial Statements and matters requiring approval of shareholders as per applicable laws.
Regulatory bodies like SEBI, NSE, BSE and MCA	No	Respective Portal for regulatory filing	Regularly	Financial Results, Financial Statements, Press Release and matters to be reported / filed with regulatory bodies as per applicable laws.
Communities and NGOs/ Implementation Agencies	Yes	Various collaborations with NGOs, direct consultations, field-visits & trainings, digital platforms, volunteering work, including e-volunteering, reviewing programme achievements and impacts	Regularly	To understand the concerns of communities our business operates in the underprivileged as well as society at large. Implement programmes that help drive inclusive growth and equitable development among relevant communities in education, upskilling and entrepreneurship.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Nykaa demonstrates its commitment to Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) principles through a dedicated board-level committee. This committee follows a consultative and inclusive process to guide CSR initiatives and address key economic, environmental, and social concerns. The Company collaborates closely with NGOs, who provide regular progress reports. These reports incorporate findings from site visits conducted by Nykaa's CSR team and feedback gathered from local stakeholders. All such inputs, along with any emerging issues, are presented to and reviewed by the Board to ensure informed decision-making and oversight.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, Nykaa actively engages with stakeholders to inform the identification and management of key environmental and social topics. Through ongoing consultations with NGO partners, community members, and beneficiaries, the Company gathers valuable insights into ground-level needs and emerging concerns. These inputs play a vital role in shaping Nykaa's CSR and ESG priorities.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   Nykaa actively engages with vulnerable and marginalised groups through strategic partnerships with NGOs and community-based organisations. These collaborations begin with detailed needs assessment surveys to identify community-specific challenges and inform the design of targeted empowerment programmes. The initiatives primarily focus on skill development, financial independence, and social inclusion—responding to concerns such as limited employability, lack of education, and socio-economic marginalisation.

   For instance, Nykaa's partnership with the Sambhav Foundation equips women from low-income communities with professional beauty skills, along with job placement support, enabling them to achieve economic self-reliance. Beyond vocational training, Nykaa also supports inclusive initiatives across sectors like education, sports, and entrepreneurship.

   This year, in collaboration with American India Foundation Trust [AIFT], Nykaa launched Nykaa launched a project in an aspirational district of Maharashtra aimed at enhancing teacher capacity and promoting STEM education—addressing educational inequities in underserved regions.

   Nykaa's structured, community-first approach ensures continuous engagement with marginalised stakeholders, embedding their voices into the CSR framework. Through these sustained efforts, the Company not only addresses immediate concerns but also fosters long-term social and economic empowerment.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY25			FY24		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,981	1,981	100%	1,669	1,669	100.00%
Other than permanent	912	912	100%	1,018	1,018	100.00%
Total Employees	**2,893**	**2,893**	**100%**	**2,687**	**2,687**	**100.00%**
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	8,098	1,604	19.81%	4,340	1,164	26.82%
Total Workers	**8,098**	**1,604**	**19.81%**	**4,340**	**1,164**	**26.82%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY25					FY24				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,327	-	-	1,327	100%	1,071	-	-	1,071	100.00%
Female	654	-	-	654	100%	598	-	-	598	100.00%
Other than Permanent										
Male	NA*									
Female										
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	7,626	4	0.05%	7,622	99.95%	4,185	259	6%	3,926	94%
Female	472	1	0.21%	471	99.79%	155	2	1%	153	99%

*Other than Permanent category consists of fixed term contractors (FTCs) and interns. The professional fees / stipends paid to them are not comparable to the salaries paid to employees.

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	7	Refer Director's report	3	Refer Director's report
Key Managerial Personnel	2	Refer Director's report	1	Refer Director's report
Employees Other than BoD and KMP	1,324	10.30 lacs	652	8.28 lacs
Workers	7,626	1.97 lacs	472	2.01 lacs

Note: The median salaries for men and women differ by less than 10% across roles and levels. The aggregate difference is higher in the table above due to differences in the employee gender mix.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY25	FY24
Gross wages paid to females as % of total wages	21.77%	30.9%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, our Human Resource (HR) department assumes the responsibility for addressing human rights concerns and issues. Additionally, a dedicated POSH Committee handles matters related to harassment, ensuring a safe and respectful work environment for all employees.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Nykaa has adopted a comprehensive Human Rights Policy that underscores its commitment to non-discrimination, prevention of child labour, employee health and safety, and maintaining a harassment-free workplace. Employees can raise concerns related to these issues through designated email channels-speakup@nykaa.com and Posh@nykaa.com, with clear procedures in place to ensure timely resolution and escalation of grievances.

Additionally, Nykaa's Whistleblower Policy enables anonymous reporting of suspected fraud, unethical conduct, or other misconduct via the email nykaa@tip-offs.in or a toll-free number, 1800 210 8988. This policy reinforces Nykaa's dedication to ethical practices by providing secure and confidential avenues for employees and stakeholders to report concerns without fear of retaliation.

6. Number of Complaints on the following made by employees and workers:

	FY25			FY24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	1	0	-	1	0	-
Discrimination at workplace	-	-	-	-	-	-
Child labour	-	-	-	-	-	-
Forced labour/ involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

Note: The sexual harassment complaint for FY2024-2025 pertains to Nykaa E-Retail Limited

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY25	FY24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.05%	0.06%
Complaints on POSH upheld	1	0

Note: The complaint for FY2024-25 pertains to Nykaa E-Retail Limited.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Nykaa is committed to engendering a workplace where employees and business partners can freely share their opinions, concerns, and issues without fear of retaliation. The Company strictly prohibits any form of retaliation or adverse action against individuals who raise concerns in good faith. To support this, Nykaa has established multiple reporting channels, including a Whistle-Blower helpline managed by an independent third party to ensure objectivity, transparency, and confidentiality for whistleblowers throughout the investigation process.

These mechanisms encourage open communication and provide a safe environment for raising grievances, reinforcing Nykaa's dedication to ethical conduct and accountability. The Company ensures that complaints are handled with the utmost confidentiality and timely resolution, reflecting its commitment to protecting those who speak up and maintaining a culture of trust and integrity.

9. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes, Nykaa incorporates human rights, ethical business practices, and statutory compliance into its vendor onboarding process to ensure that all business and vendor partners adhere to these principles. Business agreements include specific clauses requiring partners to comply with standards related to employee qualifications, working hours, safety training, emergency preparedness, and overall workplace safety. For long-term contractors, Nykaa conducts periodic audits to verify ongoing compliance with these requirements.

10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/ involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No case reported.

Leadership Indicators

1. Details of the scope and coverage of any Human rights due diligence conducted.

Nykaa remains committed to the protection and respect of human rights within its operations by regularly conducting assessments focused on critical areas such as labour practices, child labour prevention, equal pay for equal work, and non-discrimination. These assessments also include a process for identifying and remedying any human rights violations that are discovered.

2. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, Nykaa continually strives to improve the accessibility of our office and new warehouse facilities to ensure a positive experience for everyone. This commitment is reflected in our ongoing efforts to enhance infrastructure and meet accessibility standards. Our Human Rights policy further declares our commitment to adhere to the standards as laid down under the Rights of Persons with Disabilities Act.

3. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour Forced/ involuntary labour Sexual harassment Discrimination at workplace Wages Others – please specify	Several key initiatives are in place to promote responsible behaviour by suppliers/vendors: • **Vendor Assessments:** The internal team conducts periodic on-site visits to all contract manufacturing and packaging vendors. • **Child Labour Prevention:** Central HR and warehouse team undertakes KYC verification to mitigate child labour risks.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY25 (GJ)	FY24 (GJ)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**0**	**0**
From non-renewable sources		
Total electricity consumption (D)	24,197.49	17,144
Total fuel consumption (E)	4,315.18	3,206
Energy consumption through other sources (F)	0	0
Total energy consumed from non- renewable sources (D+E+F)	**28,512.67**	**20,350**
Total energy consumed (A+B+C+D+E+F)	**28,512.67**	**20,350**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.43	0.40
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	8.82	8[#]
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66.

[#]Last year, Energy intensity adjusted for PPP was rounded up to the nearest whole number, value up to 2 decimal places was 8.38.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, Reasonable Assurance from TUV India Pvt. Ltd.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable, as we are not an energy-intensive industry as outlined under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 25 (KL)	FY24 (KL)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	57,664.27	62,816
(iii) Third party water (tanker)	1,075	1,566
(iv) Seawater / desalinated water	-	-
(v) Others (municipal supply system)	20,130.37	31,869
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**78,869.64**	**96,251**
Total volume of water consumption (in kilolitres)	**78,869.64**	**96,251**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	1.18	1.91
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	24.40	40#
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66.

#Last year, Water intensity adjusted for PPP was rounded up to the nearest whole number, value up to 2 decimal places was 40.03.

The Company has installed water meters at almost all locations leading to the more accurate measurement of water consumption. This is unlike previous years where water consumption was partly derived based on assumptions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, Reasonable Assurance from TUV India Pvt. Ltd.

4. Provide the following details related to water discharged:

Parameter	FY25	FY24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water - No treatment - With treatment – please specify level of treatment (ii) To Groundwater - No treatment - With treatment – please specify level of treatment (iii) To Seawater - No treatment - With treatment – please specify level of treatment (iv) Sent to third parties - No treatment - With treatment – please specify level of treatment (v) Others - No treatment - With treatment – please specify level of treatment	At Nykaa offices and warehouses, the water consumed is only for 'Domestic purpose' and not for manufacturing of goods and services. Therefore, the question is not applicable.	
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not applicable for Nykaa as the Company does not manufacture any products and water is solely used for domestic consumption.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY25	FY24
NOx		Air emissions are not applicable for Nykaa since our operations include only offices and warehouses. Diesel generators are utilised in the warehouses, however only as a back-up power source. Nevertheless, we closely monitor our generator usage to further reduce our fuel consumption.	
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY25	FY24
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	386.01	223
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	4,886.55	3,410
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.08	0.07
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*		1.51	2[#]
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (*optional*) – the relevant metric may be selected by the entity		-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66.

[#]Last year, Emissions intensity adjusted for PPP was rounded up to the nearest whole number, value up to 2 decimal places was 1.47.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Yes, Reasonable Assurance from TUV India Pvt. Ltd.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Nykaa has made progress in its efforts to adopt renewable energy sources. Suitable locations have been identified for incorporating renewable energy, and will be made operational in a phased manner in FY26.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY25	FY24
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	159.73	141
E-waste **(B)**	3.04	0
Bio-medical waste **(C)**	Not Applicable	Not Applicable
Construction and demolition waste **(D)**	Not Applicable	Not Applicable
Battery waste **(E)**	0	0
Radioactive waste **(F)**	Not Applicable	Not Applicable
Other Hazardous waste. Please specify, if any. **(G)** (Expired products)	4.89	12.17
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,020.16 (Carton Waste) 10.98 (Paper Waste, Wooden Pallet Waste)	1,492.72 (Carton waste) -
Total (A+B + C + D + E + F + G + H)	**2,198.81**	**1,645.89**

Parameter	FY25	FY24
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.03	0.03
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated / Revenue from operations adjusted for PPP)	0.68	1#
Waste intensity in terms of physical output		
Waste intensity (*optional*) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	17.23^ (Carton waste)	13.83^ (Carton waste)
(iii) Other recovery operations	0	0
Total	**17.23**	**13.83**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration (Expired products disposed via incineration)	4.89	12.17
(ii) Landfilling	0	0
(iii) Other disposal operations (Plastic waste disposed via third party vendors for recycling)	159.73	141
(Carton waste disposed via third party vendors for recycling, excludes the quantity that is re-used within the reporting boundary)	2,002.93	1,478.89
(Paper and Wooden waste disposed via third-party vendors for recycling)	10.98	-
(E-waste disposed vis third-party vendors for recycling)	3.04	-
Total	**2,181.57**	**1,632.06**

Note: #The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66.

*E-waste is accumulated internally until it reaches a defined threshold for disposal, which may cause variations in annual disposal volumes.

^In an effort to minimise its waste footprint, the Company re-uses 100% of carton waste generated within the premises of its Private Label warehouses.

#Last year, Waste intensity adjusted for PPP was rounded up to the nearest whole number, value up to 2 decimal places was 0.63.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Yes, Reasonable Assurance from TUV India Pvt. Ltd.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Nykaa prioritises responsible waste management and chemical safety, but doesn't use, produce, or disposes off any hazardous chemicals due to the nature of its business.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Warehouse operation located at Baprour village, Patiala (Punjab)	Warehouse	Yes, Landlord has obtained requisite approvals/clearance for one of our warehouses taken on lease.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable as none of Nykaa's projects require environmental impact assessments.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Yes, Nykaa workplaces comply with applicable environmental law, regulations of the country and operate as per Consent to Operate conditions from the Central and State Pollution Control Boards. Further, no fine/penalty/action was initiated against the entity under any of the applicable environmental laws/regulation/guidelines in India.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Bengaluru, Dwarka, Gurgaon, Delhi, Haryana, Indore and Punjab

(ii) Nature of operations: Offices and warehouses

(iii) Water withdrawal, consumption and discharge in the following format: At Nykaa offices and warehouses, the water consumed is only for 'domestic purpose' and not for manufacturing of goods and services. Therefore, water discharge is not applicable.

Parameter	FY25	FY24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	20,353.31	34,143
(iii) Third party water (tanker)	1,075	1,566
(iv) Seawater / desalinated water	0	0
(v) Others (municipal supply system)	3,374.37	17,384.14
Total volume of water withdrawal (in kilolitres)	24,802.68	53,093
Total volume of water consumption (in kilolitres)	24,802.68	53,093
Water intensity per rupee of turnover (*Water consumed / turnover*)	0.37	1.05
Water intensity (*optional*) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

The Company has installed water meters at almost all locations leading to the more accurate measurement of water consumption. This is unlike previous years where water consumption was partly derived based on assumptions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Yes, Reasonable Assurance from TUV India Pvt. Ltd.

2. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable, as none of Nykaa's operations fall under ecologically sensitive zones.

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Project Aranyam – Tree Plantation Initiative in Partnership with Pack8	Under this initiative, trees are planted in the name of Nykaa for every purchase of specified packaging variants. The programme is implemented in partnership with Grow-Trees.com and Grow Billion Trees, organisations focused on reforestation and climate action.	2,946 trees planted in FY25 Estimated 58,920 kg of carbon sequestered upon maturity. Employment generated for local communities through nursery work, sapling transport, planting, and maintenance activities.

4. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Nykaa has implemented a cloud-based Disaster Recovery Framework that backs up critical databases hourly to the cloud. We conduct biannual disaster recovery drills to ensure the website operates smoothly on the backup system within defined Recovery Time Objectives (RTOs). Additionally, a majority of Nykaa users are provided VPN access to support remote work capabilities.

The Company is in the process of establishing a Business Continuity Management (BCM) programme. Business Impact Analyses (BIAs) and Risk Assessments have been conducted across key identified functions and processes. A robust Business Continuity Plan at the functional level and a Crisis Management Plan at the site level are being put in place.

5. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Nykaa's business agreements incorporate Health, Safety, and Environment (HSE) declarations, including clauses that allow termination if these standards are violated. Waste produced at our warehouses are handled through authorised vendors for safe dispsoal and recyling. These practices promote transparent and accountable waste management in line with our sustainability objectives.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

4

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	FICCI-Federation of Indian Chambers of Commerce and Industry	National
2	IBHA-Indian Beauty Health Association of India	National
3	CII-Confederation of Indian Industries	National
4	RAI-Retailers Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No such cases observed in the reporting period.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Web Link, if available
	We collaborated with external associations such as the Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), Indian Beauty Health Association (IBHA), and Retailers Association of India (RAI) for regulatory compliance. Our involvement in regulatory agendas included addressing labelling issues under Legal Metrology, conveying the pain points with regard to importing cosmetics, and voicing industry related hurdles to the Consumer Affairs Ministry	With member of association representing industry POV and its comments in draft stage of regulatory documents	Yes	Annually	

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain. (Yes / No)	Relevant Web link
Not applicable for Nykaa as there was no Social Impact Assessment required to be conducted during FY25.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
During FY25, Nykaa has not undertaken any projects that require Rehabilitation and Resettlement (R&R).						

3. Describe the mechanisms to receive and redress grievances of the community.

We are committed to promoting community development across our locations by actively engaging with all stakeholders, including local communities, NGOs, and implementing partners, to understand and address their concerns. Any specific grievance raised is properly documented, thoroughly investigated, and promptly resolved. Nykaa has established a dedicated email, grievanceofficercs@nykaa.com, to facilitate an effective grievance redressal system.

Nykaa also encourages stakeholders to report any suspected wrongdoing through a strong Whistleblower Policy, which allows anonymous reporting of fraud, unethical behaviour, or misconduct via the email nykaa@tip-offs.in or by calling the toll-free number 1800 210 8988.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Source	FY25	FY24
Directly sourced from MSMEs/ small producers	24%	21%
Directly from within India	99%	98%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost.

Location	FY25	FY24
Rural	-	-
Semi-urban	0.02%	0.43%
Urban	7.86%	3.57%
Metropolitan	92.12%	96.00%
Total	**100%**	**100%**

(Place categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable for Nykaa as there was no Social Impact Assessment required to be conducted during FY25.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (in ₹)
1.	Maharashtra	Nandurbar	39.65 lakhs

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No, Nykaa does not currently have a preferential procurement policy in place.

(b) From which marginalised /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable as Nykaa doesn't have any IPR based on traditional knowledge				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the case	Corrective action taken
Not applicable, as there are no adverse orders in intellectual property related disputes wherein the usage of traditional knowledge was involved.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Sambhav Foundation: In FY25, Nykaa, in partnership with Sambhav Foundation, empowered 1,094 women from low-income communities by training them as professional beauty service providers. Delivered across five fully equipped centres in Bangalore, Guwahati, Noida, Pune, and Mysore, the five-month programme combined technical training with on-the-job experience. Women participants were supported with placement opportunities at local salons and some women chose their own freelance ventures. This initiative not only unlocked new career pathways for these women but also helped them move closer to financial independence and social inclusion.	1,094	100%
2	Beauty & You: Nykaa has partnered with Estée Lauder International as a lead partner for Beauty & You Grants. The primary objective of these Grants is to discover and propel the next generation of beauty entrepreneurs and to help founders, innovators, and creators build their businesses holistically, incorporating innovative and research-oriented ideas and by identifying brand goals, achieving scale ambitions, and curating product portfolios for Indian consumers. The awardees receive a Grant that can be utilised to take forward their ideas and build their innovative and research-oriented business models in the beauty space, along with receiving mentorship, guidance, training and awareness that would facilitate their progress in the beauty industry. This year, Nykaa supported three women-led organisations.	3	0%
3	Indian Deaf Cricket Association (IDCA): Nykaa has been a proud supporter of the Indian Deaf Cricket Association (IDCA), advancing the development, training, and recognition of differently abled athletes. In FY25, Nykaa served as the Principal Sponsor of the 2nd IDCA T10 Women's Deaf Premier League held in Mumbai, which empowered 250 women cricketers with training, exposure, and a platform to showcase their talent. This initiative underscores Nykaa's commitment to inclusivity and equal opportunities in sports.	250	100%
4	Krida Vikas Sanstha (Slum Soccer): For the third consecutive year, Nykaa has supported Slum Soccer in its mission to empower underprivileged youth through the unifying power of sports. In FY25, Nykaa proudly backed the National Inclusion Cup in Nagpur, where 250 young athletes – 120 girls and 130 boys from marginalised communities across India trained, competed, and grew together. This initiative is not just about football - it's about building confidence, teamwork, and opportunity for the game changers of tomorrow.	250	100%
5	Anushkaa Foundation: Nykaa, in partnership with Anushkaa Foundation, is helping children with Clubfoot, walk confidently into a better future. Using the globally acclaimed Ponseti method, this initiative offers a cost-effective, two-phase treatment to children from rural and semi-urban low-income communities. In FY25, Nykaa supported the full treatment journey of 91 children, ensuring long-term mobility and a life free from physical and social limitations.	91	100%
6	Aatapi Seva Foundation: With Nykaa's support, Aatapi Seva Foundation is empowering rural women to become beauty care entrepreneurs, blending skill development with financial literacy and business training. Through this tailored initiative, 65 women received foundational training in beauty services, and advanced to higher-level entrepreneurship training. By nurturing their skills and confidence, the programme is helping women transform ambition into sustainable livelihoods and local enterprise.	65	100%
7	Delhi Council for Child Welfare (DCCW): In partnership with DCCW, Nykaa is supporting 10 vocational training centres that are equipping 500 girls and young women from low-income communities with practical skills in Beauty & Wellness and Stitching. These year-long courses, delivered through daily two-hour sessions, are designed to foster employability and self-reliance – opening doors to dignified work, income generation, and a more empowered future.	500	100%
8	American India Foundation Trust: Supported by Nykaa, the STEM SPARK Program is transforming STEM education in 30 government schools across Nandurbar, an aspirational district in Maharashtra. By strengthening the capacity of teachers and introducing hands-on STEM Kits and Labs, the initiative is fostering engaging, inquiry-based learning for 4,597 students—including 2,352 girls. The programme empowers young minds, especially girls in grades 6–8, to dream bigger and pursue pathways in science, technology, engineering, and math.	4,597	100%

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
9	Akanksha Foundation: Nykaa collaborated with Akanksha Foundation to support a school in Pune, providing free, high-quality education to 877 students from Jr. KG to Grade 10. The school serves children from low-income families, many of whom are first-generation learners with parents engaged in daily wage work and limited educational backgrounds. This initiative aims to break the cycle of poverty through education, empowering students with the knowledge and opportunities to build brighter futures.	877	100%
10	Rise Against Hunger India: In alignment with Rise Against Hunger India's mission to end hunger and empower communities, Nykaa supported to prepare 58,536 nutrient-rich meals. These fortified meals were distributed to underserved communities, helping combat malnutrition and food insecurity. This initiative contributes to immediate hunger relief while supporting long-term health and well-being for vulnerable populations.	874	100%
11	Latika Roy Memorial Foundation: Nykaa has partnered with Latika Foundation to create a state-of-the-art salon for children with sensory needs at the Foundation's purpose-built campus in Dehradun, designed with the concept of universal accessibility. This Diversity & Inclusion initiative will not only provide essential beauty services but also serve as a training centre for differently abled youth enrolled in Latika Foundation's skilling programmes. The project will directly impact 200 children, equipping them with valuable skills for employment and fostering a more inclusive future.	Salon will be ready by October 2025	
12	Nykaa Chair in Consumer Technology implemented by IIM-A: Nykaa partnered with the Indian Institute of Management Ahmedabad (IIM-A) Endowment Fund to institute the "Nykaa Chair in Consumer Technology". This collaborative programme spanning three years focuses on advancing research and education in the field of marketing – on how Nykaa provides brands its omnichannel ecosystem to grow and build brands, and what marketing/ funnel choices need to be made at different junctures. Additionally, collaborated for a 24-hour hackathon to identify and empower student-led tech innovations.	The project aims to create marketing education materials and conduct workshops/ hackathons.	
13	NCAER: In partnering with India's oldest and largest independent, non-profit, economic policy research think tank – National Council of Applied Economic Research ('NCAER') Nykaa has instituted a nationwide study to assess the social, economic and financial empowerment of women through a ground-level sample survey in 11 states of India during the first phase of the survey. The outcome of the study will be an index of women's empowerment and will help in measuring progress and identifying barriers to women's empowerment so that appropriate policies can be designed to overcome these barriers.	Work in progress and the ultimate output will be an index of empowerment of women, which will be a composite index of a few other subindices, like general education, banking and credit access, digital and technical skill, financial decision-making power, etc.	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

As a consumer-centric organisation, we have established multiple mechanisms to receive and respond to consumer complaints and feedback effectively:

- We provide detailed contact information of Grievance Officers and Nodal Officers, including names, addresses, email IDs, and phone numbers, across all e-commerce platforms and websites to facilitate easy consumer access.
- Each marketed product carries labelling with the registered office address, email ID, and phone number of the marketing entity for direct consumer reference.
- Complaints received through various channels are logged into our system with a unique ticket ID, ensuring organised tracking.
- Our customer service team uses a dedicated system to manage all customer interactions, automatically creating tickets when grievances are received, and tracking response and resolution times. After resolving issues, customers receive satisfaction surveys to provide feedback, which helps us improve our service.
- Customers are notified of complaint status updates via email and/or calls, ensuring transparent communication throughout the grievance redressal process.

This integrated approach ensures timely, accountable, and customer-focused complaint handling and feedback management.

2. Turnover of products and/ services as percentage of turnover from all products/services that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Our products are labelled with instructions for appropriate usage and any necessary precautions to ensure safe and effective use.

Our products are labelled with the appropriate recycling symbols to guide consumers on proper disposal.

3. Number of consumer complaints in respect of the following:

	FY25			FY24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	6,933	All consumer complaints have been closed		8,156	-	All consumer complaints have been closed

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	No such instances of forced or voluntary recall during the reporting period.
Forced recalls	Nil	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes, Nykaa has implemented a comprehensive Data Privacy Policy. This policy outlines the types of customer information collected, the reasons for collecting such data, and the circumstances under which it may be shared with third parties. It also details the security measures in place to protect customer data and clearly defines the rights of customers regarding their personal information. The policy can be accessed here: https://www.nykaa.com/policy/lp#privacy-policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Product Recalls

We uphold strict mandatory quality standards, regularly verifying compliance through both audits and self-assessment processes. These standards are designed to ensure that all our products are delivered with safety and superior quality in mind, fully adhering to applicable industry and regulatory requirements in every country where we operate. Robust management procedures are in place to mitigate risks and protect both our consumers and markets. Should any product fall short of these standards, we act swiftly and decisively to guarantee that only products meeting our high-quality benchmarks reach the market.

Cyber Security and Data Privacy

Nykaa has established a thorough Information Security Incident Management framework. This framework defines clear steps for identifying and reporting security incidents, taking immediate action to contain and minimise their impact, investigating

root causes, and gathering necessary evidence. It also covers the recovery of affected systems and data, as well as the prevention of future incidents through continuous learning and process improvement. The Company places strong emphasis on employee training, leverages threat intelligence platforms, and ensures meticulous evidence collection to manage security incidents effectively.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of the data breaches

None

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information regarding Nykaa's products and services can be accessed from the following channels:

- Website: https://www.nykaa.com/
- Nykaa Retail Stores.
- General Trade Stores and Modern Trade Stores where Nykaa products are available.
- Nykaa App

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Nykaa is dedicated to equipping consumers with the information they need to make informed decisions and use products safely. Every Nykaa product features clear, detailed instructions to promote responsible and safe usage.

To further support consumers, Nykaa provides buying guides on its platform, offering additional insights to assist with purchase decisions. Educational editorial articles are also available, empowering customers with deeper product knowledge.

In addition, Nykaa collaborates with cosmetic experts and beauty bloggers to host regular awareness sessions focused on skincare and hygiene best practices. These sessions give consumers direct access to valuable advice and information from industry professionals.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

At Nykaa, we do not operate within the essential services sector. However, should any disruptions arise, we are equipped to promptly communicate relevant information through our website, various social media channels, our distribution network, sales representatives, and email communications.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, Nykaa is committed to ensuring that consumers receive clear and detailed information about every product. All mandatory product labels are fully compliant with industry regulations and established standards. In addition to these requirements, Nykaa includes logos or supplementary details on its labels to emphasise unique product features. These may indicate that a product is cruelty-free (not tested on animals), vegan (free from animal-derived ingredients), or clean (meeting specific sustainability criteria or formulated without certain ingredients).

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, Nykaa's website features an extensive rating and review system for all products, enabling customers to share their experiences and satisfaction levels. This mechanism serves as an ongoing consumer feedback survey, providing valuable insights into product performance and customer preferences.

Additionally, every time a customer submits a grievance via email, our Zendesk platform automatically creates a support ticket and, upon resolution, sends a customer satisfaction (CSAT) survey or feedback request. The feedback collected through these surveys is systematically logged and analysed. We also monitor the first reply and resolution times for all customer grievances, enabling us to continually assess and enhance the quality of our customer service.

By actively monitoring and analysing both product reviews and post-resolution customer feedback, Nykaa identifies areas for improvement and product development. This customer-centric approach ensures that we continuously adapt our offerings to better meet consumer needs and expectations across all our locations of operation.

Independent Assurance Statement

To,
The Board of Directors,
FSN E Commerce Ventures Limited,
Mumbai 400013

Nykaa E-Retail Limited and FSN E Commerce Ventures limited (hereafter 'Nykaa') engage TUV India Private Limited (TUVI) to conduct independent external assurance of BRSR Core disclosures (*09 attributes as per Annexure I - Format of BRSR Core*) following the (*BRSR Core –Framework for assurance and ESG disclosures for value chain* stipulated in SEBI *circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023 and Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024*) for the period April 01, 2024 to March 31, 2025. The BRSR is based on the National Guidelines on Responsible Business Conduct (NGRBC), *SEBI circular: SEBI/HO/CFD/CMD 2/P/CIR/2021/562, dated 10/05/2021* followed by the *notification number SEBI/LAD-NRO/GN/2023/131, dated 14/06/2023* pertaining to BRSR requirement. This assurance engagement was conducted in reference with BRSR, the terms of our engagement and ISAE 3000 (Revised) requirement.

Management's Responsibility

Nykaa developed the BRSR's content pertaining to the Core disclosures (*09 attributes as per Annexure I - Format of BRSR Core*). Nykaa management is responsible for carrying out the collection, analysis, and disclosure of the information presented in the BRSR (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy in reference with the applied criteria stated in the BRSR, such that it's free of intended or unintended material misstatements. Nykaa will be responsible for archiving and reproducing the disclosed data to the stakeholders and regulators upon request.

Scope and Boundary

The scope of work includes the assurance of the following *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR. The BRSR core requirements encompass essential disclosures pertaining to organization's Environmental, Social and Governance (ESG). In particular, the assurance engagement included the following:

1. Review of *09 attributes as per Annexure I - Format of BRSR Core* submitted by Nykaa.
2. Review of the quality of information,
3. Review of evidence (on a random samples) for *09 attributes as per Annexure I - Format of BRSR Core.*

TUVI has verified the below *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR

Attributes	KPI
Green-house gas (GHG) footprint *Boundary:* *Scope 1 Boundary* – Consumption from all Corporate Locations and Warehouses are part of financial statement. Scope 2 Boundary – All Corporate locations and Warehouses	Total Scope 1 emissions (with breakup by type) - GHG (CO_2e) Emission in MT - Direct emissions from organization's owned- or controlled sources (Calculated)
	Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider (Calculated)
	GHG Emission Intensity (Scope 1+2), Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP (Calculated)
Water footprint Boundary: Covers all warehouses and corporate locations.	Total water consumption (in kL) (Calculated)
	Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP (Calculated)
	Water Discharge by destination and levels of Treatment (kL)- Not applicable
Energy footprint *Boundary:* *Refer attribute "Green-house gas (GHG) footprint"*	Total energy consumed in GJ (Calculated)
	% of energy consumed from renewable sources - In % terms- (Reported NIL)
	Energy intensity -GJ/ Rupee adjusted for PPP (Calculated)
Embracing circularity - details related to waste management by the entity *Boundary:* Covers all Corporate Offices and Warehouses	Plastic waste (A) (MT) (Calculated)
	E-waste (B) (MT) (Calculated)
	Bio-medical waste (C) (MT)- (Reported NIL)
	Battery waste (D) (MT) - (Reported NIL)
	Other hazardous waste. Expired products (E) (Calculated)
	Other non-hazardous waste. Carton waste (F) (Calculated)
	Total waste generated (A + B + C + D + E + F) (MT) (Calculated)
	Waste intensity • MT / Rupee adjusted for PPP (Calculated)
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) (Calculated)
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity)

	1. Kg of waste Recycles, Recovered / Total Waste generated	
	For each category of waste generated, total waste disposed by nature of disposal method (MT)	
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity) 1. kg of Waste Recycled Recovered /Total Waste generated 2. Expired products incineration [Reported] 3. Plastic waste recycled via third party vendors [Reported] 4. Carton waste recycled via third party vendors [Reported]	
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company - In % terms- (Calculated)	
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) 1) Number of Permanent Disabilities (Reported NIL) 2) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) (Reported NIL) 3) No. of fatalities (Reported NIL)	
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid - In % terms - (Calculated)	
	Complaints on POSH	1) Total Complaints on Sexual Harassment (POSH) reported - (Reported)
		2) Complaints on POSH as a % of female employees / workers- (Calculated)
		3) Complaints on POSH upheld- (Reported)
Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India - In % terms – As % of total purchases by value- (Calculated)	
	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost - In % terms – As % of total wage cost • Rural (NIL) • Semi urban (Calculated) • Urban (Calculated) • Metropolitan (Calculated)	
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms (Nil)	
	Number of days of accounts payable – (Accounts payable *365) / Cost of goods/services procured (Calculated)	
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	1) Purchases from trading houses as % of total purchases (NIL)
		2) Number of trading houses where purchases are made from (NIL)
		3) Purchases from top 10 trading houses as % of total purchases from trading houses- (NIL)
		1) Sales to dealers / distributors as % of total sales- (Calculated)
		2) Number of dealers / distributors to whom sales are made- (Calculated)
		3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors- (Calculated)
		Share of RPTs (as respective %age) in - • Purchases - (Reported) • Sales - (Reported) • Loans & advances - (Reported) • Investments - (Reported)

The reporting boundaries cover FSN E Commerce Ventures Limited and Nykaa E-Retail Limited operations.

Onsite Verification

1. 03 - 04 April 2025 - Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra 400013
2. 07 July 2025 - Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel, Mumbai, Maharashtra 400013.

Remote Verification

1. 08 April 2025 - Remote audit for Bangalore office (Divyasree Technopolos, B- Block, East wing, 2nd floor, Yemlur Main road, Bengaluru -560037) and Ahmedabad warehouse (Plot No - D6 To D9, Gallop Industrial Park, Vil- Rajoda, Tal-Bavla, Ahmedabad, 382220, Gujarat),
2. 10 April 2025 – Bangalore warehouse (NYKAA E-Retail.Pvt.Ltd. S.NO149/1, P149/2, 241/P, Ramasandra Hobli Narasapura Taluk, Kolar Dist -563130).

The assurance activities were carried out together with a desk review as per reporting boundary.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the BRSR, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI verified 09

assurance statement is limited w.r.t *SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated Jul 12, 2023 and Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024*. This assurance statement does not endorse any environmental and social claims (related to the product, manufacturing process, packaging, disposal of product etc.) as well as advertisements by the reporting organization. TUVI does not permit use of this statement for Greenwashing or misleading claims. The reporting Organization is responsible for ensuring adherence to relevant laws.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a reasonable level of assurance for *09 attributes as per Annexure I - Format of BRSR Core* and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of Nykaa's strategy, management of ESG-related issues or the sufficiency of the BRSR against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes assurance of non-financial quantitative and qualitative information disclosed by Nykaa. Reporting Organization is responsible for archiving the related data for a reasonable time period.

TUVI is responsible

i. For planning to obtain the reasonable assurance for BRSR attributes so that it is free from material misstatement,
ii. Forming an independent opinion, based on the sampled evidence,
iii. Reporting the opinion to the Directors of 'Nykaa'.

This assurance statement is prepared by considering that the data and information presented by 'Nykaa' are free from material mis-statement. The data is verified on a sample basis, the responsibility for the authenticity of data lies with the reporting organization. The primary intended user of this assurance statement is 'Nykaa'; however, the client may use it at their own discretion in accordance with their specific requirements.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

a) TUVI examined and reviewed the documents, data, and other information made available by Nykaa for non-financial *09 attributes as per Annexure I - Format of BRSR Core* (non-financial disclosures),
b) TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of Nykaa,
c) TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and qualitative),
d) TUVI reviewed the adherence to reporting requirements of "BRSR".

Opportunities for Improvement

The following are the opportunities for improvement reported to Nykaa. However, they are generally consistent with Nykaa management's objectives and programs. Nykaa already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of organization.

i. Nykaa can quantitatively evaluate the training imparted to various employees following models like Kirkpatrick Model
ii. Nykaa may plan to monitor all categories of indirect GHG (scope 3) emissions as per ISO 14064-1
iii. Nykaa can plan long term projects like purchase of renewable energy or REC certificates
iv. Nykaa may encourage their suppliers for the sustainability reporting

Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognize that failure to address conflict of interest adequately could undermine the creditability of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR Core KPI described in the BRSR along with the referenced information provides a fair representation of the 9 attributes, and meets the general content and quality requirements of the BRSR. TUVI confirms its competency to conduct the assurance engagement for the BRSR as per SEBI guidelines. Our team possesses expertise in ESG verification, assurance methodologies, and regulatory frameworks. We ensure independence, employ robust methodologies, and maintain continuous improvement to deliver reliable assessments.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the BRSR requirements. Nykaa refers to general disclosure to report contextual information about Nykaa, while the Management & Process disclosures refers to the management approach for each indicator *(09 attributes as per Annexure I - Format of BRSR Core)*.

Reasonable Assurance: As per SEBI reasonable assurance requirements including scope of Assurance, Assurance methodologies (risk- based approach and data validation techniques), mitigating conflicts of interests, documentation on evidence and communication on findings, TUVI can effectively validate the accuracy and reliability of the information presented in the BRSR, instilling confidence in stakeholders and promoting transparency and credibility in ESG reporting practices.

BRSR complies with the below requirements

a) Governance, leadership and oversight: The messages of top management, the business model to promote inclusive growth and equitable development, action and strategies, focus on services, risk management, protection and restoration of environment, and priorities are disclosed appropriately.
b) Connectivity of information: Nykaa discloses *09 attributes as per Annexure I Format of BRSR Core* and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.
c) Stakeholder responsiveness: The BRSR covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritize the short, medium and long-term strategies. The BRSR provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the BRSR provides a fair representation of the extent to which the organization understands, takes into account and responds to the legitimate needs and interests of key stakeholders.
d) Materiality: The material issues within 9 attributes and corresponding KPI as per BRSR requirement are reported properly.
e) Conciseness: The BRSR reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation is applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.
f) Reliability and completeness: Nykaa has established internal data aggregation and evaluation systems to derive the performance. Nykaa confirms that, all data provided to TUVI, has been passed through internal checks. The majority of the data and information was verified by TUVI's assurance team (on sample basis) during the BRSR verification and found to be fairly accurate. All data, is reported transparently, in a neutral tone and without material error.
g) Consistency and comparability: The information presented in the BRSR is on yearly basis and found reliable and complete manner. Thus, the principle of consistency and comparability is established.

Independence and Code of Conduct: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI *circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023 and Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024*.

TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

Quality control: The assurance team complies with quality control standards, ensuring that the engagement partner possesses requisite expertise and the assigned team collectively has the necessary competence to perform engagements in reference with standards and regulations. Assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing ESG Assurance services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with Nykaa on any engagement that could compromise the independence or impartiality of our findings, conclusions, and observations. TUVI was not involved in the preparation of any content or data included in the BRSR, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.



For and on behalf of TUV India Private Limited
Date: 17/07/2025
Place: Mumbai, India



Project Reference No: 8123425989
Revision:04

Independent Auditor's Report

To the Members of FSN E-Commerce Ventures Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of FSN E-Commerce Ventures Limited ("the Company") which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of investments in subsidiaries, and loans to subsidiaries (refer Note 9, Note 10 and Note 18 in the standalone financial statements)	
The Company has investment of ₹935.07 crores in certain subsidiaries and has outstanding loans receivable of ₹545.20 crores from subsidiaries as at March 31, 2025 (as described in Note 9, Note 10 and Note 18 of standalone financial statements). As per requirement of Ind AS 36 "Impairment of assets", the management reviews at each reporting period whether there are any indicators of impairment of the investments in subsidiaries and where impairment indicators exist, such investments are tested for impairment using discounted cash-flow models by which recoverable value of each investment is compared to the carrying value as at balance sheet date. A deficit between the recoverable value / value in use and the carrying value would result in impairment. The value in use of the underlying businesses is determined based on the discounted cash flow projections. Discounted cash flow model has significant judgment and estimation in respect of cash flow forecasts and discount rate. Changes in certain methodologies and assumptions can lead to significant changes in the assessment of the recoverable value.	Our audit procedures included the following: • Obtained the audited financial statements of subsidiaries as on March 31, 2025 from the management and assessed impairment indicators in accordance with Ind AS 36. • Assessed the Company's valuation methodology applied in determining the recoverable amount. • Assessed the assumptions used in determining cash flow forecasts, discount rates, expected growth rates and terminal growth rates used. • Where the Company used the work of an external specialist, we assessed competence, professional qualification, objectivity and independence of such specialist. We obtained and read the report of external specialist to understand the work performed on testing of key assumptions and estimates and their outcome of testing. • Involved our internal valuation specialist to evaluate the adequacy of the assumptions used in impairment analysis.

Key audit matters	How our audit addressed the key audit matter
For certain subsidiaries, the Company has undertaken an impairment assessment by evaluating the subsidiaries' net worth as of year-end in relation to the carrying amount of the investment and other receivables. This evaluation incorporates future projections and a review of relevant qualitative factors such as strategic business plans, market conditions, and operational performance and other external economic indicators. Due to the level of judgements involved in the assumptions used for computation of recoverable amount / value in use, the impairment assessment of the Company's interest in subsidiaries including loans given and associate, is determined to be a key audit matter in our audit of the standalone financial statements.	• Assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • Discussed the budgeted and actual performance for the year to evaluate the inputs and assumptions used in the cash flow forecasts. • Tested the arithmetical accuracy of the computation of recoverable amount. • Assessed the disclosures provided by the Company in relation to its annual impairment test in notes to the standalone financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual report ('Other Information') but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with

reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in the financial statements - Refer Note 46B to the standalone financial statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed

in the note 54 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 54 (vi) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iv) (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) No dividend has been declared or paid during the year by the Company.

(vi) Based on our examination which included test checks, the Company has used various accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Except as follows (Refer note 47(ii) to the financial statements):

a) Audit trail feature is not enabled at the –

- database level and for modifications to master data fields in respect the accounting software and
- in respect of supporting softwares, audit trail feature is not enabled for all the relevant transactions recorded in the software.

b) With respect to third-party operated software applications, in the absence of Service Organisation Controls report on audit trail, as described in Note 47(ii) to the financial statements, we are unable to comment on whether the audit trail feature with respect to third-party operated software applications was enabled and operated throughout the year for all relevant transactions recorded in these software applications or whether there were any instances of the audit trail feature being tampered with.

Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966
UDIN: 25048966BMNXHQ6166

Place of Signature: Mumbai
Date: May 30, 2025

Annexure 1 referred to in paragraph [1] under Report on Other Legal and Regulatory Requirements of our report of even date

Re: FSN E-Commerce Ventures Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets reflected in the books.

(b) The Company has a programme of physical verification of Property, Plant and Equipment to cover all the items in phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to such programme, certain Property, Plant and Equipment were physically verified during the year. According to the information and explanation provided to us, no material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management and based on the examination of the financial statements there is no immovable property held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as property, plant, and equipment in the financial statement, based on our examination of the lease agreements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year ended March 31, 2025.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by management. In our opinion, the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.

(b) As disclosed in note 26 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has provided loans, & stood guarantee to its subsidiaries as follows:

(₹ in crores)

Particulars	Guarantees	Loans
Aggregate amount granted/provided during the year	293.00	791.34
Balance outstanding as at March 31, 2025 in respect of above cases	1,075.00	545.20

During the year, the Company has not provided advances in the nature of loans and security to companies, firms, Limited Liability Partnerships or any other parties.

(b) During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees to its subsidiaries and associate are not prejudicial to the Company's interest. During the year the Company has not provided advances in the nature of loans and security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order in respect of advances in the nature of loans and security given is not applicable to the Company.

(c) The Company has granted loans during the year to its subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies which was fallen due during the

year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As disclosed in note 10 and note 18 to the financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to subsidiaries. Of these, following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of Section 2 of the Companies Act, 2013 (the 'Act'):

(₹ in crores)

Particulars	All Parties	Promoters	Related Parties (Subsidiaries)
Aggregate amount of loans - Repayable on demand	626.04	-	626.04
Percentage of loans to the total loans	79.11%	-	79.11%

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales-tax, value added tax, service tax and duty of excise are not applicable to the Company

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

(₹ in crores)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Delhi Value Added Tax, 2002	DVAT	0.61	FY2016-17	CIT Appeals
Maharashtra Value Added Tax, 2022	MVAT	2.05	FY2016-17	Deputy Commissioner of Sales Tax
Maharashtra Goods and Services Tax, 2017	MGST	0.04	FY2017-18	Joint Commissioner of Sales tax (SGST) (Appeal)-I Appellate Authority
Maharashtra Goods and Services Tax, 2017	MGST	0.48	FY2018-19	Office of Deputy Commissioner
Maharashtra Goods and Services Tax, 2017	MGST	0.54	FY2017-18 FY2019-20	Assistant Commissioner of State Tax
Maharashtra Goods and Services Tax, 2017	MGST	2.23	FY2020-21	Deputy Commissioner of State Tax
Uttar Pradesh Goods and Services Tax, 2017	UPGST	0.03	FY2023-24	Assistant Commissioner of State Tax

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act, 2013 has been filed by the secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion, the Company is not a nidhi company as per the provisions of the Act. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 53 to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 55 to the standalone financial statements.

(xx) (b) All amounts that are unspent under section (5) the section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub-section (6) of section 135 of the said Act. This matter has been disclosed in the note 55 to the standalone financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966
UDIN: 25048966BMNXHQ6166

Place of Signature: Mumbai
Date: May 30, 2025

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of FSN E-Commerce Ventures Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of FSN E-Commerce Ventures Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A Company's internal financial control with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966
UDIN: 25048966BMNXHQ6166

Place of Signature: Mumbai
Date: May 30, 2025

Balance Sheet

as at March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024 Restated (Refer Note 56)
Assets			
Non-current assets			
Property, plant and equipment	4	27.76	19.74
Capital work-in-progress	5	-	3.91
Intangible assets	6	4.38	6.63
Right of use assets	7	6.45	3.98
Intangible assets under development	8	19.37	5.24
Financial assets			
Investments	9	935.07	640.87
Loans	10	395.00	386.10
Other financial assets	11	1.89	4.85
Deferred tax assets (net)	12	57.23	40.04
Non-current tax assets (net)		30.34	22.94
Other non-current assets	13	0.63	0.36
Total non-current assets (A)		**1,478.12**	**1,134.66**
Current assets			
Inventories	14	86.12	103.27
Financial assets			
Trade receivables	15	47.71	115.79
Cash and cash equivalents	16	5.50	1.44
Bank balance other than cash and cash equivalents	17	23.12	37.19
Loans	18	150.20	399.03
Other financial assets	19	75.49	51.26
Other current assets	20	23.57	24.99
Total current assets (B)		**411.71**	**732.97**
Total assets (A+B)		**1,889.83**	**1,867.63**
Equity and liabilities			
Equity			
Equity share capital	21	285.93	285.60
Other equity	22	1,373.68	1,249.31
Total equity (A)		**1,659.61**	**1,534.91**
Liabilities			
Non-current liabilities:			
Financial liabilities			
Lease liabilities	23	3.66	5.10
Other financial liabilities	24	13.26	11.42
Provisions	25	3.87	2.24
Total non-current liabilities (B)		**20.79**	**18.76**
Current liabilities			
Financial liabilities			
Borrowings	26	75.74	74.87
Lease liabilities	27	6.87	7.30
Trade payables	28		
- Total outstanding dues of micro enterprises and small enterprises		1.25	4.02
- Total outstanding dues of creditors other than micro enterprises and small enterprises		41.00	26.40
Other financial liabilities	29	71.89	191.77
Provisions	30	2.10	1.69
Contract liabilities	31	0.68	0.38
Other current liabilities	32	9.90	7.53
Total current liabilities (C)		**209.43**	**313.96**
Total liabilities (B+C)		**230.22**	**332.72**
Total equity and liabilities (A+B+C)		**1,889.83**	**1,867.63**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

P Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Statement of Profit and Loss

for the year ended March 31, 2025

(Amounts in ₹ crores, except per share data and unless stated otherwise)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024 Restated (Refer Note 56)
Income			
Revenue from operations	33	419.95	312.52
Other income	34	157.33	184.64
Total Income		**577.28**	**497.16**
Expenses			
Cost of material consumed	35	9.30	8.61
Purchase of traded goods	36	165.66	116.20
Changes in inventories of finished goods and stock-in-trade	37	16.76	6.62
Employee benefits expense	38	66.12	72.09
Finance costs	39	7.91	6.89
Depreciation and amortisation expense	40	11.58	8.72
Other expenses	41	202.66	184.11
Total expenses		**479.99**	**403.24**
Profit before tax		**97.29**	**93.92**
Tax expense/(credit):	12		
Current tax		16.80	9.01
Deferred tax		(16.87)	(36.11)
Total tax credit		**(0.07)**	**(27.10)**
Profit after tax		**97.36**	**121.02**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement (losses)/gains of defined benefit plan		(1.27)	0.26
Income tax effect on above		0.32	(0.06)
Other comprehensive (loss) / income for the year, net of tax		**(0.95)**	**0.20**
Total Comprehensive Income for the year		**96.41**	**121.22**
Earnings per share of face value ₹ 1/- each	42		
Basic earnings per equity share (in ₹)		**0.34**	**0.42**
Diluted earnings per equity share (in ₹)		**0.34**	**0.42**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
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Place: London, United Kingdom
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Statement of Cash Flows

for the year ended March 31, 2025

(Amounts in ₹ crores, except per share data and unless stated otherwise)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 Restated (Refer Note 56)
Cash flows from operating activities		
Profit before tax as per Statement of Profit and Loss	97.29	93.92
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment and right-of-use assets	9.33	6.90
Amortisation of intangible assets	2.25	1.82
Interest expense and other finance costs	7.91	6.86
Unrealised foreign exchange gain (net)	0.02	(0.00)*
Share-based expense	4.07	6.90
Provision for gratuity expense	0.78	1.15
Provision for compensated expense	0.55	(0.33)
Allowance for expected credit loss / (credit impaired)	(1.14)	-
Bad debts written off	0.05	-
Fair value of put option liability	1.84	(18.02)
Commission on financial guarantee	(9.65)	(5.53)
Interest income	(59.90)	(91.72)
Liabilities no longer required written back	-	(0.09)
Operating profit before working capital changes	**53.40**	**1.86**
Working capital adjustments:		
Decrease / (increase) in trade receivables	82.00	(24.53)
Decrease in inventories	17.15	8.33
(Increase) in current financial asset	(6.96)	(21.50)
Decrease / (increase) in non-current financial assets	1.01	(0.07)
Decrease in other current assets	1.42	1.39
Decrease in other non-current assets	0.22	-
Increase in trade payables	11.77	11.96
(Decrease) in provisions	(0.56)	(0.49)
Increase in current financial liabilities	4.66	25.96
Increase / (decrease) in other current liabilities	2.67	(7.55)
Cash generated from / (used in) operations	**166.78**	**(4.64)**
Payment of taxes (net of refunds)	(24.20)	(26.55)
Net cash flow generated from / (used in) operating activities (A)	**142.58**	**(31.19)**
Cash flows from investing activities		
Purchase of business (refer note 56)	(137.14)	(226.03)
Purchase of property, plant and equipment and other intangible assets (net off capital advance)	(18.23)	(14.89)
Proceeds from fixed deposits (net)	14.83	5.46
Proceeds from long-term fixed deposits	16.51	158.14
Investment in long-term fixed deposits	(35.85)	(16.49)
Investment in subsidiaries	(287.93)	(169.98)
Purchase of investments in associate (including call option)	(39.50)	-
Proceeds from sale of investment in subsdiary	29.28	-
Long-term loans repaid by subsidiaries	151.92	194.61
Long-term loans given to subsidiaries	(160.82)	(354.82)
Short-term loans repaid by subsidiaries (net)	253.58	307.90
Commission on financial guarantee	9.65	5.53
Interest received	57.61	84.63
Net cash flows (used in) investing activities (B)	**(146.09)**	**(25.94)**

Statement of Profit and Loss

for the year ended March 31, 2025

(Amounts in ₹ crores, except per share data and unless stated otherwise)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 Restated (Refer Note 56)
Cash flows from financing activities		
Proceeds from issue of equity shares/shares pending allotment (net of expenses)	18.06	17.23
Proceeds from current borrowings (net)	0.87	39.39
Interest paid on borrowings	(6.99)	(5.00)
Rental income on sub lease	4.71	4.79
Principal payment of lease liabilities	(8.04)	(7.50)
Interest paid on lease liabilities	(1.04)	(1.60)
Net cash flows from financing activities (C)	**7.57**	**47.31**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**4.06**	**(9.82)**
Cash and cash equivalents at the beginning of the year	1.44	11.26
Cash and cash equivalents at the year end (refer note 16)	**5.50**	**1.44**

*Less than ₹0.01 crores.

Notes:

1. Non-cash transactions relating to investing and financing activities. (refer note: 19, 29 and 43).
2. The above Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

P Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Statement of Changes in Equity

for the year ended March 31, 2025

(Amounts in ₹ crores, except per share data and unless stated otherwise)

A. Equity share capital (refer note 21):

Equity shares issued, subscribed and fully paid

	No. of shares	Amount
As at April 01, 2023	**2,85,24,46,720**	**285.25**
Issue of equity shares of face value of ₹1 each	35,38,889	0.35
As at March 31, 2024	**2,85,59,85,609**	**285.60**
Issue of equity shares of face value of ₹1 each	32,66,874	0.33
As at March 31, 2025	**2,85,92,52,483**	**285.93**

B. Other equity (refer note 22):

Particulars	Share application money pending allotment	Reserves and surplus				Other Comprehensive Income (OCI)	Total other equity
		Retained Earnings	Securities premium	Capital reserve (Refer note 56)	Employee share options scheme reserve		
As at April 01, 2023	**0.05**	**136.44**	**1,214.16**	**(280.16)**	**16.93**	**(3.57)**	**1,083.85**
Net profit for the year	–	121.02	–	–	–	–	121.02
Other comprehensive income	–	–	–	–	–	0.20	0.20
Total comprehensive income	**–**	**121.02**	**–**	**–**	**–**	**0.20**	**121.22**
Securities premium on issue of shares on account of ESOP	–	–	16.42	–	–	–	16.42
Addition on account of share application money received	17.23	–	–	–	–	–	17.23
Share based payments (refer note 52)	–	–	–	–	16.51	–	16.51
Shares allotted / lapsed during the year under ESOP scheme	(16.78)	0.48	4.85	–	(5.33)	–	(16.78)
Intra-group transactions (refer note 56)	–	10.86	–	–	–	–	10.86
Transfer from retained earnings (refer note 56)	–	(21.89)	–	21.89	–	–	–
As at March 31, 2024	**0.50**	**246.91**	**1,235.43**	**(258.27)**	**28.11**	**(3.37)**	**1,249.31**
Net profit for the year	–	97.36	–	–	–	–	97.36
Other comprehensive loss	–	–	–	–	–	(0.95)	(0.95)
Total comprehensive income	**–**	**97.36**	**–**	**–**	**–**	**(0.95)**	**96.41**
Securities premium on issue of shares on account of ESOP	–	–	18.15	–	–	–	18.15
Addition on account of share application money received	18.06	–		–	–	–	18.06
Share based payments (refer note 52)	–	–	–	–	16.90	–	16.90
Shares allotted / lapsed during the year under ESOP scheme	(18.48)	1.03	6.91	–	(7.94)	–	(18.48)
Intra-group transactions (refer note 56)	–	(6.67)	–	–	–	–	(6.67)
Transfer from retained earnings (refer note 56)	–	6.50	–	(6.50)	–	–	–
As at March 31, 2025	**0.08**	**345.13**	**1,260.49**	**(264.77)**	**37.07**	**(4.32)**	**1,373.68**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

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Chief Financial Officer

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Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

1. Corporate Information

FSN E-Commerce Ventures Limited (hereinafter referred as the 'Company' or 'Parent' or 'Holding Company') (CIN: L52600MH2012PLC230136) is a public Company incorporated and domiciled in India. The registered office of the Company is located at 104, Vasan Udyog Bhavan, Sun Mill compound, Tulsi Pipe Road, Lower Parel, Mumbai – 400013.

The Company is engaged in the business of manufacturing, selling & distribution of beauty, wellness, fitness, personal care, health care, skin care, hair care products, fashion garments on the online platforms or websites such as e-commerce, m-commerce, internet, intranet as well as through physical stores, stalls, general trade and modern trade.

The Board of Directors approved the financial statements for the year ended March 31, 2025 and authorised for issue on May 30, 2025.

2. Material accounting policies

2A. Basis of preparation

i) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value
- defined benefit plans
- Equity settled ESOP at grant date fair value

iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated September 28, 2024, notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain accounting standards, and are effective from the date of notification. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

iv) New and amended standards issued but not effective

There are no standards that are notified and not yet effective as on the date.

2B. Summary of material accounting policies

a) Current versus non-current classification

The Company segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified period up to twelve months as its operating cycle.

b) Property plant & equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the qualifying asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is included in asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss for the period during which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on property, plant and equipment not ready for their intended use is disclosed as Capital Work-in-Progress and is stated at cost, net of accumulated impairment loss, if any. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation on Property, plant & equipment:

Depreciation is provided using the Straight-Line Method based on useful lives of the assets prescribed in Schedule II to the Act.

Estimated useful lives of the assets are as follows:

Property, plant and equipment	Useful lives (in years)
Plant and Machinery	8
Computers and Hardware	3
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8
Leasehold improvements	Period of primary lease

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively for any change in estimate, if appropriate. Changes in expected useful lives are treated as change in accounting estimate.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the period/year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss.

Amortisation of intangible assets:

Intangible assets are amortised on straight line basis as per the following useful lives:

Intangible asset	Useful lives (in years)
Trademark	5-15
Business application development (Internally generated)	3
Computer Software	3
Brands	15

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

d) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognised,

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

i.e. wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net fair value and value in use. A recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

e) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work-in-progress (Manufactured Goods): Cost includes cost of direct materials and labour, and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
- Stock in trade (Traded Goods): Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion necessary to make the sale.

An inventory provision is recognised for cases where the net realisable value is estimated to be lower than the inventory carrying value. The net realisable value is estimated taking into account various factors, including obsolescence of material due to design change, process change etc., unserviceable items i.e. items which cannot be used due to deterioration in quality or due to shelf life or damaged in storage and ageing of material i.e. slow moving/non-moving prevailing sales prices of inventory.

f) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use assets (ROU asset)

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right of use assets are depreciated on a straight-line basis over the primary lease term.

The right of use assets are also subject to impairment. Refer to the accounting policies in section (e) impairment of non-financial assets.

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If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii. Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset is considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Sub-lease

At the commencement date, the Company recognises assets held under a sub-lease in its Balance Sheet and present them as a receivable at an amount equal to the net investment in the lease. The Company uses the interest rate implicit in the lease to measure the net investment in the lease. In case if the interest rate implicit in the sublease cannot be readily determined, the Company being an intermediate lessor uses the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- fixed payments less any lease incentives payable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties, if any, for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on net investment in the lease.

Net investment in the lease is subject to the derecognition and impairment requirements in Ind AS 109. The Company regularly reviews estimated unguaranteed residual values, if any, used in computing the gross investment in the lease and adjusts the income allocation accordingly.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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I. Initial recognition and measurement:

All Financial assets and liabilities are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in section 2B(i) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement:

i. Financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value though profit or loss.

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost includes trade and other receivables, loans to employees and loan to subsidiaries.

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Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial Assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company has elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

ii. Financial liabilities

Financial liabilities at fair value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the

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cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Derecognition

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

II. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies simplified Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 115 and do not contain significant financing components.

The Company applies general approach for recognition of expected credit losses on all other financial assets.

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables are written off when there is no reasonable expectation of recovery.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss the reclassification date.

IV. Investment in subsidiaries and associates

The Company has accounted for its investment in subsidiaries and associates at cost.

h) Revenue recognition:

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of discounts offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Company identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products:

Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Contacts where the Company's obligation is to arrange for the provision of goods and services by another party, the Company recognises revenue in the amount of the commission to which it expects to be entitled in exchange for arranging for the provision of goods and services.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/ incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

ii. Contract balances

Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If the Company performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only

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the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

II. Interest income:

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head "Other income" in the Statement of Profit and Loss.

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

i) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (₹) in crores ('Cr'), which is E-Commerce Ventures Limited's functional and presentation currency.

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of other monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period/year, or reported in previous financial statements, are recognised as income or as expenses in the Statement of Profit and Loss in the period/year in which they arise.

j) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense

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recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

k) Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit and Loss.

Post-employment benefits

i. Defined Contribution Plans

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period/year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

ii. Defined Benefit Plans

Gratuity

The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity benefits are unfunded.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period/year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through 'Other comprehensive income' in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each Balance Sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

l) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The management assessed that cash and cash equivalents, trade receivables, advances, trade payables, bank overdraft and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management selects appropriate valuation techniques using discounted cash flow model when the fair value of the financial assets and liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

m) Income taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable

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future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax are measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date. Current income tax and deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

n) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, and other short term highly liquid investments which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence and other disclosures in the notes to the financial statements unless the possibility of any outflow in settlement is remote.

p) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

q) Segment reporting

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Group and therefore, no separate disclosure on segment information is given in standalone financial statements.

r) Business combination:

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the critical judgements and estimates that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

I. Judgemnts:

Determining the lease term of contracts with renewal and termination options — the Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Company included the renewal period as part of the lease term for leases of property with shorter non-cancellable period (i.e., 3 to 5 years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on business if a replacement alternate property is not readily available. The renewal periods for leases of property with longer non-cancellable periods (i.e., 6 to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

II. Estimates and assumptions:

a) Estimation of useful life of property, plant and equipment and intangible asset

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial period/year end. The lives are based on historical experience with similar assets.

b) Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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(Amounts in ₹ crores, unless stated otherwise)

c) Estimation of defined benefit obligation and compensated absences

The cost of the defined benefit gratuity plan, compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes.

d) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

e) Deferred Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

f) Provision

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

g) Impairment of financial assets:

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions and independent valuer's report. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

h) Provision for expected credit losses of trade receivables and contract assets:

The Company uses a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

i) Leases – Estimating the incremental borrowing rates:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities.

The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's credit rating).

j. Other estimates:

The share-based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

4 Property, Plant and Equipment

Particulars	Computers and Hardware	Furniture and fixtures	Office equipment	Vehicles	Plant and machinery	Leasehold improvements	Total
Gross carrying amount							
As at April 01, 2023	**1.73**	**16.04**	**2.67**	**1.01**	**0.31**	**2.96**	**24.72**
Additions	0.33	5.03	0.18	0.11	-	-	5.65
Disposals	-	-	-	-	-	-	-
As at March 31, 2024	**2.06**	**21.07**	**2.85**	**1.12**	**0.31**	**2.96**	**30.37**
Additions	0.26	10.50	1.42	0.70	-	0.73	13.61
Disposals	(0.01)	(0.43)	(0.02)	-	-	(0.00)*	(0.46)
As at March 31, 2025	**2.31**	**31.14**	**4.25**	**1.82**	**0.31**	**3.69**	**43.52**
Accumulated depreciation							
As at April 01, 2023	**0.93**	**2.90**	**0.61**	**0.51**	**0.16**	**2.27**	**7.38**
Depreciation charge for the year	0.45	2.07	0.57	0.11	0.05	-	3.25
Disposals	-	-	-	-	-	-	-
As at March 31, 2024	**1.38**	**4.97**	**1.18**	**0.62**	**0.21**	**2.27**	**10.63**
Depreciation charge for the year	0.58	3.64	0.79	0.20	0.04	0.34	5.59
Disposals	(0.01)	(0.43)	(0.02)	-	-	(0.00)*	(0.46)
As at March 31, 2025	**1.95**	**8.18**	**1.95**	**0.82**	**0.25**	**2.61**	**15.76**
Net carrying amount							
As at March 31, 2025	**0.36**	**22.96**	**2.30**	**1.00**	**0.06**	**1.08**	**27.76**
As at March 31, 2024	**0.68**	**16.10**	**1.67**	**0.50**	**0.10**	**0.69**	**19.74**

*Less than ₹0.01 crores.

Notes:

1. Movable assets have been pledged to secure borrowings of the Company (refer note 26).
2. Refer note 46 for capital commitments.

5 Capital work-in-progress ('CWIP')

Particulars	Amount
As at April 01, 2023	-
Addition	3.91
Capitalisation	-
As at March 31, 2024	**3.91**
Addition	-
Capitalisation	(3.91)
As at March 31, 2025	**-**

CWIP ageing schedule

As at March 31, 2024

Particulars	Amount lying in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.91	-	-	-	3.91

Note:

1. There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended, on the above-mentioned reporting date.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

6 Intangible assets

Particulars	Business application development cost	Trademark	Computer Software	Total
Gross carrying amount				
As at April 01, 2023	**1.79**	**8.45**	**2.20**	**12.44**
Additions	0.28	-	1.03	1.31
Disposals	-	-	-	-
As at March 31, 2024	**2.07**	**8.45**	**3.23**	**13.75**
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2025	**2.07**	**8.45**	**3.23**	**13.75**
Accumulated amortisation				
As at April 01, 2023	**1.26**	**2.18**	**1.86**	**5.30**
Amortisation charge for the year	0.31	1.22	0.29	1.82
Disposals	-	-	-	-
As at March 31, 2024	**1.57**	**3.40**	**2.15**	**7.12**
Amortisation charge for the year	-	1.20	1.05	2.25
Disposals	-	-	-	-
As at March 31, 2025	**1.57**	**4.60**	**3.20**	**9.37**
Net carrying amount				
As at March 31, 2025	**0.50**	**3.85**	**0.03**	**4.38**
As at March 31, 2024	**0.50**	**5.05**	**1.08**	**6.63**

Notes:

1. Refer note 46 for capital commitments.
2. Refer note 56.

7 Right of use assets

Particulars	Buildings
Gross carrying amount	
As at April 01, 2023	**19.10**
Additions	0.02
Disposals	-
As at March 31, 2024	**19.12**
Additions	6.21
Disposals	(7.42)
As at March 31, 2025	**17.91**
Accumulated depreciation	
As at April 01, 2023	**11.49**
Depreciation charge for the year	3.65
Disposals	-
As at March 31, 2024	**15.14**
Depreciation charge for the year	3.74
Disposals	(7.42)
As at March 31, 2025	**11.46**
Net carrying amount	
As at March 31, 2025	**6.45**
As at March 31, 2024	**3.98**

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(Amounts in ₹ crores, unless stated otherwise)

8 Intangible assets under development ('IAUD')

Particulars	Amount
As at April 01, 2023	0.89
Addition	5.66
Capitalisation	1.31
As at March 31, 2024	**5.24**
Addition	14.13
Capitalisation	-
As at March 31, 2025	**19.37**

Intangible assets under development ageing schedule:

Particulars	Amount of the IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025	14.13	5.24	-	-	19.37
As at March 31, 2024	5.24	-	-	-	5.24

Notes:

1. Intangible assets under development include cost for implementation of accounting and finance software.
2. There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended, on the above-mentioned reporting date.

9 Non-current investments (unquoted)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments in subsidiaries (unquoted, fully paid up)		
(A) Investments in equity and preference shares of subsidiaries (at cost)		
FSN Brands Marketing Private Limited	102.00	102.00
10,20,00,000 fully paid equity shares of ₹10 each (March 31, 2024: 10,20,00,000 fully paid equity shares of ₹10 each)		
Nykaa E-Retail Limited (formerly known as Nykaa E-Retail Private Limited)	9.51	9.51
95,10,000 fully paid equity shares of ₹10 each (March 31, 2024: 95,10,000 fully paid equity shares of ₹10 each)		
FSN International Limited (formerly known as FSN International Private Limited)[1]	45.08	25.08
4,50,78,000 fully paid equity shares of ₹10 each (March 31, 2024: 2,50,78,000 fully paid equity shares of ₹10 each)		
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)[2]	175.01	175.01
17,50,10,000 fully paid equity shares of ₹10 each (March 31, 2024: 17,50,10,000 fully paid equity shares of ₹10 each)		
Nykaa-KK Beauty Private Limited	0.51	0.51
5,10,000 fully paid equity shares of ₹10 each (March 31, 2024: 5,10,000 fully paid equity shares of ₹10 each)		
Dot & Key Wellness Limited (formerly known as Dot & Key Wellness Private Limited)[3]	415.10	147.17
12,26,459 fully paid equity shares of ₹10 each (March 31, 2024: 6,92,143 fully paid equity shares of ₹10 each)		
FSN Distribution Limited (formerly known as FSN Distribution Private Limited)	0.01	0.01
10,000 fully paid equity shares of ₹10 each (March 31, 2024: 10,000 fully paid equity shares of ₹10 each)		
Nudge Wellness Private Limited	3.60	3.60
36,00,150 fully paid equity shares of ₹10 each (March 31, 2024: 36,00,150 fully paid equity shares of ₹10 each)		
Iluminar Media Limited (formerly known as Iluminar Media Private Limited)[4]	-	29.28
Nil (March 31, 2024: 26,113 fully paid equity shares of ₹10 each)		
Nykaa Foundation	0.01	0.01
9,993 fully paid equity shares of ₹10 each (March 31, 2024: 9,993 fully paid equity shares of ₹10 each)		

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Particulars	As at March 31, 2025	As at March 31, 2024
Earth Rhythm Private Limited[5]		
336 fully paid equity shares of ₹10 each	1.70	-
8151 Seed Compulsory Convertible Preference Shares ('CCPS') of ₹10 each	11.50	-
48,820 Series A CCPS of ₹10 each	62.95	-
4071 Optionally Convertible Redeemable Preference Shares of ₹10 each (net of call option)	1.05	-
12,226 Share Warrants of ₹0.10 each	0.00*	-
Total investments in subsidiaries measured at cost (A)	**828.03**	**492.18**
(B) Equity component – loans to subsidiaries		
FSN Brands Marketing Private Limited	24.94	24.94
Nykaa E-Retail Limited (formerly known as Nykaa E-Retail Private Limited)	1.61	1.61
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)	13.80	13.80
Nykaa-KK Beauty Private Limited	0.66	0.66
FSN International Limited (formerly known as FSN International Private Limited)	0.18	0.18
Total equity component of loans to subsidiaries (B)	**41.19**	**41.19**
(C) Equity component – financial guarantees		
FSN Brands Marketing Private Limited	4.44	4.44
Nykaa E-Retail Limited (formerly known as Nykaa E-Retail Private Limited)	19.45	19.45
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)	0.28	0.28
Nykaa-KK Beauty Private Limited	0.51	0.51
Total equity component of financial guarantees (C)	**24.68**	**24.68**
(D) Equity component – ESOP		
FSN Brands Marketing Private Limited	1.98	1.98
Nykaa E-Retail Limited (formerly known as Nykaa E-Retail Private Limited)	30.45	30.45
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)	7.08	7.08
FSN Distribution Limited (formerly known as FSN Distribution Private Limited)	0.31	0.31
Iluminar Media Limited (formerly known as Iluminar Media Private Limited)	1.35	1.35
Total equity component of ESOP (D)	**41.17**	**41.17**
Total investment – equity component (E = B+C+D)	**107.04**	**107.04**
Measured at fair value through Other Comprehensive Income (FVTOCI)		
Investment in Others (unquoted, fully paid up)		
JMS Logistics and Express Private Limited[6]		
In Series A1 Compulsory Convertible Cumulative Preference Shares of ₹1/- each	-	-
Total investments measured at FVTOCI (F)	**-**	**-**
Investments in associate (unquoted, fully paid up)		
Investments in associates accounted for using equity method (unquoted, fully paid up)		
Earth Rhythm Private Limited(5)	-	41.65
(March 31, 2024: 8,230 fully paid equity shares of ₹10 each)		
Total investments in associates measured at cost (G)	**-**	**41.65**
Total non-current investments (A+E+F+G)	**935.07**	**640.87**
Category-wise investment		
Measured at Cost	935.07	640.87
Measured at FVTOCI	-	-
Total investments	**935.07**	**640.87**
Aggregate amount of unquoted investments	935.07	640.87
Aggregate amount of impairment in value of investments[7]	3.80	3.80

* Less than ₹0.01 crores.

(1) During the year, the Company has invested in 2,00,00,000 shares of ₹10 each. (March 31, 2024: 19,97,800 shares of ₹10 each).

(2) During the year ended March 31, 2024, the Company invested in 15,00,00,000 shares of ₹10 each.

(3) On September 28, 2021, the Company had acquired 51% stake in Dot & Key Wellness Limited (formerly known as Dot & Key Wellness Private Limited) ('Dot & Key') for a consideration of ₹96.90 crores. Accordingly, effective such date Dot & Key had become a subsidiary of the Company. Further, the Promoter shareholders of Dot & Key (NCI holder of the subsidiary) had Put Option for selling balance stake

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of 49% to the Company at a value to be determined as per the terms of Shareholders Agreement. The fair value of the Put Option on the date of acquisition of ₹50.28 crores had been included in the cost of investments and any subsequent changes in the fair valuation has been routed through profit and loss account in accordance with Ind AS 109. Consequent to the above, the Company has recorded a loss/(gain) as Other Expense/Income of ₹1.84 crores during the year (Previous Year ₹(18.02 crores)). During the current year, the Company has acquired 39.04% stake for a consideration of ₹267.92 crores and now holds 90.04% of equity interest.

(4) During the current year, the Company has sold the entire stake to Nykaa Fashion Limited for a consideration of ₹29.28 crores.

(5) On May 04, 2022, the Company had acquired 18.51% stake in Earth Rhythm Private Limited ('Earth Rhythm') for a consideration of ₹41.65 crores. Further, the Company has acquired additional stake for a consideration of ₹39.50 crores on November 26, 2024 and now holds 74.63% equity interest (including Optionally Convertible Redeemable Preference Shares) post such investment. Effective such date Earth Rhythm became a subsidiary of the Company. The Company also has call option on Promoter shareholders of Earth Rhythm (NCI holder of the subsidiary) for buying balance stake at a value to be determined as per the terms of Shareholders Agreement. The Company also has the right to buy additional shares at pre-determined price. The fair value of such Call Options on the date of acquisition amounting to ₹3.95 crores is reduced from investments and disclosed separately as Call Option Asset in notes 11 and 19 in accordance with Ind AS 109.

(6) Investments at fair value through OCI (fully paid) reflect investment in unquoted securities. These securities are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding.

(7) The Company had invested ₹3.80 crores, which has been impaired in earlier years.

10 Loans (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Loan to subsidiaries (refer note 45 and 47)	395.00	386.10
Total	**395.00**	**386.10**

11 Other financial assets (non-current) (measured at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Sublease net investments	0.52	3.76
Security deposits (unsecured, considered good)	0.19	1.09
Measured at FVTPL		
Call option asset (refer note 9)	1.18	-
Total	**1.89**	**4.85**

Refer note 45 for details of net sublease investments with related parties.

12 Income tax

(a) The major components of income tax expense / (credit) are:

(1) Income tax expense reported in the statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax:		
In respect of current year	11.57	9.01
In respect of earlier year[#]	5.23	-
	16.80	**9.01**
Deferred tax:		
In respect of current year	(11.64)	(36.11)
In respect of earlier year[#]	(5.23)	-
	(16.87)	**(36.11)**
Income tax benefit reported in the Statement of Profit and Loss	**(0.07)**	**(27.10)**

[#]On account of actualisation of income tax return filed for AY 2024-25.

Notes

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(Amounts in ₹ crores, unless stated otherwise)

(2) OCI section – Deferred tax related to items recognised in OCI during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax related to items recognised in OCI during the year:		
Tax income / (expenses) on remeasurements of defined benefit plans	0.32	(0.06)
Income tax credited / (charged) to OCI	**0.32**	**(0.06)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	97.29	93.92
Applicable tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	24.49	23.64
Tax effect of:		
Unwinding of interest cost as per Ind AS 109	(1.19)	(1.88)
Fair value of put option	0.46	(4.54)
Tax impact on slump sale transaction (refer note 56)	(20.80)	(44.70)
Others (mainly includes permanent differences)	(3.03)	0.39
Total Tax	**(0.07)**	**(27.10)**
Current tax expense	16.80	9.01
Deferred tax expense / (credit)	(16.87)	(36.11)
Tax expense recognised in the Statement of Profit and Loss	**(0.07)**	**(27.10)**
Effective tax rate	**(0.07%)**	**(28.86%)**

(c) Reconciliation of average effective tax rate and applicable tax rate for March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	97.29	93.92
Applicable tax rate	25.17%	25.17%
Tax effect of:		
Unwinding of interest cost as per Ind AS 109	(1.22%)	(2.00%)
Fair value of put option	0.48%	(4.83%)
Tax impact on slump sale transaction (refer note 56)	(21.38%)	(47.59%)
Others (mainly includes permanent differences)	(3.11%)	0.38%
Total Tax	**(0.07%)**	**(28.86%)**
Current tax expense	17.27%	9.59%
Deferred tax expense / (credit)	(17.34%)	(38.45%)
Effective tax rate	**(0.07%)**	**(28.86%)**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Deferred tax assets (net):

Particulars	As at March 31, 2025	As at March 31, 2024
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1.39	0.69
On timing difference between depreciation as per books and as per the Income-tax Act, 1961	53.25	38.36
Lease related liabilities	2.65	3.12
Allowance for expected credit losses	0.91	0.06
Others	1.57	0.74
Deferred tax assets (A)	**59.77**	**42.98**
Lease related assets	2.54	2.94
Deferred tax liabilities (B)	**2.54**	**2.94**
Deferred tax assets (net) (C=A-B)	**57.23**	**40.04**

Reconciliation of deferred tax assets (net):

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**40.04**	**3.99**
Tax income during the year recognised in profit or loss	16.87	36.11
Tax income / (expense) during the year recognised in OCI	0.32	(0.06)
Closing balance	**57.23**	**40.04**

13 Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advance for capital goods	0.49	0.36
Balance with statutory / government authorities	0.14	-
Total	**0.63**	**0.36**

14 Inventories (Valued at lower of cost or net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Stock-in-trade*	69.01	73.91
Finished goods#	12.29	24.92
Raw materials	3.97	4.36
Packing material	0.85	0.08
Total	**86.12**	**103.27**
Provision for inventories taking into account various factors, including obsolescence of material, unserviceable items and ageing of material.	4.64	3.12

* Includes goods in transit as at March 31, 2025: ₹2.59 crores (March 31, 2024: ₹3.95 crores).

Includes goods in transit as at March 31, 2025: ₹7.87 crores (March 31, 2024: Nil).

Refer note 56.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

15 Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables - unsecured, considered good	47.71	115.79
Trade receivables - credit impaired	3.62	0.25
Gross trade receivables	**51.33**	**116.04**
Less: Allowances for expected credit loss (refer note 49)	(3.62)	(0.25)
Total	**47.71**	**115.79**

Trade receivables aging schedule (gross):

March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – unsecured, considered good	15.41	32.30	-	-	-	-	47.71
Undisputed trade receivables – credit impaired	-	0.08	2.86	0.56	0.12	-	3.62
Total	**15.41**	**32.38**	**2.86**	**0.56**	**0.12**	**-**	**51.33**

March 31, 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – unsecured, considered good	56.89	58.47	0.43	-	-	-	115.79
Undisputed trade receivables – credit impaired	-	-	0.13	0.12	-	-	0.25
Total	**56.89**	**58.47**	**0.56**	**0.12**	**-**	**-**	**116.04**

Notes:

1. Refer note 45 for details of trade receivable with related parties.
2. Refer note 49 for credit risk assessment.
3. Refer note 56.

16 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in current accounts	5.50	1.44
Total	**5.50**	**1.44**

17 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with original maturity for more than three months but less than twelve months		
- With Banks	22.36	37.19
Earmarked deposit with banks*	0.76	-
Total	**23.12**	**37.19**

*Represents amount transferred for CSR expenditure.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

18 Loans (current)

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Loan to subsidiaries (refer note 45 and 47)	150.20	399.03
Total	**150.20**	**399.03**

The above loans are measured at amortised cost and have been given for business purpose.

Loans or advances in the nature of loans granted to the related parties that are repayable on demand:

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		% of total loans or advance in the nature of loan	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Subsidiaries (refer note 47)	150.20	399.03	27.55%	50.82%

19 Other financial assets (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Sublease net investments (refer note 45)	3.23	4.13
Security deposits (unsecured, considered good)	1.09	0.05
Current maturities of deposits with banks having original maturity of more than twelve months	35.85	16.51
Unbilled receivable	27.27	22.15
Interest accrued but not due on deposits and loans	5.28	8.42
Measured at FVTPL		
Call option asset (refer note 9)	2.77	-
Total	**75.49**	**51.26**

Movement in interest accrued on deposit but not due

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	8.42	9.85
Interest accrued during the year (excluding amortisation impact)	54.47	83.20
Receipt of interest during the year	(57.61)	(84.63)
Closing balance	**5.28**	**8.42**

20 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advances other than capital advances		
Advance to Suppliers (refer note 56)	6.02	14.51
Prepaid expenses	5.79	8.24
Balance with statutory / government authorities	11.76	2.24
Total	**23.57**	**24.99**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

21 Share capital

Particulars	Equity shares	
	Numbers	Amount
Authorised Share Capital		
As at April 01, 2023 (shares of face value of ₹ 1 each)	**3,25,00,00,000**	**325.00**
Increase during the year	-	-
As at March 31, 2024 (shares of face value of ₹ 1 each)	**3,25,00,00,000**	**325.00**
Increase during the year	-	-
As at March 31, 2025 (shares of face value of ₹ 1 each)	**3,25,00,00,000**	**325.00**

Issued, subscribed and fully paid-up share capital

Particulars	Equity shares	
	Numbers	Amount
As at April 01, 2023	**2,85,24,46,720**	**285.25**
Issue of equity shares of face value of ₹1 each	35,38,889	0.35
As at March 31, 2024	**2,85,59,85,609**	**285.60**
Issue of equity shares of face value of ₹1 each	32,66,874	0.33
As at March 31, 2025	**2,85,92,52,483**	**285.93**

Notes:

(a) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval.

(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Sanjay Nayar (through family trust)	63,41,13,520	22.18%	63,41,13,520	22.20%
Falguni Nayar (through family trust)	62,58,34,620	21.89%	62,58,34,620	21.91%
Indra Singh Banga / Harindarpal Singh Banga*	-	-	18,28,78,740	6.40%

*Below 5% in current year.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(c) Shares reserved for issue under option

The Company has reserved issuance of 21,00,00,000 (March 31, 2024: 21,00,00,000) Equity Shares of ₹1 each for offering to Eligible Employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year ended March 31, 2025 the Company has granted 6,50,000 options to its employees (March 31, 2024: 16,18,400). Cumulative number of equity shares granted under Employee Stock Option Scheme (ESOS) is 6,17,16,800 equity shares as at March 31, 2025. (March 31, 2024: 6,10,66,800).

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

(d) Shares issued for consideration other than cash

1. The Company had issued 2,37,35,63,075 bonus shares of face value of ₹1 each during the year vide shareholders' approval dated November 02, 2022 in the ratio of 5 bonus shares for every 1 share held.
2. The Company had issued 31,13,57,900 bonus shares of face value of ₹1 each during the year 2022 vide shareholders' approval dated July 16, 2021 in the ratio of 2 bonus shares for every 1 share held.

(e) Details of promoter shareholding:

As at March 31, 2025

Promoter Name	Description	No. of shares at the beginning of the year	% of Total Shares	No. of shares at the end of the year	% of Total Shares	% change during the year
Individuals:						
Anchit Nayar		9,60,480	0.03%	9,60,480	0.03%	(0.00%)
Adwaita Nayar		1,80,360	0.01%	1,80,360	0.01%	(0.00%)
Rashmi Mehta		63,162	0.00%	63,162	0.00%	(0.00%)
Through Family Trust:						
Sanjay Nayar Family Trust	Equity shares of ₹1 each fully paid up	63,41,13,520	22.20%	63,41,13,520	22.18%	(0.02%)
Falguni Nayar Family Trust		62,58,34,620	21.91%	62,58,34,620	21.89%	(0.02%)
Anchit Nayar Family Trust		8,66,20,000	3.03%	8,66,20,000	3.03%	(0.00%)
Adwaita Nayar Family Trust		8,66,20,000	3.03%	8,66,20,000	3.03%	(0.00%)
Adwaita Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	(0.00%)
Anchit Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	(0.00%)
Total		**1,49,13,92,142**	**52.21%**	**1,49,13,92,142**	**52.17%**	**(0.04%)**

As at March 31, 2024

Promoter Name	Description	No. of shares at the beginning of the year	% of Total Shares	No. of shares at the end of the year	% of Total Shares	% change during the year
Individuals:						
Anchit Nayar		9,60,480	0.03%	9,60,480	0.03%	(0.00%)
Adwaita Nayar		1,80,360	0.01%	1,80,360	0.01%	(0.00%)
Rashmi Mehta		63,162	0.00%	63,162	0.00%	(0.00%)
Through Family Trust:						
Sanjay Nayar Family Trust	Equity shares of ₹1 each fully paid up	63,49,13,520	22.26%	63,41,13,520	22.20%	(0.06%)
Falguni Nayar Family Trust		62,58,34,620	21.94%	62,58,34,620	21.91%	(0.03%)
Anchit Nayar Family Trust		8,62,20,000	3.02%	8,66,20,000	3.03%	0.01%
Adwaita Nayar Family Trust		8,62,20,000	3.02%	8,66,20,000	3.03%	0.01%
Adwaita Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	(0.00%)
Anchit Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	(0.00%)
Total		**1,49,13,92,142**	**52.28%**	**1,49,13,92,142**	**52.21%**	**(0.07%)**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

22 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Securities premium		
Opening balance	1,235.43	1,214.16
Add : Securities premium on issue of shares	18.15	16.42
Add: Transfer from employee share options scheme reserve	6.91	4.85
Closing balance (A)	**1,260.49**	**1,235.43**
(ii) Retained earnings		
Opening balance	246.91	136.44
Add: Net profit for the year	97.36	121.02
Add: Shares lapsed during the year under ESOP scheme	1.03	0.48
Add: Intra-group transactions (Refer note 56)	(6.67)	10.86
Add / (less): Transfer to capital reserve (Refer note 56)	6.50	(21.89)
Closing balance (B)	**345.13**	**246.91**
(iii) Other comprehensive income		
Opening balance	(3.37)	(3.57)
Add: Other comprehensive (loss) / income for the year	(0.95)	0.20
Closing balance (C)	**(4.32)**	**(3.37)**
(iv) Share application money pending allotment		
Opening balance	0.50	0.05
Add : Additions during the year	18.06	17.23
Less: Shares allotted during the year	(18.48)	(16.78)
Closing balance (D)	**0.08**	**0.50**
(v) Employee share options scheme reserve		
Opening balance	28.11	16.93
Add : Additions during the year	16.90	16.51
Less: Shares allotted / lapsed during the year	(7.94)	(5.33)
Closing balance (E)	**37.07**	**28.11**
(vi) Capital reserve		
Opening balance (as on April 01, 2023 includes ₹86.45 crores on account of restatement - refer note 56 (B) - table 4)	(258.27)	(280.16)
Add / (less): Transfer from retained earnings	(6.50)	21.89
Closing balance (F)	**(264.77)**	**(258.27)**
Total (A+B+C+D+E+F)	**1,373.68**	**1,249.31**

Nature and purpose of reserves:

(i) Securities premium: Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to Securities Premium.

(ii) Retained earnings: Retained Earnings are the profits/(losses) that the Company has earned till date, less any dividends or other distributions paid to shareholders.

(iii) Other Comprehensive Income: This represents the cumulative gains and losses arising on remeasurement of defined employee benefit plan.

(iv) Share application money pending allotment: This represents the share application money received for Employee Stock Option Scheme for which shares are allotted during the current financial year.

(v) Employee share options scheme reserve: The fair value of the equity-settled share based payment transactions with employees is recognised in employee share options scheme reserve.

(vi) Capital Reserve: The Capital Reserve includes a) amount on account of forfeiture of partly paid up OCRPS and security premium thereon and b) difference between carrying amount of net assets acquired and consideration paid (refer note 56). The amount is not available for distribution to shareholders.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

23 Lease liabilities (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Payable for lease liabilities (refer note 43)	3.66	5.10
Total	**3.66**	**5.10**

24 Other financial liabilities (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial liabilities at FVTPL		
Put option liability (refer note 9)	13.26	11.42
Total	**13.26**	**11.42**

25 Provisions (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for gratuity (refer note 44 and 56)	3.40	1.77
Provision for litigation (refer movement below)	0.47	0.47
Total	**3.87**	**2.24**

Movement in provision for litigation	As at March 31, 2025	As at March 31, 2024
Opening balance	0.47	-
Add: Provision	-	0.47
Less: Reversal	-	-
Closing balance	**0.47**	**0.47**

26 Borrowings (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Working capital loan from Banks	75.74	74.87
Total	**75.74**	**74.87**

Notes:

(i) Working capital/cash credit facilities from Bank is secured by hypothecation of book debts, current assets and movable property, plant and equipment both present and future.

(ii) Loans are payable on demand. Interest payable on working capital loan ranging from 8.4% - 8.9% p.a.

(iii) Bank loan contains certain financial covenants and there have been no breaches in the financial covenants of any interest-bearing borrowings.

(iv) As at March 31, 2025, the Company had undrawn committed funded and non-funded borrowing facilities of ₹102.26 crores (March 31, 2024: ₹4.12 crores).

(v) Quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

27 Lease liabilities (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Payable for lease liabilities (refer note 43)	6.87	7.30
Total	**6.87**	**7.30**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

28 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	1.25	4.02
Total outstanding dues of trade payables other than micro enterprises and small enterprises	41.00	26.40
Total	**42.25**	**30.42**

Notes:

1. Trade payables are non-interest bearing.
2. Refer note 45 for trade payables to related parties.
3. Refer note 56.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006:

The identification of Micro, Small and Medium Enterprises is based on the Management's knowledge of their status. Disclosure is based on the information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'.

Particulars		March 31, 2025	March 31, 2024
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1.25	4.02
b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.05	0.12
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Trade payables ageing schedule:

March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	0.22	1.03	-	-	-	1.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	34.35	6.21	0.07	0.14	0.23	41.00
Total	**34.57**	**7.24**	**0.07**	**0.14**	**0.23**	**42.25**

March 31, 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	1.97	2.05	-	-	-	4.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	18.24	5.11	2.78	0.13	0.14	26.40
Total	**20.21**	**7.16**	**2.78**	**0.13**	**0.14**	**30.42**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

29 Other financial liabilities (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Employee related liabilities (refer note 56)	5.49	5.96
Accrued expenses (refer note 56)	59.81	48.02
Creditors for capital goods	6.41	0.32
Interest accrued but not due on borrowings	0.16	0.33
Consideration towards business acquisition (refer note 56)	-	137.14
Measured at FVTPL		
Mark to market derivative instrument	0.02	0.00*
Total	**71.89**	**191.77**

*Less than ₹0.01 crores.

Refer note 45 related party disclosures for accrued expenses and employee related liabilities.

Movement in Interest accrued but not due and finance charge:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	0.33	0.06
Interest and finance charge accrued during the year	6.82	5.27
Payment of interest and finance charge during the year	(6.99)	(5.00)
Closing balance	**0.16**	**0.33**

30 Provisions (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for gratuity (refer note 44 and 56)	0.75	0.65
Provision for compensated absences (refer note 56)	1.35	1.04
Total	**2.10**	**1.69**

31 Contract liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers (refer note 56)	0.68	0.38
Total	**0.68**	**0.38**

32 Other liabilities (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues	9.90	7.53
Total	**9.90**	**7.53**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

33 Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products	419.95	312.52
Total	**419.95**	**312.52**

Revenue from geographical market	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	419.95	312.52
Outside India	-	-
Total	**419.95**	**312.52**

(A) Disaggregation of revenue from contracts with customers

The Company derives its major revenue from sale of products and sale of products by selected platforms, which is a single line of business.

(B) Contract Balances

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables (Refer note 15)	47.71	115.79
Contract liabilities (Refer note 31)	0.68	0.38

(C) Reconciliation between the contract price and revenue from contracts with customers

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract Price	420.25	312.32
Revenue recognised in the period from:		
Revenue recognised in the current year from contract liability:		
Advance from Customer	0.38	0.58
Revenue deferred in the current year towards unsatisfied performance obligation:		
Advance from Customer	(0.68)	(0.38)
Revenue from operations	**419.95**	**312.52**

Refer note 56.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

34 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Interest Income on financial assets at amortised costs		
Loan given to subsidiaries (refer note 45)	56.14	79.99
Net investment (sublease) (refer note 45)	0.58	0.96
Security deposit	0.11	0.09
Bank deposit	3.07	10.67
(b) Others		
Liabilities no longer required written back	-	0.18
Fair value of put option liability (refer note 9)	-	18.02
Foreign exchange gain (net) (refer note 56)	0.24	0.42
Brand usage fees	85.29	68.60
Commission on financial guarantees	9.65	5.53
Miscellaneous income	2.25	0.18
Total	**157.33**	**184.64**

35 Cost of material consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Stock	4.36	6.06
Add: Purchase	8.91	6.91
Closing Stock	3.97	4.36
Total	**9.30**	**8.61**

Refer note 56.

36 Purchase of traded goods

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchases of traded goods	165.66	116.20
Total	**165.66**	**116.20**

Refer note 56.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

37 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finished goods		
Opening stock	24.92	30.30
Closing stock	12.29	24.92
Changes in inventories of finished goods	**12.63**	**5.38**
Stock-in-trade		
Opening stock	73.91	74.79
Closing stock	69.01	73.91
Changes in inventories of stock-in-trade	**4.90**	**0.88**
Packing Material		
Opening stock	0.08	0.43
Closing stock	0.85	0.08
Changes in inventories of packing material	**(0.77)**	**0.35**
Total	**16.76**	**6.62**

Refer note 56.

38 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	54.86	61.52
Contribution to provident fund	3.91	1.64
Gratuity expenses (refer note 44)	0.78	1.15
Compensated expenses	0.55	(0.33)
Share based payments (refer note 52)	4.07	6.90
Staff welfare expenses	1.95	1.21
Total	**66.12**	**72.09**

Refer note 56.

39 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses on borrowings	6.54	4.94
Interest expenses on lease liabilities (refer note 43)	1.04	1.59
Other interest charges	0.05	0.03
Other finance charges	0.28	0.33
Total	**7.91**	**6.89**

40 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (refer note 4)	5.59	3.25
Depreciation of right-of-use assets (refer note 7)	3.74	3.65
Amortisation of intangible assets (refer note 6)	2.25	1.82
Total	**11.58**	**8.72**

Refer note 56.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

41 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Marketing and advertisement expenses	75.87	67.54
Beauty advisor expenses	21.39	18.09
Legal and professional fees	19.27	15.67
Web and technology expenses	1.05	12.38
Commission	4.00	4.51
Freight expenses	16.71	13.37
Outsource warehouse manpower expense	8.01	10.08
Recruitment expenses	1.67	0.92
Travelling and conveyance expenses	8.19	5.51
Expected credit loss	(1.14)	-
Communication expenses	0.75	0.93
Rates and taxes	4.83	7.62
Insurance expenses	1.75	1.71
Rent and maintenance expenses	5.24	0.62
Director sitting fees and commission	1.34	1.10
Fair value of put option liability (refer note 9)	1.84	-
Bad debts written off	0.05	-
Repairs and maintenance - others	0.92	0.38
Security expenses	1.61	1.32
Selling expenses	20.77	15.33
Electricity charges	0.51	0.60
Bank charges	0.08	0.07
Warehouse operation management expenses	1.89	2.06
Product testing & development charges	1.03	-
Auditors remuneration		
- Audit fees	0.96	0.90
- Other matters	0.05	0.08
- Out of pocket expenses	0.17	0.08
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 55)	1.69	1.51
Miscellaneous expenses	2.16	1.73
Total	**202.66**	**184.11**

Refer note 56.

42 Earnings per share (EPS)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Nominal value of per equity share	1/-	1/-
Profit after tax (A)	97.36	121.02
Total number of shares outstanding during the year	2,85,92,52,483	2,85,59,85,609
Weighted average number of equity shares outstanding during the year (B)	2,85,77,78,495	2,85,38,72,558
Basic EPS (A/B)	**0.34**	**0.42**
Dilutive effect on weighted average number of equity shares outstanding during the year (C)	46,07,958	58,89,979
Weighted average number of diluted equity shares (D=B+C)	2,86,23,86,453	2,85,97,62,537
Diluted EPS (A/D)	**0.34**	**0.42**

Refer note 56.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

43 Leases

The Company as lessee

The Company has lease contracts for premises obtained for offices, warehouse etc. Leases of premises generally have lease terms between 1.5 to 10 years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Refer note 7 for carrying value of right of use assets.

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**12.40**	**19.89**
Addition	6.17	0.02
Accretion of interest	1.04	1.59
Payments	(9.08)	(9.10)
Closing balance	**10.53**	**12.40**
Non-current	3.66	5.10
Current	6.87	7.30
Total	**10.53**	**12.40**

The maturity analysis of lease liability is disclosed in note 49

The effective interest rate for lease liabilities as at March 31, 2025 ranges between 9.45% to 10.5% (March 31, 2024: 9.45% to 10.5%)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expenses of right-of-use assets	3.74	3.65
Interest expenses on lease liabilities	1.04	1.59
Expenses relating to short term leases*	5.24	0.62
Total amount recognised in Statement of Profit and Loss	**10.02**	**5.86**

*includes CAM charges.

The Company earned rental income from sublease of ₹4.71 crores (March 31, 2024: ₹4.79 crores).

44 Defined Benefit Plan and Other Long-term Employee Benefit Plan:

I) Defined Contribution Plan

During the year, the Company has made contribution/provision to provident fund stated under defined contribution plan amounting to ₹3.91 crores (March 31, 2024: ₹1.64 crores) and the same has been recognised as an expense in the Statement of Profit and Loss.

II) Defined Benefit Plans

The Company operates a defined benefit gratuity plan for its employees. The gratuity benefits payable to employees are based on the employee's service and last drawn salary at the time of leaving. The Company has provided for gratuity based on actuarial valuation done as per projected unit credit method.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

A. The following tables set out the amounts recognised in the Company's financial statements

i. Amount to be recognised in the Balance Sheet

Particulars	As at March 31, 2025	As at March 31, 2024
Amount to be recognised in balance sheet		
Present value of defined benefit obligation	4.15	2.42
Less: Fair value of plan assets	-	-
Funded status – deficit / (surplus)	4.15	2.42
Net liability recognised in balance sheet	**4.15**	**2.42**
Non-current	3.40	1.77
Current	0.75	0.65
Net liability recognised in balance sheet	**4.15**	**2.42**

ii. Changes in the present value of defined benefit obligation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	2.42	1.98
Current service cost	0.63	1.04
Interest cost	0.15	0.11
Actuarial loss in obligation due to changes in financial assumptions	0.07	0.03
Actuarial loss / (gain) in obligation due to changes in demographic	0.34	(0.09)
Actuarial loss / (gain) in obligation due to changes in experience adjustments	0.86	(0.20)
Benefit paid	(0.34)	(0.45)
Liability transferred*	0.02	-
Closing defined benefit obligations	**4.15**	**2.42**

* on account of Intra group transfer.

iii. Amount for the year ended March 31, 2025 and March 31, 2024 recognised in the Statement of Profit and Loss under employee benefit expenses and other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	0.63	1.04
Past service cost	-	-
Interest expenses	0.15	0.11
Amounts recognised in the Statement of Profit and Loss under employee benefit expenses	**0.78**	**1.15**
Actuarial loss in obligation due to changes in financial assumptions	0.07	0.03
Actuarial loss / (gain) in obligation due to changes in demographic	0.34	(0.09)
Actuarial loss / (gain) in obligation due to changes in experience adjustments	0.86	(0.20)
Amount recognised in Other Comprehensive Income (OCI)	**1.27**	**(0.26)**

Refer note 56.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

B. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Mortality Table	IALM (2012-14)	IALM (2012-14)
Discount rate:	6.65%	7.10%
Future salary increases	7.00%	7.00%
Withdrawal rates	22% - 30% across all levels	37% - 38% across all levels
IALM - Indian Assured Lives Mortality (Ultimate)	IALM (2012-14)	IALM (2012-14)

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

C. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	0.75	0.69
Between 2 and 5 years	2.88	1.84
Between 6 and 9 years	1.27	0.43
10 & above following years	0.72	0.09
Total expected payments	**5.62**	**3.05**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.12 years (March 31, 2024: 2.96 years).

D. Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as of end of reporting period is shown below.

Particulars	Pre-tax impact (decrease) / increase in liability	
	As at March 31, 2025	As at March 31, 2024
Discount rate (-/+ 1%)		
Decrease by 100 bps	0.18	0.07
Increase by 100 bps	(0.16)	(0.07)
Future salary increase (-/+ 1%)		
Decrease by 100 bps	(0.14)	(0.06)
Increase by 100 bps	0.14	0.06

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period and assuming there are no other changes in the market conditions. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

These plans typically expose the Company to actuarial risks such as: interest risk, longevity risk and salary risk.

(A) Interest risk — A decrease in the discount rate will increase the plan liability.

(B) Longevity risk — The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(C) Salary risk — The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

45 Related party transactions

A. Names of the related parties

Relationship	Name of entity
Subsidiaries (including step down subsdiaries)	FSN Brands Marketing Private Limited
	Nykaa E-Retail Limited (formerly known as Nykaa E-Retail Private Limited)
	Nykaa-KK Beauty Private Limited
	Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)
	FSN International Limited (formerly known as FSN International Private Limited)
	Nykaa International UK Limited (wholly owned subsidiary of FSN International Limited)[1]
	FSN Global FZE (wholly owned subsidiary of FSN International Limited)[1]
	Nudge Wellness Private Limited
	Nykaa Foundation
	Iluminar Media Limited (formerly known as Iluminar Media Private Limited) (wholly owned subsidiary of Nykaa Fashion Limited w.e.f September 9, 2024)
	Nessa International Holdings Limited (Subsidiary of FSN International Limited)[1]
	FSN Distribution Limited (formerly known as FSN Distribution Private Limited)
	Dot & Key Wellness Limited (formerly known as Dot & Key Wellness Private Limited)
	Nysaa Beauty LLC w.e.f. October 3, 2023 (wholly owned subsidiary of Nessa International Holdings Limited)[1]
	Earth Rhythm Private Limited w.e.f. November 26, 2024
	Nykaa Essentials Private Limited (w.e.f. March 10, 2025)
	Nysaa International for Wholesale and Retail Trade w.e.f. June 5, 2024 (wholly owned subsidiary of Nessa International Holdings Limited)[1]
	Nysaa Cosmetics Trading w.e.f. June 26, 2024 (wholly owned subsidiary of Nessa International Holdings Limited)[1]
	Nysaa Cosmetics SPC w.e.f. January 22, 2025 (wholly owned subsidiary of Nessa International Holdings Limited)[1]
	Nysaa Trading LLC w.e.f. September 20, 2024 (wholly owned subsidiary of Nessa International Holdings Limited)[1]
	Nysaa Distribution FZE w.e.f. October 22, 2024 (wholly owned subsidiary of Nessa International Holdings Limited)[1]
Associate	Earth Rhythm Private Limited till November 25, 2024
Directors and Key Management Personnel	Mrs. Falguni Nayar — Executive Chairperson, CEO and Managing Director[2]
	Mr. Anchit Nayar — Executive Director[2]
	Ms. Adwaita Nayar — Executive Director[2]
	Mr. Sanjay Nayar — Director
	Mr. Milan Khakhar — Director
	Ms. Alpana Parida — Independent Director till July 14, 2024
	Ms. Anita Ramachandran — Independent Director
	Mr. Milind Sarwate — Independent Director
	Mr. Seshashayee Sridhara — Independent Director
	Mr. Pradeep Parameswaran — Independent Director
	Mr. Santosh Desai — Independent Director w.e.f July 15, 2024
	Mr. Sujeet Jain — Company Secretary till February 7, 2024
	Mr. P Ganesh — Chief Financial Officer
	Mr. Neelabja Chakrabarty — Company Secretary w.e.f. February 8, 2024

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to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Relationship	Name of entity
Relative of Key Management Personnel #	Mrs. Rashmi Mehta – Relative of Managing Director
Company in which key management personnel have significant influence #	Sealink View Probuild Private Limited

Names of relative parties where transactions have occurred.

B. Transactions with related parties

Particulars	Nature of transactions	Transactions during FY25	Balance as at March 31, 2025	Transactions during FY24	Balance as at March 31, 2024
Directors and Key Management Personnel					
Mrs. Falguni Nayar	Remuneration & reimbursements[2]	0.86	-	0.66	-
Mr. Anchit Nayar	Remuneration & reimbursements[2]	0.14	-	0.13	-
Ms. Adwaita Nayar	Remuneration & reimbursements[2]	3.28	(0.63)	2.93	-
Mr. Milan Khakhar	Sitting fees	0.05	-	0.08	-
Ms. Alpana Parida	Sitting fees	0.01	-	0.05	-
	Commission	-	-	0.05	-
Ms. Anita Ramachandran	Sitting fees	0.09	-	0.10	-
	Commission	0.25	(0.25)	0.20	-
Mr. Milind Sarwate	Sitting fees	0.08	-	0.08	-
	Commission	0.35	(0.35)	0.30	-
Mr. Seshashayee Sridhara	Sitting fees	0.06	-	0.07	-
	Commission	0.10	(0.10)	0.10	-
Mr. Pradeep Parameswaran	Sitting fees	0.05	-	0.06	-
	Commission	0.05	(0.05)	0.02	-
Mr. Santosh Desai	Sitting fees	0.05	-	-	-
	Commission	0.20	(0.20)	-	-
Mr. Sujeet Jain	Remuneration & reimbursements	-	-	2.65	-
Mr. P Ganesh	Remuneration & reimbursements	4.50	-	3.71	-
Mr. Neelabja Chakrabarty	Remuneration & reimbursements	1.25	-	0.27	-
Subsidiary					
FSN Brands Marketing Private Limited	Net loan (repaid) / given	(226.41)	15.51	(11.55)	241.92
	Interest income	(11.66)	0.13	(16.84)	-
	Sales (net of discounts)	(53.76)	0.86	(58.47)	-
	Sub-lease income	(2.45)	-	(2.17)	-
	Discount expense	-	-	15.58	(1.32)
	Marketing expense	26.67	-	22.28	-
	Commission - Financial Guarantee	(2.28)	-	(0.99)	-
	Notional interest income- Loan	(1.81)	-	(3.51)	-
	Notional interest income- sub-lease	-	-	(0.44)	-
	(Recovery) / reimbursement of expenses	(12.17)	-	(25.02)	-
	Brands usage fees	(7.28)	-	(5.52)	-
	Recharge of share-based expense	(0.50)	-	-	-
	Share based expense	-	-	0.06	-
	Other equity contribution	-	31.36	(0.06)	31.36
	Investment in subsidiary	-	102.00	-	102.00
	Net Investment - sub-lease	-	-	-	3.70

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to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Particulars	Nature of transactions	Transactions during FY25	Balance as at March 31, 2025	Transactions during FY24	Balance as at March 31, 2024
Nykaa E-Retail Limited (formerly known as Nykaa E-Retail Private Limited)	Net loan (repaid) / given	(0.57)	-	169.94	0.57
	Interest income	(0.17)	-	(2.96)	-
	Sales (net of discounts)	(107.85)	12.82	(92.82)	54.57
	Discount expenses	-	-	38.53	-
	Banner advertisement expenses	21.29	-	19.72	-
	(Recovery) / reimbursement of expenses	(111.80)	25.91	(54.69)	-
	Commission - Financial Guarantee	(5.67)	-	(3.33)	-
	Recharge of share based expense	(8.00)	-	-	-
	Share based expense	-	-	(7.30)	-
	Other equity contribution	-	51.50	7.30	51.50
	Purchase of fixed assets	0.00*	-	-	-
	Investment in subsidiary	-	9.51	-	-
	Brand usage fees	(56.74)	-	(46.77)	-
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)	Net loan (repaid) / given	(72.19)	135.76	161.11	207.95
	Interest Income	(11.27)	1.01	(32.19)	-
	Marketing expense	16.55	(16.55)	-	-
	(Recovery) / reimbursement of expenses	(4.67)	-	(26.79)	6.08
	Sales (net of discounts)	(152.58)	(17.96)	(0.69)	-
	Notional interest income- Loan	(2.88)	-	(3.94)	-
	Rent expenses	3.24	-	-	
	Sublease Income	(2.04)	-	(1.94)	-
	Notional interest income- sub-lease	-	-	(0.40)	-
	Commission - Financial Guarantee	(1.15)	-	(0.83)	-
	Recharge of share based expense	(1.64)	-	-	-
	Share based expense	-	-	(1.11)	-
	Other equity contribution	-	21.16	1.11	21.16
	Brand usage fees	(5.46)	-	(5.59)	-
	Net Investment- sub-lease	-	-	-	3.30
	Consideration received on account of sale of investment (refer note 9)	(29.28)	-	-	-
	Consideration paid on account of business acquisition (refer note 56)	137.14	-	(226.03)	-
	Investment in subsidiary	-	175.01	150.00	175.01
Nykaa-KK Beauty Private Limited	Net loan given / (repaid)	-	-	0.18	-
	Interest Income	-	-	(0.01)	-
	Sublease Income	(1.18)	-	(0.88)	-
	(Recovery) / reimbursement of expenses	(6.26)	0.64	(4.10)	-
	Notional interest income- sublease	-	-	(0.11)	-
	Commission - Financial Guarantee	(0.20)	-	(0.15)	-
	Recharge of share based expense	(0.12)	-	-	-
	Other equity contribution	-	1.17	-	1.17
	Investment in subsidiary	-	0.51	-	0.51
	Royalty	(10.54)	0.33	(7.06)	2.29
	Net Investment- sub-lease	-	-	-	0.76
FSN International Limited (formerly known as FSN International Private Limited)	Net loan given / (repaid)	2.72	10.69	0.03	7.97
	Interest Income	(0.42)	0.05	(0.51)	-
	(Recovery) / reimbursement of expenses	(2.69)	-	(1.10)	0.26
	Sales (net of discounts)	(1.19)	0.06	(0.56)	-
	Marketing Expense	0.22	-	0.15	-
	Discount Expense	-	-	0.07	-
	Investment in subsidiary	20.00	45.08	19.98	25.08
	Notional interest income- Loan	(0.06)	-	-	-
	Other equity contribution	-	0.18	-	0.18

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(Amounts in ₹ crores, unless stated otherwise)

Particulars	Nature of transactions	Transactions during FY25	Balance as at March 31, 2025	Transactions during FY24	Balance as at March 31, 2024
FSN Distribution Limited (formerly known as FSN Distribution Private Limited)[3]	Net loan given / (repaid)	64.02	383.24	(170.51)	319.22
	Interest Income	(27.83)	2.51	(19.53)	6.15
	Brand usage fees	(5.27)	-	(3.67)	-
	Sales (net of discounts)	(5.45)	-	(3.04)	-
	Commission - Financial Guarantee	(0.36)	-	(0.23)	-
	Marketing expense	0.85	-	0.84	-
	Sublease Income	(0.37)	-	-	-
	Discount Expense	-	-	0.42	-
	Recharge of share based expense	(1.66)	-	-	-
	Share based expense	-	-	(0.28)	-
	Other equity contribution	-	0.31	-	-
	(Recovery) / reimbursement of expenses	(10.13)	2.94	(12.87)	-
	Investment in subsidiary	-	0.01	-	0.01
Iluminar Media Limited (formerly known as Iluminar Media Private Limited)[4]	Net loan (repaid) / given	(7.50)	-	(1.50)	7.50
	Interest Income	(0.04)	-	(0.51)	0.57
	Recharge of share based expense	(0.91)	0.16	-	-
	Share based expense	-	-	(0.98)	-
	Other equity contribution	-	1.35	-	-
	Investment in subsidiary	-	-	-	29.28
Nykaa Foundation	Investment in subsidiary	-	0.01	-	-
	Donation towards CSR	0.95	-	0.95	-
Dot & Key Wellness Limited (formerly known as Dot & Key Wellness Private Limited)	Investment in subsidiary	-	415.10	-	-
Earth Rhythm Private Limited	Investment in subsidiary	-	77.20	-	-
	Equity infusion	5.00	-		
Nudge Wellness Private Limited	Investment in subsidiary	-	3.60	-	-
Relative of Key Management Personnel (KMP)					
Mrs. Rashmi Mehta	Rent and maintenance expenses	0.34	-	0.31	0.01
	Security deposit	-	0.05	-	0.05
	Notional interest income on security deposit	-	-	0.00*	-
	Lease liability	-	-	-	(0.16)
	Interest cost on lease liability	-	-	0.03	-
Company in which key management personnel have significant influence					
Sealink View Probuild Private Limited	Rent, maintenance, electricity & other expenses	4.34	-	3.80	-
	Notional interest income on security deposit	-	-	0.10	-
	Security deposit	-	0.86	-	0.90
	Interest cost on lease liability	-	-	0.80	-
	Lease liability	-	-	-	(6.60)

Figures in brackets indicates payables and income

*Less than ₹0.01 crores.

(1) No transactions during the current or previous year.

(2) The aggregate managerial remuneration, as approved, amounting to ₹11.16 Crore for Ms. Falguni Nayar and ₹5.81 Crore each for Mr. Anchit Nayar and Ms. Adwaita Nayar respectively are paid in the ratio, as determined by the Nomination and Remuneration Committee, between the Holding Company and its subsidiaries. The amount disclosed above is the share of the Company, as determined, in accordance with such ratio.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

(3) Pursuant to the Scheme of Demerger approved by NCLT on May 09, 2025 to demerge and transfer eB2B business of FSN Distribution Limited into Nykaa E-Retail Limited ('NER'), transactions and balances pertaining to eB2B business have been accounted in the financial statements of NER in accordance with Ind AS 103 "Business Combination" read with Appendix C to Ind AS 103 specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016.

(4) Pursuant to the Scheme of Merger approved by NCLT on May 27, 2025 to merge Iluminar Media Limited ('LBB') with Nykaa Fashion Limited ('NFL'), transactions and balances pertaining to LBB have been accounted in the financial statements of NFL in accordance with Ind AS 103 "Business Combination" read with Appendix C to Ind AS 103 specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has given guarantees towards external borrowings obtained by the subsidiaries. Further, there have been no guarantees provided or received for any related party receivables or payables.

Amount paid to KMP do not include the provisions made for gratuity as it is determined on an actuarial basis for the Company as a whole. Similarly, expenses for compensated absences are not included in the above table as the same is also determined on an actuarial basis for the Company as a whole.

46 Commitments and contingent liabilities

A. Commitments

The contract remaining to be executed on capital account and not provided for amounts to ₹28.41 crores (net of advances) as at March 31, 2025 (March 31, 2024 – ₹26.27 crores).

B. Contingent liabilities (not provided for)

Particulars	As at March 31, 2025	As at March 31, 2024
i) Claims against the Company, not acknowledged as debts		
Disputed Indirect tax matters (including interest up to the date of demand, if any) [Refer notes below]	4.99	2.66
ii) Corporate guarantees given to banks [Refer note (iv) below]	1,075.00	812.00
Total	**1,079.99**	**814.66**

Notes:

i. The Company has received VAT assessments order for FY17 with demands amounting to ₹3.20 crores on account of certain input disallowances/adjustment made by VAT department. Out of the total demand amount, the Company has paid ₹0.54 crores to tax authorities during the FY22 and for the balance ₹2.66 crores the management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

ii. The Company has received order from the adjudicating authority for the period of FY19, on availing ITC on purchases from suppliers whose registration certificates were cancelled demanding ₹0.10 crores including applicable interest and penalty. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

iii. The Company has received order from the adjudicating authority for the period of FY21, imposing tax on commission on financial guarantee amounting to ₹2.23 crores including applicable interest and penalty. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

iv. Corporate guarantees given to banks with respect to borrowings taken by the subsidiary companies to a maximum amount of ₹1,075.00 crores (March 31, 2024: ₹812.00 crores).

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(Amounts in ₹ crores, unless stated otherwise)

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i) Disclosure as per the requirement of regulation 34 of the Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations, 2015:

The amounts at the year end and the maximum amount of loans and advances outstanding during the year is as follows:

Name of the Company	As at March 31, 2025		As at March 31, 2024	
	Outstanding Balance	Maximum Amount Outstanding during the year	Outstanding Balance	Maximum Amount Outstanding during the year
Subsidiaries				
FSN Brands Marketing Private Limited	15.51	299.93	241.92	264.47
Nykaa E-Retail Limited (formerly known as Nykaa E-Retail Private Limited)	-	23.07	0.57	170.51
FSN International Limited (formerly known as FSN International Private Limited)	10.69	11.39	7.97	8.78
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)	135.76	227.27	207.95	550.95
Nykaa-KK Beauty Private Limited	-	-	-	0.18
FSN Distribution Limited (formerly known as FSN Distribution Private Limited)	383.24	383.24	319.22	344.23
Iluminar Media Limited (Formerly known as Iluminar Media Private Limited)	-	7.50	7.50	7.50
Total	**545.20**	**952.40**	**785.13**	**1,346.62**
Non-current	395.00		386.10	
Current	150.20		399.03	

ii) Audit trail

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level and master fields as it relates to accounting software.

Further, the Company uses certain other peripheral application that support the recording of Revenue, Inventory and Purchase (hereinafter referred to as 'supporting softwares'), wherein the audit trail (edit log) facility was not enabled throughout the year for all relevant transactions recorded in the software.

The Company uses a third-party operated software for processing payroll. Management has obtained the report of Service Organisation Controls (SOC) auditors engaged by such third party for the period April 01, 2024 to December 31, 2024 which mention that the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

Also the Company uses a third-party operated software for consumption of raw materials. Management is not in possession of Service Organisation Controls report (which opined on audit trail) to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

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(Amounts in ₹ crores, unless stated otherwise)

48 Fair value of financial assets and financial liabilities

Below, is a comparison by class of the carrying amounts of the Company's financial instruments that are reasonable approximations of fair values.

Particulars	Level	Carrying value as of	
		March 31, 2025	March 31, 2024
Financial Assets:			
Amortised cost			
Loans		545.20	785.13
Trade receivables		47.71	115.79
Cash and cash equivalents		5.50	1.44
Bank balance other than cash and cash equivalents		23.12	37.19
Other financial assets		73.43	56.11
FVTPL			
Derivative Financial Assets (refer note 11 & 19) [1]	2	3.95	-
		698.91	**995.66**
Financial Liabilities:			
Amortised cost			
Borrowings		75.74	74.87
Lease liabilities		10.53	12.40
Trade payables		42.25	30.42
Other financial liabilities		71.87	191.77
FVTPL			
Derivative Financial Liabilities (refer note 29) [2]	2	0.02	11.42
Derivative Financial Liabilities (refer note 24) [2]	3	13.26	-
		213.67	**320.88**

[1] Included in other current / non-current financial assets.

[2] Included in other current / non-current financial liabilities.

The carrying values of the financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and liabilities have not been disclosed separately.

Valuation methodology:

The fair values of assets and liabilities are included at the amount at which the instrument can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

Discounted cash flow method was used to determine the fair values of financial liabilities classified as level 3 and the significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2025 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Increase / decrease in bps	Effect (decrease) / increase
FVTPL- Put Option Liability	Discounted cashflow method	Volatility	+500	2.93
			-500	(0.94)
		Long term growth rate	+100	(3.26)
			-100	3.97
		WACC	+100	5.74
			-100	(4.60)

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to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

49 Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprise borrowings from banks, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise cash and bank balance, trade and other receivables that derive directly from its operations.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Company's senior management team oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk, product price risk and interest risk.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024.

a) Interest rate risk

The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Company has an effective mix of fixed and variable rate borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase / decrease in bps	Effect (decrease) / increase on profit before tax
March 31, 2025	+50	(0.38)
	-50	0.38
March 31, 2024	+50	(0.37)
	-50	0.37

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables and advances paid to vendors. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies. When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The year end foreign currency forward contracts and unhedged foreign currency exposures are given below:

a) Derivatives (forward contracts) outstanding as at the reporting date (in respective currency)

Particulars of transactions	Currency	March 31, 2025		March 31, 2024	
		Foreign currency	Equivalent ₹^	Foreign currency	Equivalent ₹^
Forward contracts to Purchases - Trade Payable	Euro	0.01	1.30	0.05	4.06
Forward contracts to Purchases - Trade Payable	SGD	-	-	0.00*	0.04
Forward contracts to Purchases - Trade Payable	USD	0.02	1.95	0.27	22.11

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(Amounts in ₹ crores, unless stated otherwise)

b) Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

Particulars	Currency	March 31, 2025		March 31, 2024	
		Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
Payables:					
Trade payables	USD	0.00*	0.38	0.04	3.13
	Euro	0.00*	0.02	0.00*	0.03
	SGD	-	-	0.00*	0.00*
	GBP	0.00*	0.07	0.00*	0.00*
Advances:					
Advance to vendors against purchases/expenses	USD	0.01	0.52	0.04	3.62
	Euro	0.00*	0.00*	0.00*	0.07
	GBP	-	-	0.00*	0.30

*Less than ₹0.01 crores.

^Amount in ₹ represents conversion at hedged rate.

Since the business of the Company doesn't involves material foreign currency transactions, its exposure to foreign currency changes is not material.

c) Product price risk

In an inflationary economy, the Company expects periodical price increases across its product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/ sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the customers. This helps the Company to protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

a) Trade receivables

The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks. The Company's experience of delinquencies and customer disputes have been minimal. Also, the Company has a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. Accordingly, the credit risk is covered by the Company. (Refer accounting policy 2B(g) for expected credit loss on trade receivable).

Movement in allowances for expected credit loss:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	0.25	0.34
Transfer (Refer note 56)	4.51	-
Bad debts written off during the year	0.05	-
Provision reversed during the year	(1.19)	(0.09)
Closing balance	**3.62**	**0.25**

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

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(Amounts in ₹ crores, unless stated otherwise)

b) Security Deposit

The Company also carries credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed and property possessions are taken for operations. The risk relating to refunds after vacating the premises is managed through successful negotiations or appropriate legal actions, where necessary.

c) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying value	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2025					
Borrowings	75.74	75.74	-	-	75.74
Trade payables	42.25	42.25	-	-	42.25
Other financial liabilities	85.15	71.89	13.26	-	85.15
Lease liabilities	10.53	7.53	3.99	-	11.52
Total	**213.67**	**197.41**	**17.25**	**-**	**214.66**
As at March 31, 2024					
Borrowings	74.87	74.87	-	-	74.87
Trade payables	30.42	30.42	-	-	30.42
Other financial liabilities	203.19	191.77	11.42	-	203.19
Lease liabilities	12.40	8.14	5.37	-	13.51
Total	**320.88**	**305.20**	**16.79**	**-**	**321.99**

50 Segment Information:

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Group and therefore, no separate disclosure on segment information is given in these financial statements.

The Company operates in a single geographical environment i.e. in India.

No single external customer (other than related party - refer note 45) contributed 10% or more to the Company's revenue.

All non-current assets of the Company are located in India.

51 Capital management:

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt includes interest bearing borrowings less cash and cash equivalents.

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No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

Particulars	As at March 31, 2025	As at March 31, 2024
Gross debt	75.74	74.87
Less: Cash and cash equivalents	(5.50)	(1.44)
Net debt (A)	**70.24**	**73.43**
Equity	1,659.61	1,534.91
Total Equity (B)	**1,659.61**	**1,534.91**
Net gearing ratio (A)/(B)	**0.04**	**0.05**

52 Share based payments

The Company has granted stock options under the employee stock option scheme - ESOS 2012, ESOS 2017, ESOP 2022 and RSU, as approved by the Board of Directors of the company, to the eligible employees of the Company. These options would vest in 3 or 4 equal annual installments from the date of grant based on the vesting conditions as per letter of grant executed between the Company and the employee of the Company. The maximum period for exercise of options is 4 years from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹1 each of the Company. The options granted under ESOS 2012, ESOS 2017, ESOP 2022 and RSU scheme carry no rights to dividends and no voting rights till the date of exercise.

The Company has recognised an expense of ₹4.07 crores (March 31, 2024: ₹6.90 crores) arising from equity settled share based payment transactions for employee services received during the year. The carrying amount of Employee stock options outstanding reserve as at March 31, 2025 is ₹37.07 crores (March 31, 2024: ₹28.11 crores)

As at the end of the given period, details and movements of the outstanding options are as follows:

a) Options granted under ESOS 2012

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	84,000	1,53,000
Transferred-in during the year*	4,23,750	-
Options granted during the year	-	-
Options forfeited during the year	(11,250)	(69,000)
Options expired/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding at the end of the year	**4,96,500**	**84,000**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	₹99.00 - 187.50	₹133.35 - 187.50
Weighted average remaining contractual life (in years)	3.48	4.54

b) Options granted under ESOS 2017

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	44,22,300	53,02,000
Transferred-out during the year*	(14,02,000)	-
Options granted during the year	6,50,000	13,37,000
Options forfeited during the year	(3,56,900)	(16,69,990)
Options expired/lapsed during the year	(17,800)	(8,710)
Options exercised during the year	(5,67,250)	(5,38,000)
Options outstanding at the end of the year	**27,28,350**	**44,22,300**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	₹21.46 - 226.33	₹21.46 - 226.33
Weighted average remaining contractual life (in years)	4.35	4.98

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c) Options granted under ESOS 2022

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	8,51,400	6,90,000
Transferred-out during the year*	(1,35,000)	-
Options granted during the year	-	1,81,400
Options forfeited during the year	(1,22,500)	(20,000)
Options expired/lapsed during the year	-	-
Options exercised during the year	(82,500)	-
Options outstanding at the end of the year	**5,11,400**	**8,51,400**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	₹131.05 - 133.35	₹131.05 - 133.35
Weighted average remaining contractual life (in years)	4.55	5.43

d) Options granted under RSU

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	1,00,000	-
Transferred-out during the year*	(1,00,000)	-
Options granted during the year	-	1,00,000
Options forfeited during the year	-	-
Options expired/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding at the end of the year	**-**	**1,00,000**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	-	₹1
Weighted average remaining contractual life (in years)	-	5.97

* on account of inter group transfer.

e) Fair value of options granted

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	ESOS 2017			
	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected life (years)	1.98 - 1.99	2.73 - 2.79	3.45 - 3.48	4.13 - 4.14
Risk free interest rate (%)	6.39% to 6.94%	6.37% to 6.94%	6.37% to 6.95%	6.37% to 6.95%
Volatility (%)	35% - 40%	40% - 45%	45%	40% - 45%
Share price on date of grant	174.55 - 176.9			
Fair value of options	46.62 - 50.72	60.21 - 64.78	72.4 - 73.05	73.54 - 80.05

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of expected life. The Company has determined the market price on grant date based on the average of last 15 days closing price of shares on NSE index, as on the grant date.

The weighted average share price at the date of exercise of options exercised during the year was ₹179.52. (March, 2024 ₹151).

**The movement of options & the fair value assumptions have been restated to give effect of the bonus shares allotted by the company wide Board's approval dated October 03, 2022 in proportion of 5:1, i.e., 5 (five) bonus equity shares of ₹1 each for every 1 (one) fully paid-up equity share held as on the record date.

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f) Expenses arising from share-based payment transactions

The total expenses arising from share-based payment transactions recognised were as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stock based compensation expense determined under fair value method recognised in Statement of Profit or Loss	4.07	6.90
Stock based compensation expense pertaining to employees of subsidiaries, determined under fair value method recognised as cost of investment / recharged to subsidiairies[#]	12.83	9.98

[#] Effective FY25, the company has initiated recharges to its subsidiaries.

53 Ratio Analysis and its elements

Sr. No.	Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024 (Refer note 56)	% change	Reason for variance
1	Current ratio	Current assets	Current liabilities	1.97	2.33	(16%)	
2	Debt equity ratio*	Total Debt	Shareholder's equity	0.05	0.05	(6%)	
3	Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + finance cost	Debt service = Interest & Lease Payments + Principal Repayments	7.66	8.96	(15%)	
4	Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	6%	8%	(2%)	
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	2.02	1.22	65%	Improvement on account of efficient working capital management during the year.
6	Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.14	3.02	70%	
7	Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	4.80	5.03	(4%)	
8	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets — Current liabilities	2.08	0.75	178%	Improvement on account of efficient working capital management during the year.
9	Net profit ratio	Net Profit	Net sales = Total sales - sales return	23%	39%	(16%)	
10	Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt - Deferred Tax Asset	6%	6%	(0%)	
11	Return on investment	Interest income on fixed deposit	Average investment in fixed deposit	5%	8%	(3%)	

*There are no long-term loans accepted by the company.

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to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

54 Other Statutory Information

i. The Company does not have any transactions with companies struck off.

ii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv. The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

v. Other than the details mentioned below, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Details of date and amount of fund invested in intermediary during the year ending March 31, 2025 is as follows:

Name of the intermediary	Registered address of the intermediary	Relationship with the intermediary	Date of investment	Amount of investment
FSN International Limited	104, Vasan Udyog Bhavan, Sun Mill Compound Tulsi Pipe Road, Lower Parel (West), Mumbai City, MUMBAI, Maharashtra, India, 400013	Subsidiary	June 6, 2024	16.02

Details of date and amount of fund further invested by intermediary during the year ending March 31, 2025 is as follows:

Name of the intermediary	Registered address of the intermediary	Relationship with the intermediary	Date of investment	Amount of investment
Nessa International Holdings Limited	Office DD-14-124-027, Floor 14, Al Khatem Tower, Abu Dhabi Global Market Square,Abu Dhabi, United Arab Emirates	Subsidiary	June 21, 2024	16.02

Details of date and amount of fund further invested by intermediary to ultimate beneficiary during the year ending March 31, 2025 is as follows:

Name of the ultimate beneficiary	Registered address of the intermediary	Relationship with the intermediary	Date of investment	Amount of investment
Nysaa Beauty LLC	Unit B030, City Center - 1st floor Sheikh Mohammed Bin Zayed Rd - Mirdif — Dubai	Subsidiary	June 27, 2024 November 28, 2024	14.10 1.92

The provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

vi. No funds have been received by the Company from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

viii. The Company is not declared wilful defaulter by any Bank, Financial Institution or other lender.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

55 Expenditure towards corporate social responsibility (CSR) activities

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
a	Gross amount required to be spent by the Company during the year	1.69	1.51
b	Amount spent during the year on the following in cash		
	i. Construction/ acquisition of any asset	-	-
	ii. On purpose other than (i) above*	0.95	0.75
c	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	0.74	0.76
d	The total of previous years' shortfall amounts;	0.76	-
e	Provision movement during the year	0.74	0.76
f	Reason of above shortfall	The Company is executing certain multiyear ongoing projects namely "Vocational training for girls by Delhi Council for Child Welfare", "Programme on STEM education by American India Foundation" and "Project National Council of Applied Economic Research ('NACER') x Nykaa Study" .Due to such ongoing projects and plan of spending funds in multi years, the Company was not able to spend two per cent of the average net profit as per section 135(5) in the current financial year. Unspent CSR amount pertaining to the commitments made by the Company towards multi-year ongoing projects has been transferred to a separate Unspent CSR account of the Company. The amount transferred to the aforesaid Unspent CSR account will be spent for the said projects within the permissible time limit. Accordingly, the Company has duly complied with section 135 of the Act read with rules thereunder and the CSR policy of the Company.	
g	Nature of CSR activities	The amount during the year has been spent towards promotion of education, eradicating hunger, building skills, and uplifting through employment.	The amount during the year has been spent towards promotion of sports, education, empowering women, eradicating hunger , ensuring health and well-being, building skills, and uplifting through employment.

*Contribution of ₹0.95 crores (March 31, 2024: ₹0.22 crores) has been given to Nykaa foundation which is a section 25 company engaged in doing CSR activities. The amount has been contributed through Nykaa Foundation for CSR activity.

56 Disclosure pursuant to Ind AS 103 "Business Combinations"

(A) Transaction during FY24:

The Board of Directors at their meeting held on February 06, 2024, had approved acquisition of Athleisure and Lignerie business of Nykaa Fashion Limited (''Transferor Company"), a wholly owned subsidiary of the Company, as a going concern on slump sale basis. The transaction was consummated on March 29, 2024 post compliance of conditions precedent, being the closing date of transfer of business for a consideration of ₹226.03 crores.

The aforementioned business transfer had been accounted in accordance with Ind AS 103 'Business Combination' read with Appendix C to Ind AS 103 specifed under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the accounting treatment had been given as follows:

(i) The assets and liabilities of the abovementioned business were incorporated in the financial statements at their respective carrying values.

(ii) Difference between the carrying value of net assets acquired and consideration paid had been transferred to capital reserve, refer table 4 below.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

(iii) The financial information in the financial statements in respect of prior periods i.e. for the year ended March 31, 2023 and for the period April 01, 2023 to March 29, 2024 (herein after referred as "pre-acquisition period") was restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of acquisition in accordance with Ind AS 103, as detailed in table 1, 2 and 3 below.

(iv) Profits/(loss) for the pre-acquisition period related to the acquired business on account of restatement of financial statements as explained above did not result into increase/decrease in net assets of equivalent amount as of March 31, 2023 and as of March 29,2024 as not all the items of assets and liabilities were transferred. Accordingly, the difference between profit/(loss) and change in net assets position had been adjusted in retained earnings.

(v) Profit/(loss) on the acquired business during the pre-aquisition period is not required to be adjusted from retained earnings. Accordingly, profit/(loss) for the said period net of adjustment as explained in point (iv) above had been reclassified from retained earnings to capital reserve.

(vi) The consequent tax effects amounting to ₹36.70 crores on the above transaction were considered in Statement of Profit and Loss for the year ended March 31, 2024. There is no impact on account of the above in the Consolidated Financial Statements.

Table 1: Restatements – Balance Sheet

Particulars	As at March 31, 2023 Reported	As at March 31, 2023 Restated
Assets		
Non-current assets		
Property, plant and equipment	17.33	17.33
Intangible assets	0.42	3.67
Right-of-use assets	7.62	7.62
Intangible assets under development	0.89	0.89
Financial assets		
Investments	461.28	461.28
Loans	218.44	218.44
Other financial assets	10.81	10.81
Deferred tax assets (net)	4.00	4.00
Non-current tax assets (net)	5.39	5.39
Other non-current assets	0.51	0.51
Total non-current assets (A)	**726.69**	**729.94**
Current assets		
Inventories	48.53	78.00
Financial assets		
Trade receivables	58.60	71.49
Cash and cash equivalents	11.26	11.26
Bank balance other than cash and cash equivalents	40.70	40.70
Loans	706.93	706.93
Other financial assets	172.48	172.48
Other current assets	21.12	24.84
Total current assets (B)	**1,059.62**	**1,105.70**
Total assets (A+B)	**1,786.31**	**1,835.64**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Particulars	As at March 31, 2023 Reported	As at March 31, 2023 Restated
Equity and liabilities		
Equity		
Equity share capital	285.25	285.25
Other equity	1,364.03	1,170.31
Total equity (A)	**1,649.28**	**1,455.56**
Liabilities		
Non-current liabilities:		
Financial liabilities		
Lease liabilities	12.40	12.40
Other financial liabilities	29.44	29.44
Long-term provisions	1.29	1.39
Total non-current liabilities (B)	**43.13**	**43.23**
Current liabilities:		
Financial liabilities		
Borrowings	35.47	35.47
Lease liabilities	7.49	7.49
Trade payables		
- Total outstanding dues of Micro enterprise and small enterprises	1.00	1.00
- Total outstanding dues of creditors other than Micro enterprises and small enterprises	2.73	14.67
Other financial liabilities	29.94	260.78
Short-term provisions	2.06	2.23
Contract liabilities	0.33	0.33
Other current liabilities	14.88	14.88
Total current liabilities (C)	**93.90**	**336.85**
Total liabilities (B+C)	**137.03**	**380.08**
Total equity and liabilities (A+B+C)	1,786.31	**1,835.64**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Table 2: Restatements – Statement of Profit and Loss

Particulars	For the year ended March 31, 2023 Reported	For the year ended March 31, 2023 Restated
Income		
Revenue from operations	217.80	275.46
Other income	128.69	128.77
Total Income	**346.49**	**404.23**
Expenses		
Cost of material consumed	58.91	58.91
Purchase of traded goods	21.01	69.00
Changes in inventories of finished goods and stock-in-trade	5.77	(14.36)
Employee benefits expense	36.52	49.95
Finance costs	7.45	7.45
Depreciation and amortisation expense	7.06	7.26
Other expenses	129.14	149.63
Total expenses	**265.86**	**327.84**
Profit before tax	**80.63**	**76.39**
Tax expense:		
Current tax	15.79	15.79
Deferred tax	3.53	3.53
Total tax expense	**19.32**	**19.32**
Profit after tax	**61.31**	**57.07**
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit or loss		
Remeasurement losses of defined benefit plan	(0.29)	(0.29)
Income tax effect on above	0.07	0.07
Other comprehensive income/ (loss) for the year, net of tax	**(0.22)**	**(0.22)**
Total Comprehensive Income for the year	**61.09**	**56.85**
Earnings per share of face value ₹ 1/- each		
Basic	0.22	0.20
Diluted	0.21	0.20

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Table 3: Restatements – Statement of Cashflows

Particulars	For the year ended March 31, 2023 Reported	For the year ended March 31, 2023 Restated
Cashflows used in operating activities	(3.89)	(0.44)
Cashflows used in investing activities	(37.88)	(41.33)
Cashflows from financing activities	21.26	21.26
Net decrease in cash and cash equivalents	(20.51)	(20.51)
Add: Cash and cash equivalents at the beginning of the year	31.77	31.77
Cash and cash equivalents at the end of the year	**11.26**	**11.26**

Table 4: Restatements – Capital reserve on slump sale due to excess of carrying value of assets being transferred over the liabilities as at April 01, 2022:

Particulars		Amount
Asset		
Trade receivable		0.75
Inventories		9.35
Other current assets		4.39
Total assets	**A**	**14.49**
Trade payable		0.23
Other financial liabilities		2.54
Total liabilities	**B**	**2.77**
Net value of assets and liabilities acquired as on April 01, 2022	**(C=A-B)**	**11.72**
Less: Consideration in form of cash	**D**	**226.03**
Capital reserve as on April 01, 2022	**(E=C-D)**	(214.31)
Add: Net assets acquired during FY 22-23	**F**	20.60
Capital reserve as on March 31, 2023	**(G=E+F)**	(193.73)
Add: Net assets acquired from April 01, 2023 to March 29, 2024	**H**	27.99
Capital reserve as on March 29, 2024	**(I=G+H)**	(165.72)

(B) Transaction during FY25:

In line with the strategy to streamline and consolidate owned brand business in a single entity, the Board of Directors at their meeting held on May 22, 2024 have approved acquisition of Western Wear & Accessories business of Nykaa Fashion Limited ("Transferor Company"), a wholly owned subsidiary of the Company, as a going concern on slump sale basis. The transaction was consummated on June 28, 2024 post compliance of conditions precedent, being the closing date of transfer of business for a consideration of ₹137.14 crores.

The aforementioned business transfer has also been accounted in accordance with Ind AS 103 'Business Combination' read with Appendix C to Ind AS 103 specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016 (Ind-AS 103). Accordingly, the accounting treatment has been given as follows:

(i) The assets and liabilities of the abovementioned business have been incorporated in the financial statements at their respective carrying values.

(ii) Difference between the carrying value of net assets acquired and consideration paid has been transferred to capital reserve, refer table 4 below.

(iii) The financial information in the financial statements in respect of prior periods i.e. for the year ended March 31, 2024 and for the period April 01, 2024 to June 28, 2024 (herein after referred as "pre-acquisition period") have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of acquisition in accordance with Ind AS 103, as detailed in table 1, 2 and 3 below.

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

(iv) Profits/(loss) for the pre-acquisition period related to the acquired business on account of restatement of financial statements as explained above did not result into increase/decrease in net assets of equivalent amount as of March 31, 2024 and as of June 28, 2024 as not all the items of assets and liabilities were transferred. Accordingly, the difference between profit/(loss) and change in net assets position has been adjusted in retained earnings.

(v) Profit/(loss) on the acquired business during the pre-acquisition period is not required to be adjusted from retained earnings. Accordingly, profit/(loss) for the said period net of adjustment as explained in point (iv) above has been reclassified from retained earnings to capital reserve.

(vi) The consequent tax effects amounting to ₹20.80 crores on the above transaction have been considered in Statement of Profit and Loss for the year ended March 31, 2025. There is no impact on account of the above in the Consolidated Financial Statements.

Table 1: Restatements – Balance Sheet

Particulars	As at March 31, 2024 Reported	As at March 31, 2024 Restated
Assets		
Non-current assets		
Property, plant and equipment	19.74	19.74
Capital work-in-progress	3.91	3.91
Intangible assets	4.15	6.63
Right of use assets	3.98	3.98
Intangible assets under development	5.24	5.24
Financial assets		
Investments	640.87	640.87
Loans	386.10	386.10
Other financial assets	4.85	4.85
Deferred tax assets (net)	40.04	40.04
Non current tax assets (net)	22.94	22.94
Other non current assets	0.36	0.36
Total non-current assets (A)	**1,132.18**	**1,134.66**
Current assets		
Inventories	74.60	103.27
Financial assets		
Trade receivables	92.24	115.79
Cash and cash equivalents	1.44	1.44
Bank balance other than cash and cash equivalents	37.19	37.19
Loans	399.03	399.03
Other financial assets	51.26	51.26
Other current assets	24.42	24.99
Total current assets (B)	**680.18**	**732.97**
Total assets (A+B)	**1,812.36**	**1,867.63**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Particulars	As at March 31, 2024 Reported	As at March 31, 2024 Restated
Equity and liabilities		
Equity		
Equity share capital	285.60	285.60
Other equity	1,341.85	1,249.31
Total equity (A)	**1,627.45**	**1,534.91**
Liabilities		
Non-current liabilities:		
Financial liabilities		
Lease liabilities	5.10	5.10
Other financial liabilities	11.42	11.42
Long-term provisions	1.99	2.24
Total non-current liabilities (B)	**18.51**	**18.76**
Current liabilities:		
Financial liabilities		
Borrowings	74.87	74.87
Lease liabilities	7.30	7.30
Trade payables		
- Total outstanding dues of Micro enterprise and small enterprises	3.68	4.02
- Total outstanding dues of creditors other than Micro enterprises and small enterprises	19.13	26.40
Other financial liabilities	51.96	191.77
Short-term provisions	1.60	1.69
Contract liabilities	0.33	0.38
Other current liabilities	7.53	7.53
Total current liabilities (C)	**166.40**	**313.96**
Total liabilities (B+C)	**184.91**	**332.72**
Total equity and liabilities (A+B+C)	**1,812.36**	**1,867.63**

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Table 2: Restatements – Statement of Profit and Loss

Particulars	For the year ended March 31, 2024 Reported	For the year ended March 31, 2024 Restated
Income		
Revenue from operations	257.96	312.52
Other income	184.60	184.64
Total Income	**442.56**	**497.16**
Expenses		
Cost of material consumed	-	8.61
Purchase of traded goods	103.46	116.20
Changes in inventories of finished goods and stock-in-trade	3.41	6.62
Employee benefits expense	60.25	72.09
Finance costs	6.89	6.89
Depreciation and amortisation expense	7.73	8.72
Other expenses	170.83	184.11
Total expenses	**352.57**	**403.24**
Profit before tax	**89.99**	**93.92**
Tax expense:		
Current tax	9.01	9.01
Deferred tax	(36.11)	(36.11)
Total tax expense	**(27.10)**	**(27.10)**
Profit after tax	**117.09**	**121.02**
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit or loss		
Remeasurement gains of defined benefit plan	0.26	0.26
Income tax effect on above	(0.06)	(0.06)
Other comprehensive income/ (loss) for the year, net of tax	**0.20**	**0.20**
Total Comprehensive Income for the year	**117.29**	**121.22**
Earnings per share of face value ₹ 1/- each		
Basic	0.41	0.42
Diluted	0.41	0.42

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Table 3: Restatements – Statement of Cashflows

Particulars	For the year ended March 31, 2024 Reported	For the year ended March 31, 2024 Restated
Cashflows used in operating activities	(31.19)	(31.19)
Cashflows used in investing activities	(31.47)	(25.94)
Cashflows from financing activities	52.84	47.31
Net decrease in cash and cash equivalents	(9.82)	(9.82)
Add: Cash and cash equivalents at the beginning of the year	11.26	11.26
Cash and cash equivalents at the end of the year	**1.44**	**1.44**

Table 4: Restatements – Capital reserve on slump sale due to excess of carrying value of assets being transferred over the liabilities as at April 01, 2023:

Particulars		Amount
Asset		
Trade receivable		19.75
Intangible assets		3.47
Inventories		33.56
Other current assets		1.54
Total assets	**A**	**58.32**
Trade payable		2.88
Other financial liabilities		4.26
Long term provisions		0.14
Short term provisions		0.11
Contract liabilities		0.25
Total liabilities	**B**	**7.64**
Net value of assets and liabilities acquired as on April 01, 2023	**(C=A-B)**	**50.68**
Less: Consideration in form of cash	**D**	**137.14**
Capital reserve as on April 01, 2023	**(E=C-D)**	(86.46)
Add: Net assets acquired during FY 23-24	**F**	(6.10)
Capital reserve as on March 31, 2024	**(G=E+F)**	(92.56)
Add: Net assets acquired from April 01, 2023 to June 28, 2024	**H**	(6.50)
Capital reserve as on June 28, 2024	**(I=G+H)**	(99.06)

Notes

to the Standalone Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

57 Proforma Statement of Profit and Loss

Proforma Statement of Profit and Loss ("Statement of P&L) has been prepared as if the financial statements for the period April 01, 2024 to June 28, 2024 were not restated on account of acquisition of business (as stated in note 56) in accordance with the requirements of Ind AS 103.

Particulars	For the year ended March 31, 2025
Income	
Revenue from operations	409.15
Other income	157.33
Total Income	**566.48**
Expenses	
Cost of material consumed	6.72
Purchase of traded goods	163.45
Changes in inventories of finished goods and stock-in-trade	16.96
Employee benefits expense	62.84
Finance costs	7.91
Depreciation and amortisation expense	11.33
Other expenses	200.15
Total expenses	**469.36**
Profit before tax	**97.12**

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of

FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

P Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Independent Auditor's Report

To the Members of FSN E-Commerce Ventures Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of FSN E-Commerce Ventures Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associate comprising of the consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2025, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in note 2C(iii) and note 32 of the consolidated financial statements)	
During the year ended March 31, 2025, the Group recognised a product revenue of ₹6,857.90 crores. Revenue recognition has been identified as a key audit matter due to complexity of systems in recognising revenues, significance of volumes of data processed by system, dynamic evolving pricing with discounts and operation in highly competitive marketplace.	Our audit procedures included the following: • With the assistance by IT specialists, we obtained an understanding, evaluated the design and tested the operating effectiveness of key IT general and application controls related to revenue recognition processes. We also tested relevant IT infrastructure and applications that result in generation of various IT reports used for billing and revenue recognition process. • We tested the operating effectiveness of IT dependent manual controls, performed data analytics and trend analysis, test of reconciliations between Order Management System and the general ledger, collections to revenue. • We read and assessed the revenue related accounting policy, critical estimates and assumptions and disclosures in the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of carrying value of inventories (as mentioned in Note 13 of the consolidated financial statements)	
The Company has inventories of ₹1,417.54 crores, as at March 31, 2025. These inventories are held mostly at warehouses and stores of the Group. The Group recognises inventory obsolescence based on the age of the product (i.e. whether it is close to expiry and expired), slow moving and damaged goods including future expectations of disposal of these goods as well as on account of the net realisable value ('NRV'), if it is lesser than cost. Significant judgment is required in assessing the appropriate level of slow moving and/or obsolete inventory and determination of NRV. Considering the significance of the balance to the consolidated financial statements as a whole and the involvement of estimations in the assessment, we considered carrying value of inventory to be a key audit matter.	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to inventory purchases and provision for slow moving, close to expiry, expired and damaged inventories. • Performed testing on the Company controls over the inventory physical verification process. In testing these controls, we inspected the results of the physical verification carried out by the Company, observed physical inventory counts at few locations during the year ended March 31, 2025. • Verified the reconciliation of inventory received vis-à-vis the purchase invoices recorded from the vendors for the year ended March 31, 2025. • Performed procedures to test controls around the Company's process to identify slow moving or obsolete inventories, assess the assessment of the cost and net realisable value, expired and damaged inventories and evaluated the adequacy of obsolescence and provision as at March 31, 2025.
Recognition of Deferred Tax Assets (net) (as described in Note 2C(xi) and Note 11 of the consolidated financial statements)	
As per Ind AS 12 – "Income taxes", Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. As at March 31, 2025, the total deferred tax asset of ₹257.95 crores. Significant judgements and estimates are involved in making this assessment. The estimate of future taxable profits is based on the future business plans. The recognition of deferred tax asset is therefore sensitive to changes in the business plan and hence there is inherent uncertainty involved in projecting future profits. This assessment requires the management to make assumptions to be used in the forecasts of future taxable profits, including expectations for future revenue and margin developments and overall market and economic conditions. This area was important to our audit due to the significance of judgement and estimates involved in management's assessment of the likelihood and magnitude of forecasting future taxable profits.	Our audit procedures included the following: • Assessed the accounting policy with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes". • Assessed and tested the effectiveness of internal controls relating to deferred tax assets. • Assessed the historical accuracy of management's assumptions and estimation process by comparing the actual financials against previously forecasted financials for the year ended March 31, 2025 of subsidiaries. • Analysed the performance of subsidiaries and assessed the assumptions used in computation of future profits, including understanding of management's estimate of business impact based on current market. • Assessed the disclosures made in the consolidated financial statements as per Ind AS 12- "Income Taxes".

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report ('Other Information'), but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective

Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and of its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of sixteen subsidiaries and one division whose financial statements include total assets of ₹467.93 crores as at March 31, 2025, and total revenues of ₹690.01 crores and net cash inflow of ₹26.99 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

The consolidated financial statements also include the Group's share of net loss of ₹1.63 crores for the period ended December 31, 2024, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information has been reviewed by its independent auditor. Our opinion, in so far as it relates amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group for the year ended March 31, 2025.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies referred to in 'other matter' paragraph, none of the directors of the Group companies, incorporated in India, are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

(g) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company and its subsidiaries, to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

(i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 47B to the consolidated financial statements;

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2025.

(iv) (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, as disclosed in the note 54 (v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, as disclosed in the note 54 (vi) to the consolidated financial statements no funds have been received by the respective Holding Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

(v) No dividend has been declared or paid during the year/ subsequent to the year end by the Holding company and its subsidiary companies, incorporated in India.

(vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout

the year for all relevant transactions recorded in the software, except as follows (refer note 51 to the consolidated financial statements) –

a) In case of Holding Company and subsidiaries, audit trail feature is not enabled at the –

- database level and for modifications to master data fields in respect the accounting software and
- in respect of supporting softwares, audit trail feature is not enabled for all the relevant transactions recorded in the software.

b) With respect to third-party operated software applications, in the absence of Service Organisation Controls report on audit trail, as described in Note 51 to the consolidated financial statements, we are unable to comment on whether the audit trail feature with respect to third-party operated software applications was enabled and operated throughout the year for all relevant transactions recorded in these software applications or whether there were any instances of the audit trail feature being tampered with.

Additionally, the audit trail of prior year has been preserved by the Group as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966
UDIN: 25048966BMNXHP6132

Place of Signature: Mumbai
Date: May 30, 2025

Annexure 1 referred to in clause 1 of paragraph on the report on 'Other Legal and Regulatory Requirements' of our report of even date

Re: FSN E-Commerce Ventures Limited (the "Holding Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966
UDIN: 25048966BMNXHP6132

Place of Signature: Mumbai
Date: May 30, 2025

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of FSN E-Commerce Ventures Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of FSN E-Commerce Ventures Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies (the Holding Company and its subsidiaries together referred to as the "Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with Reference to these Consolidated Financial Statements

A company's internal financial control with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India. Our report is not qualified in respect of this matter.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966
UDIN: 25048966BMNXHP6132

Place of Signature: Mumbai
Date: May 30, 2025

Consolidated Balance Sheet

as at March 31, 2025

(Amount in ₹ crores, unless stated otherwise)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	4	271.72	235.77
Capital work-in-progress	5	3.17	6.07
Goodwill	6	97.50	61.07
Other Intangible assets	6	135.74	110.46
Right of use assets	7	329.86	260.85
Intangible assets under development	8	33.57	23.70
Investments accounted for using equity method	9	-	33.82
Financial assets			
Investments	9	0.16	0.49
Other financial assets	10	98.68	49.24
Deferred tax assets (net)	11	257.95	268.99
Non-current tax assets (net)		63.95	45.67
Other non-current assets	12	10.15	11.54
Total non-current assets (A)		**1,302.45**	**1,107.67**
Current assets			
Inventories	13	1,417.54	1,192.05
Financial assets			
Trade receivables	14	246.61	241.60
Cash and cash equivalents	15	124.94	75.78
Bank balance other than cash and cash equivalents	16	92.21	164.08
Other financial assets	17	269.30	183.32
Other current assets	18	526.48	436.12
Total current assets (B)		**2,677.08**	**2,292.95**
Total Assets (A+B)		**3,979.53**	**3,400.62**
Equity and liabilities			
Equity			
Equity share capital	19	285.93	285.60
Other equity	20	1,015.35	976.63
Equity attributable to equity holders of the parent		**1,301.28**	**1,262.23**
Non-controlling interest		41.38	18.81
Total equity (A)		**1,342.66**	**1,281.04**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	110.21	-
Lease Liabilities	22	211.55	159.30
Other financial liabilities	23	135.88	71.19
Provisions	24	18.64	10.22
Total non-current liabilities (B)		**476.28**	**240.71**
Current liabilities			
Financial liabilities			
Borrowings	25	851.15	680.40
Lease liabilities	26	147.68	129.78
Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		45.26	37.01
- Total outstanding dues of creditors other than micro enterprises and small enterprises		589.57	349.68
Other financial liabilities	28	438.61	608.46
Provisions	29	10.19	8.69
Contract liabilities	30	37.61	27.34
Other current liabilities	31	40.52	37.51
Total current liabilities (C)		**2,160.59**	**1,878.87**
Total liabilities (B+C)		**2,636.87**	**2,119.58**
Total equity and liabilities (A+B+C)		**3,979.53**	**3,400.62**

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No.: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

P. Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(Amount in ₹ crores, except per share data and unless stated otherwise)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	32	7,949.82	6,385.62
Other income	33	27.26	29.94
Total Income		**7,977.08**	**6,415.56**
Expenses			
Cost of material consumed	34	8.10	65.11
Purchase of traded goods	35	4,683.08	3,781.68
Changes in inventories of finished goods and stock-in-trade	36	(218.52)	(200.40)
Employee benefits expense	37	666.07	564.90
Finance costs	38	107.32	82.83
Depreciation and amortisation expense	39	266.40	224.23
Other expenses	40	2,337.18	1,828.19
Total expense		**7,849.63**	**6,346.54**
Profit before share of loss of an associate and tax		**127.45**	**69.02**
Tax expense/(credit):			
Current tax	11	41.50	106.73
Deferred tax	11	12.25	(81.42)
Total tax expense		**53.75**	**25.31**
Profit after tax		**73.70**	**43.71**
Share in loss of associate {refer note 52 (B)}		(1.63)	(3.97)
Profit for the year		**72.07**	**39.74**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit plan		(6.01)	0.81
Income tax effect on above		1.21	(0.20)
		(4.80)	**0.61**
(ii) Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations, net		0.49	(0.17)
		0.49	**(0.17)**
Other comprehensive (loss)/income for the year, net of tax		**(4.31)**	**0.44**
Total Comprehensive Income for the year		**67.76**	**40.18**
Profit attributable to:			
Equity holders of the parent		66.08	32.26
Non-controlling interest		5.99	7.48
		72.07	**39.74**
Other comprehensive income/(loss) attributable to:			
Equity holders of the parent		(4.41)	0.51
Non-controlling interest		0.10	(0.07)
		(4.31)	**0.44**
Total comprehensive income attributable to:			
Equity holders of the parent		61.67	32.77
Non-controlling interest		6.09	7.41
		67.76	**40.18**
Earnings per share of face value ₹ 1/- each	41		
Basic earnings per equity share (in ₹)		0.23	0.11
Diluted earnings per equity share (in ₹)		0.23	0.11

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No.: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

P. Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(Amount in ₹ crores, unless stated otherwise)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Profit before tax as per Statement of Profit and Loss	**127.45**	**69.02**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment and right of use assets	232.12	199.86
Amortisation of intangible assets	34.28	24.37
Interest expense and other finance costs	107.32	82.83
Unrealised foreign exchange loss (net)	-	0.64
Share-based expense	16.90	16.36
Provision for gratuity expense	4.31	4.58
Provision for compensated expense	2.31	(1.90)
Allowance for expected credit loss	(0.78)	11.31
Interest income	(18.29)	(19.73)
Liabilities no longer required written back	-	(1.83)
Bad Debts Written off	3.52	-
Gain on cancellation of lease	(3.84)	(2.75)
Operating profit before working capital changes	**505.30**	**382.76**
Working capital Adjustments:		
(Increase) in trade receivables	(3.93)	(89.38)
(Increase) in inventories	(217.00)	(186.91)
Decrease/(Increase) in current financial asset	14.03	(59.15)
(Increase) in non-current financial assets	(7.44)	(10.70)
(Increase) in other current assets	(83.24)	(112.42)
(Increase)/Decrease in other non-current assets	(0.65)	3.19
Increase in trade payables	245.80	122.09
Increase/(Decrease) in provisions	1.21	(2.69)
Increase in current financial liabilities	63.35	86.13
Increase/(Decrease) in other current liabilities	13.15	(0.53)
(Decrease) in long-term provisions	(4.21)	(0.91)
Cash flows generated from operating activities	**526.37**	**131.48**
Payment of taxes (net of refunds)	(59.74)	(131.23)
Net cash flows generated from operating activities (A)	**466.63**	**0.25**
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets (net of capital advances)	(127.22)	(110.73)
Proceeds from long-term fixed deposits	19.95	158.14
(Investment) in long-term fixed deposits	(116.94)	(23.24)
Proceeds/(Investment) from/in bank deposits (net)	38.23	(56.11)
Purchase of investments in associate including call option (net off cash and cash equivalent)	(29.02)	-
Interest received	9.57	21.83
Net cash flows (used in) investing activities (B)	**(205.43)**	**(10.11)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(Amount in ₹ crores, unless stated otherwise)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from financing activities		
Proceeds from issue of equity shares/ shares pending allotment including security premium (net off expenses)	18.06	17.23
Acquisition of non-controlling interest	(267.92)	-
Issue of shares to non-controlling interest by subsidiary	13.10	10.71
Proceeds from non-current borrowings	192.62	-
Repayments of non-current borrowings	(0.36)	(0.36)
Proceeds from current borrowings (net)	84.52	220.39
Interest paid on borrowings	(72.39)	(55.77)
Principal payment of lease liabilities	(146.49)	(116.65)
Interest paid on lease liabilities	(33.18)	(31.29)
Net cash flows (used in)/from financing activities (C)	**(212.04)**	**44.26**
Net increase in cash and cash equivalents (A+B+C)	**49.16**	**34.40**
Cash and cash equivalents at the beginning of the year	75.78	41.38
Cash and cash equivalents at the year end (refer note 15)	**124.94**	**75.78**

Notes:

1. Non-cash transactions relating to investing and financing activities (refer note 17,28 and 42)
2. The above Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No.: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

P. Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(Amount in ₹ crores, unless stated otherwise)

A. Equity share capital

Equity shares issued, subscribed and fully paid (refer note 19)

Particulars	No. of shares	Amount
As at April 1, 2023	2,85,24,46,720	285.25
Issue of equity shares of face value of ₹1 each	35,38,889	0.35
As at March 31, 2024	**2,85,59,85,609**	**285.60**
Issue of equity shares of face value of ₹1 each	32,66,874	0.33
As at March 31, 2025	**2,85,92,52,483**	**285.93**

B. Other equity

Particulars	Equity attributable to equity holders of the parent										Non-controlling interest	Total
	Reserves and surplus											
	Share application money pending allotment	Retained earnings	Securities premium	Capital reserve	Debenture redemption reserve (DRR)	Employee shares option scheme reserve	Other reserves	Foreign Currency Translation Reserve	Other Comprehensive Income (OCI)	Total other equity		
Balance as at April 01, 2023	0.05	(38.89)	1,214.16	0.04	-	16.93	(98.36)	0.11	(1.27)	1,092.77	14.15	1,106.92
Net profit for the year	-	32.26	-	-	-	-	-	-	-	32.26	7.48	39.74
Other comprehensive income	-	-	-	-	-	-	-	(0.17)	0.68	0.51	(0.07)	0.44
Total comprehensive income	**-**	**32.26**	**-**	**-**	**-**	**-**	**-**	**(0.17)**	**0.68**	**32.77**	**7.41**	**40.18**
Securities premium on issue of shares on account of ESOP	-	-	16.42	-	-	-	-	-	-	16.42	-	16.42
Addition on account of share application money received	17.23	-	-	-	-	-	-	-	-	17.23	-	17.23
Share-based payments (refer note 50)	-	-	-	-	-	16.51	-	-	-	16.51	-	16.51
Issue of shares to non-controlling interest by subsidiary	-	-	-	-	-	-	-	-	-	-	10.71	10.71
Shares allotted / lapsed during the year on account of ESOP	(16.78)	0.48	4.85	-	-	(5.33)	-	-	-	(16.78)	-	(16.78)
Financial liability for acquisition through put option	-	-	-	-	-	-	(195.75)	-	-	(195.75)	-	(195.75)
Adjustment for NCI's carrying value for put option	-	-	-	-	-	-	13.46	-	-	13.46	(13.46)	-
As at March 31, 2024	**0.50**	**(6.15)**	**1,235.43**	**0.04**	**-**	**28.11**	**(280.65)**	**(0.06)**	**(0.59)**	**976.63**	**18.81**	**995.44**
Net profit for the year	-	66.08	-	-	-	-	-	-	-	66.08	5.99	72.07
Other comprehensive income	-	-	-	-	-	-	-	0.49	(4.90)	(4.41)	0.10	(4.31)
Total comprehensive income	**-**	**66.08**	**-**	**-**	**-**	**-**	**-**	**0.49**	**(4.90)**	**61.67**	**6.09**	**67.76**
Securities premium on issue of shares on account of ESOP	-	-	18.15	-	-	-	-	-	-	18.15	-	18.15
Addition on account of share application money received	18.06	-	-	-	-	-	-	-	-	18.06	-	18.06
Share-based payments (refer note 50)	-	-	-	-	-	16.90	-	-	-	16.90	-	16.90
Issue of shares to non-controlling interest by subsidiary	-	-	-	-	-	-	-	-	-	-	13.10	13.10
Shares allotted / lapsed during the year under ESOP scheme	(18.48)	1.03	6.91	-	-	(7.94)	-	-	-	(18.48)	-	(18.48)
Financial liability for acquisition through put option	-	-	-	-	-	-	(70.72)	-	-	(70.72)	-	(70.72)
Adjustment for NCI's carrying value for put option							13.14			13.14	(13.14)	-
Creation of DRR on account of issue of non-convertible debentures	-	(12.50)	-	-	12.50	-	-	-	-	-	-	-
Recognition of NCI on account of acquisition (Refer note 52 (B))	-	-	-	-	-	-	-	-	-	-	16.52	16.52
As at March 31, 2025	**0.08**	**48.46**	**1,260.49**	**0.04**	**12.50**	**37.07**	**(338.23)**	**0.43**	**(5.49)**	**1,015.35**	**41.38**	**1,056.73**

Refer note 20 for the nature and purpose of each reserve.

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No.: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

P. Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

Notes

Forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

1 Corporate Information

FSN E-Commerce Ventures Limited (hereinafter referred as the 'Company' or 'Holding Company' or 'Parent') (CIN: L52600MH2012PLC230136) and its subsidiaries (collectively, the 'Group') for the year ended March 31, 2025. The Company is a public company incorporated and domiciled in India. The registered office of the Company is located at 104, Vasan Udyog Bhavan, Sun Mill compound, Tulsi Pipe Road, Lower Parel, Mumbai - 400 013.

The Group is engaged in the business of manufacturing, selling and distribution of beauty, wellness, fitness, personal care, health care, skin care, hair care products, fashion garments, fashion accessories and equipments on the online portals or websites such as e-commerce, m-commerce, internet, intranet as well as through physical stores, stalls, general trade and modern trade etc. and also in providing marketing support services.

The Board of Directors have approved the Consolidated Financial Statements for the year ended March 31, 2025 and approved for the issue on May 30, 2025.

2 Material Accounting policies

2A Basis of preparation

i) Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

ii) Historical cost convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

a) Certain financial assets and liabilities (including derivative instruments) are measured at fair value

b) defined benefit plans

c) equity settled ESOP at grant date fair value.

iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated September 28, 2024 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain accounting standards, and are effective from the date of notification. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

iv) New and amended standards issued but not effective

There are no standards that are notified and not yet effective as on the date.

2B Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries and associate as at March 31, 2025. Control is achieved when the Group is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements;

(iii) The Group's voting rights and potential voting rights;

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders;

(v) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period/year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Associates are those companies over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the

Notes

Forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31, 2025. When the end of the reporting period of the Holding Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The results of subsidiaries and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Consolidation procedure:

(a) Like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company are combined with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Under the equity method of accounting (in case of associate), the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments are tested for impairment.

(e) Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated financial statements.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost

(ii) Derecognises the carrying amount of any non-controlling interests

(iii) Derecognises the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration received

(v) Recognises the fair value of any investment retained

(vi) Recognises any surplus or deficit in Statement of Profit and Loss

(vii) Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners

(viii) Reclassifies the Company's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

Notes

Forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

2C Summary of material accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised as incurred and included in other expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with Ind AS 109. Other contingent consideration that is not within the scope of Ind AS 109 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The interest of non-controlling shareholders may be initially measured either at fair value or at the noncontrolling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional interest acquired is adjusted in equity.

b) Current versus non-current classification

The Group segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified period up to twelve months as its operating cycle.

Notes

Forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

c) Property plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the qualifying asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is included in asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss for the period during which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on property, plant and equipment not ready for their intended use is disclosed as Capital Work-in-Progress and is stated at cost, net of accumulated impairment loss, if any. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation on Property, Plant & Equipment

Depreciation is provided using the Straight-Line Method based on useful lives of the assets prescribed in Schedule II to the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Property, plant and equipment	Useful lives (in years)
Plant and Machinery	8
Computers and Hardware	3
Furnitures and Fixtures	10
Office Equipment	5
Vehicles	8
Leasehold equipments	Period of primary lease

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively for any change in estimate, if appropriate. Changes in expected useful lives are treated as change in accounting estimate.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the period/year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss.

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project are recognised as an intangible asset when the Group can demonstrate:

a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

b) Its intention to complete and its ability and intention to use or sell the asset

Notes

Forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

c) How the asset will generate future economic benefits

d) The availability of resources to complete the asset

e) The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Amortisation of intangible assets

Intangible assets are amortised on straight line basis as per the following useful lives:

Intangible asset	Useful lives (in years)
Trademark	5-15 years
Business application development (Internally generated)	3
Computer Software	3
Brands	15

e) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised, i.e. wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net fair value and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Statement of Profit and Loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

Stock in trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion necessary to make the sale.

An inventory provision is recognised for cases where the net realisable value is estimated to be lower than the inventory carrying value. The net realisable value is estimated taking into account various factors, including obsolescence of material due to design change, process change etc., unserviceable items i.e. items which cannot be used due to deterioration in quality or due to shelf life or damaged in storage and ageing of material i.e. slow moving/non-moving prevailing sales prices of inventory.

Notes

Forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

g) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

i) Right-of-use assets (ROU Asset)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the primary lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low value assets:

The Group applies the short-term lease recognition exemption to its short-term leases of buildings, furniture and fixtures (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset is considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Initial recognition and measurement

All financial assets and liabilities are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Section 2C(i) Revenue from contracts with customers.

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In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

II) Subsequent measurement

i) Financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments)

b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

d) Financial assets at fair value though profit or loss.

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets at amortised cost includes trade and other receivables and loans to employees.

Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial Assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

Impairment of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

ii) Financial Liabilities

Initial recognition, measurement and presentation

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Subsequent measurement

Financial liabilities at fair value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/

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losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss on the reclassification date.

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iii) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of discounts offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Group identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Group expects to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Contacts where the Group's obligation is to arrange for the provision of goods and services by another party, the Group recognises revenue in the amount of the commission to which it expects to be entitled in exchange for arranging for the provision of goods and services.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/ incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Income from marketplace services:

The Group's B2B marketplace service generates revenue primarily from transaction fee paid by vendors in marketplace. Revenue related to transaction fees and any related fulfilment fees earned from these arrangements are recognised when the services are rendered, which generally happens at the time underlying sales has been concluded.

Marketing Support Revenue

The Group recognises marketing income i.e. visibility services provided by the Group to various brands at retail outlets of the Group. Revenue from advertisement services is recognised when advertisement is displayed.

Advertising revenue is derived from displaying web and application-based banner ads and sale of online advertisements. Revenue from banner advertisement is recognised when advertisement is displayed.

Revenue from sale of online advertisements is recognised based on output method and the Group applies the practical expedient to recognise advertising revenue on the amount to which the Group has a right to invoice upon rendering of services.

Reward points programme

The Group has a reward points programme which allows customers to accumulate points that can be redeemed against future purchases of products at discounted prices. The reward points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the reward points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the reward points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on an annual basis and any adjustments to the contract liability balance are charged against revenue.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If the Group performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract

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asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

iv) Interest income

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head "other income" in the statement of profit and loss.

v) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

vi) Foreign currency transactions Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Exchange differences

Exchange differences arising on settlement or translation of other monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period/year, or reported in previous financial statements, are recognised as income or as expenses in the Statement of Profit and Loss in the period/year in which they arise.

Translation of financial statements of foreign entities

Translation of financial statements of foreign entities. On consolidation, the assets and liabilities of foreign operations are translated into (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

Net investments in foreign operation

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss.

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vii) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

ix) Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit and Loss.

Post-employment benefits

Defined Contribution Plans

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period/year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund.

The Group recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined Benefit Plans

Gratuity

The Group have an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity benefits are unfunded.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period/year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through 'Other comprehensive income' in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future utilisation / encashment. The liability is provided based on the number of days of recognised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

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x) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The management assessed that cash and cash equivalents, trade receivables, advances, trade payables, bank overdraft and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management selects appropriate valuation techniques using discounted cash flow model when the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xi) Income taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised

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to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax are measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date. Current income tax and deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

xii) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, and other short-term highly liquid investments which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

xiii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence and other disclosures in the notes to the financial statements unless the possibility of any outflow in settlement is remote.

xiv) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

xv) Segment reporting policies

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities".

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3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

I) Judgements:

Determining the lease term of contracts with renewal and termination options — the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group included the renewal period as part of the lease term for leases of property with shorter non-cancellable period (i.e., 3 to 5 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on business if a replacement alternate property is not readily available. The renewal periods for leases of property with longer non-cancellable periods (i.e., 6 to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

II) Estimates and assumptions

a) Estimation of useful life of property, plant and equipment and intangible asset

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial period/year end. The lives are based on historical experience with similar assets.

b) Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Estimation of defined benefit obligation and compensated absences

The cost of the defined benefit gratuity plan, compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

Notes

Forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2025

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes.

d) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

e) Deferred Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

f) Business combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

g) Provision

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

h) Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions and independent valuer's report. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

i) Provision for expected credit losses of trade receivables and contract assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions and independent valuer's report. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

j) Leases – Estimating the incremental borrowing rates

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's credit rating).

k) Other estimates

The share-based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

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(Amounts in ₹ crores, unless stated otherwise)

4 Property, Plant and Equipment

Particulars	Computers and hardware	Furniture and fixtures	Office equipment	Vehicles	Plant and machinery	Leasehold improvements	Total
Gross carrying amount							
As at April 01, 2023	**61.28**	**154.66**	**62.02**	**1.02**	**1.42**	**68.24**	**348.64**
Additions	4.16	40.08	10.20	0.11	0.33	20.66	75.54
Disposals	0.00*	(0.26)	(0.07)	-	-	-	(0.33)
As at March 31, 2024	**65.44**	**194.48**	**72.15**	**1.13**	**1.75**	**88.90**	**423.85**
Additions	12.23	51.75	27.26	0.70	0.23	25.30	117.47
Addition on account of acquisition {refer note 52 (B)}	0.38	0.48	0.45	0.05	1.98	0.37	3.71
Disposals	(5.05)	(15.01)	(2.14)	-	(0.02)	(8.66)	(30.88)
Foreign exchange (loss) / gain (net)	0.01	0.07	0.03	-	-	-	0.11
As at March 31, 2025	**73.01**	**231.77**	**97.75**	**1.88**	**3.94**	**105.91**	**514.26**
Accumulated depreciation							
As at April 01, 2023	**33.56**	**36.27**	**18.56**	**0.52**	**0.30**	**28.09**	**117.30**
Depreciation charge for the year	15.54	20.36	12.64	0.11	0.14	22.02	70.81
Disposals	-	(0.02)	(0.01)	-	-	-	(0.03)
As at March 31, 2024	**49.10**	**56.61**	**31.19**	**0.63**	**0.44**	**50.11**	**188.08**
Depreciation charge for the year	13.29	26.83	14.93	0.20	0.22	25.01	80.48
Addition on account of acquisition {refer note 52 (B)}	0.32	0.11	0.13	0.02	0.51	0.13	1.22
Disposals	(4.77)	(13.95)	(1.57)	-	(0.01)	(6.93)	(27.23)
Foreign exchange (loss) / gain (net)	(0.00)*	(0.00)*	(0.01)				(0.01)
As at March 31, 2025	**57.94**	**69.60**	**44.67**	**0.85**	**1.16**	**68.32**	**242.54**
Net carrying amount							
As at March 31, 2025	**15.07**	**162.17**	**53.08**	**1.03**	**2.78**	**37.59**	**271.72**
As at March 31, 2024	**16.34**	**137.87**	**40.96**	**0.50**	**1.31**	**38.79**	**235.77**

*Less than ₹0.01 crores.

Notes:

1. Movable assets have been pledged to secure borrowings of the Group (refer note 21 and note 25).
2. Refer note 47 for capital commitments.

5 Capital work-in-progress

Particulars	Amount
As at April 01, 2023	2.02
Addition	22.86
Capitalisation	(18.81)
As at March 31, 2024	**6.07**
Addition	44.93
Capitalisation	(47.83)
As at March 31, 2025	**3.17**

Capital work-in-progress ageing schedule

Particulars	Amount lying in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025	3.17	-	-	-	3.17
As at March 31, 2024	6.07	-	-	-	6.07

Notes:

1. Capital work-in-progress comprises of expenses incurred towards improvement to leasehold premises.
2. There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended, on the above mentioned reporting dates.

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(Amounts in ₹ crores, unless stated otherwise)

6 Intangible assets

Particulars	Business application development cost	Computer Softwares	Trademark	Total Other Intangible Assets	Goodwill
Gross carrying amount					
As at April 01, 2023	**66.18**	**7.10**	**77.10**	**150.38**	**61.10**
Additions	35.43	4.91	0.01	40.35	-
Disposals	-	-	-	-	-
As at March 31, 2024	**101.61**	**12.01**	**77.11**	**190.73**	**61.10**
Additions	29.79	-	1.90	31.69	
Addition on account of acquisition {refer note 52 (B)}	-	0.72	28.52	29.24	36.43
Disposals	(0.91)	-	(0.04)	(0.95)	-
Foreign exchange (loss) / gain (net)	0.03	0.02	-	0.05	-
As at March 31, 2025	**130.52**	**12.75**	**107.49**	**250.76**	**97.53**
Accumulated amortisation					
As at April 01, 2023	**41.61**	**5.33**	**8.96**	**55.90**	**0.03**
Amortisation charge for the year	15.08	1.61	7.68	24.37	-
Disposals	-	-	-	-	-
As at March 31, 2024	**56.69**	**6.94**	**16.64**	**80.27**	**0.03**
Amortisation charge for the year	22.29	3.41	8.58	34.28	-
Addition on account of acquisition {refer note 52 (B)}	-	0.47	0.03	0.50	-
Disposals	-	-	(0.03)	(0.03)	-
As at March 31, 2025	**78.98**	**10.82**	**25.22**	**115.02**	**0.03**
Net carrying amount					
As at March 31, 2025	**51.54**	**1.93**	**82.27**	**135.74**	**97.50**
As at March 31, 2024	**44.92**	**5.07**	**60.47**	**110.46**	**61.07**

Notes:

1. Refer note 47 for capital commitments.
2. Refer note 52 {C} for goodwill impairment assessment.

7 Right of use assets

Particulars	Buildings	Furniture & Fixtures	Total
Gross carrying amount			
As at April 01, 2023	**533.35**	**-**	**533.35**
Additions	104.87	-	104.87
Disposals	(71.52)	-	(71.52)
As at March 31, 2024	**566.70**	**-**	**566.70**
Additions	218.75	17.33	236.08
Addition on account of acquisition {refer note 52 (B)}	8.79	-	8.79
Disposals	(85.01)	-	(85.01)
Foreign exchange (loss) / gain (net)	0.06		0.06
As at March 31, 2025	**709.29**	**17.33**	**726.62**
Accumulated depreciation			
As at April 01, 2023	**221.43**	**-**	**221.43**
Depreciation charge for the year	129.05	-	129.05
Disposals	(44.63)	-	(44.63)
As at March 31, 2024	**305.85**	**-**	**305.85**
Depreciation charge for the year	149.48	2.16	151.64
Addition on account of acquisition {refer note 52 (B)}	3.83	-	3.83
Disposals	(64.57)	-	(64.57)
Foreign exchange (loss) / gain (net)	0.01	-	0.01
As at March 31, 2025	**394.60**	**2.16**	**396.76**
Net carrying amount			
As at March 31, 2025	**314.69**	**15.17**	**329.86**
As at March 31, 2024	**260.85**	**-**	**260.85**

Note:

1) Disposals include derecognition of ROU asset on cancellation/expiry of lease contract.

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

8 Intangible assets under development ('IAUD')

Particulars	Amount
As at April 01, 2023	28.85
Addition	33.19
Capitalisation	(38.34)
As at March 31, 2024	**23.70**
Addition	39.60
Addition on account of acquisition {refer note 52 (B)}	0.11
Capitalisation	(29.84)
As at March 31, 2025	**33.57**

Particulars	Amount of the IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025	25.82	7.75	-	-	33.57
As at March 31, 2024	23.59	0.11	-	-	23.70

Notes:

1. Intangible assets under development include cost for development of business application and cost for implementation of accounting and finance software.
2. There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above-mentioned reporting dates.

9 Non-current investments (unquoted)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in preference shares (unquoted, fully paid up)		
JMS Logistics and Express Private Limited	-	-
In Series A1 Compulsory Convertible Cumulative Preference Shares of ₹1/- each	-	-
Total investments measured at FVTOCI (refer note 1 below)	**-**	**-**
Investments in associates accounted for using equity method (unquoted, fully paid up)		
Earth Rhythm Private Limited {(March 31,2024:8,230 fully paid equity shares of ₹10 each)}[1] (refer note 3 below)	-	33.82
Total investments in associates	**-**	**33.82**
Measured at FVTPL		
Other non-tradeable investments	0.16	0.49
Total non-current investments	**0.16**	**34.31**
Aggregate amount of unquoted investments	**0.16**	**34.31**
Aggregate amount of impairment in value of investments (refer note 2 below)	**3.80**	**3.80**

[1]Refer note 52 (B)

Notes:

1. Investments at fair value through OCI (fully paid) reflect investment in unquoted securities. These securities are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding.
2. The Group had invested ₹3.80 crores, which has been impaired in earlier years.
3. In accordance with the requirement of Ind AS 1- Presentation of Financial Statements, the investment in associates as at March 31, 2024, accounted using equity method had been presented as a separate line item in the balance sheet under the head 'non- current assets'.

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(Amounts in ₹ crores, unless stated otherwise)

10 Other financial assets (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Security deposits (unsecured, considered good)	51.26	44.56
Deposits with banks with original maturity of more than twelve months	6.24	4.68
Deposits with Financial Institutions with original maturity of more than twelve months	40.00	-
Measured at FVTPL		
Call option asset (Refer note 52 {B})	1.18	-
Total	**98.68**	**49.24**

11 Income tax

(a) The major components of income tax expense / (credit) are:

(1) Income tax expense reported in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax:		
In respect of current year	35.98	106.73
In respect of earlier year[#]	5.52	-
	41.50	**106.73**
Deferred tax:		
In respect of current year	17.48	(81.42)
In respect of earlier year[#]	(5.23)	-
	12.25	(81.42)
Income tax expense reported in the Statement of Profit and Loss	**53.75**	**25.31**

[#]On account of actualisation of Income tax return filed by the Company for the Assessment Year 2024-25.

(2) OCI section – Deferred tax related to items recognised in OCI during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Tax income/(expense) on remeasurements of defined benefit plans and fair valuation of investments	1.21	(0.20)
Income tax expense credited / (charged) to OCI	**1.21**	**(0.20)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	127.45	69.02
Applicable tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	32.08	17.37
Tax effect of:		
Amortisation on acquired trademark	1.78	1.58
Corporate Social Responsbility	1.62	1.22
Deferred tax asset not created on losses of early stage subsidiaries	17.08	7.99
Others	1.19	(2.85)
	53.75	**25.31**
Current tax expense	41.50	106.73
Deferred tax expense/(credit)	12.25	(81.42)
Tax expense recognised in the Statement of Profit and Loss	**53.75**	**25.31**
Effective tax rate	**42.17%**	**36.67%**

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(Amounts in ₹ crores, unless stated otherwise)

(c) Reconciliation of average effective tax rate and applicable tax rate for March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	127.45	69.02
Applicable tax rate	25.17%	25.17%
Tax effect of:		
Amortisation on acquired trademark	1.39%	2.29%
Corporate Social Responsbility	1.27%	1.77%
Deferred tax asset not created on losses of early stage subsidiaries	13.40%	11.58%
Others	0.94%	(4.13%)
Effective tax rate	**42.17%**	**36.67%**

Deferred tax assets (net):

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets arising on account of		
Expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	50.36	31.12
Brought forward losses	84.16	151.36
Allowance for expected credit losses	3.54	4.30
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	75.91	54.29
Unrealised profit on Inventory	33.67	15.23
Lease liabilities	95.57	81.71
Deferred tax assets (A)	**343.21**	**338.01**
Deferred tax liabilities arising on account of		
Depreciation on Right of use assets	85.26	69.02
Deferred tax liabilities (B)	**85.26**	**69.02**
Deferred tax assets (net) (C=A-B)	**257.95**	**268.99**

The Group as at March 31, 2025 has recognised deferred tax assets in the books of Nykaa Fashion Limited (Formerly known as Nykaa Fashion Private Limited) of ₹72.18 crores (March 31, 2024: ₹77.18 crores), FSN Distribution Limited (Formerly known as FSN Distribution Private Limited) of ₹6.70 crores (March 31, 2024: ₹66.54 crores), in respect of carry forward losses, unabsorbed depreciation and other temporary differences. In assessing the realisability of its deferred tax assets, the management of these entities has considered business projection for foreseeable future period and believes that such projections are reliable and represent convincing evidence that sufficient taxable profit will be available against which the carry forward losses and unabsorbed depreciation can be utilised.

The Group has tax losses which arose in India of ₹3.51 crores (March 31, 2024: Nil) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose and these losses will expire in March 2033. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group.

Reconciliation of deferred tax assets (net):

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**268.99**	**187.77**
Tax (expense)/credit recognised in Statement of Profit and Loss for the year	(12.25)	81.42
Tax credit / (expense) recognised in OCI for the year	1.21	(0.20)
Closing balance	**257.95**	**268.99**

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(Amounts in ₹ crores, unless stated otherwise)

12 Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advance for capital goods	2.42	4.46
Balance with statutory / government authorities	7.73	7.08
Total	**10.15**	**11.54**

13 Inventories (Valued at lower of cost or net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Stock-in-trade*	1,357.14	1,133.72
Finished goods*	35.86	40.76
Raw materials	5.84	4.36
Packing material	18.70	13.21
Total	**1,417.54**	**1,192.05**
Provision for inventories taking into account various factors, including obsolescence of material, unserviceable items and ageing of material	158.10	88.43

*The inventory includes good-in-transit as follows:

Stock-in-trade - As at March 31, 2025 ₹101.05 crores (March 31, 2024 : ₹71.45 crores)

Finished goods - As at March 31, 2025 ₹7.87 crores (March 31, 2024 : ₹2.83 crores)

14 Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables - unsecured, considered good	246.61	241.60
Trade receivables - credit Impaired	14.29	17.20
Gross Trade receivables	**260.90**	**258.80**
Less: allowances for expected credit loss (refer note 46)	(14.29)	(17.20)
Total	**246.61**	**241.60**

Trade receivable ageing schedule (gross)

As at March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – unsecured, considered good	56.54	190.07	-	-	-	-	246.61
Undisputed trade receivables – credit impaired	0.22	0.42	8.24	4.24	0.75	0.42	14.29
Total	**56.76**	**190.49**	**8.24**	**4.24**	**0.75**	**0.42**	**260.90**

As at March 31, 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – unsecured, considered good	95.94	145.66	-	-	-	-	241.60
Undisputed trade receivables – credit impaired	0.19	0.45	12.05	0.78	0.38	3.35	17.20
Total	**96.13**	**146.11**	**12.05**	**0.78**	**0.38**	**3.35**	**258.80**

Note:

1) For details of trade receivable with related party refer note 44 related party transactions.

Notes

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(Amounts in ₹ crores, unless stated otherwise)

15 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.08	0.10
Balances with banks in current accounts	56.20	67.47
Deposits with original maturity of less than three months[1 and 2]		
- With Banks	68.66	8.21
Total	**124.94**	**75.78**

(1) Deposits earns interest at floating rates based on daily bank deposit rates on deposits. Short Term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(2) Includes lien amounting to ₹1.60 crores.

16 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with bank in nodal account	-	33.83
Deposits with original maturity for more than three months but less than twelve months[1]		
- With Banks	82.21	130.25
- With Financial Institution.	10.00	-
Total	**92.21**	**164.08**

(1) Includes lien amounting to ₹14.32 crores (March 31, 2024: ₹0.04 crores).

17 Other financial assets (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Security deposit		
Considered good	32.80	17.98
Credit impaired	0.76	1.08
Less: Allowances for expected credit loss (refer note 46)	(0.76)	(1.08)
Unbilled receivable	52.77	70.94
Current maturity of deposits with banks having original maturity of more than twelve months[1]	65.17	19.92
Current maturity of deposits with Financial Institution having original maturity of more than twelve months	10.00	-
Receivable from payment gateway / cash collection vendors	101.54	71.55
Interest accrued on deposit but not due	4.83	2.92
Other Receivable	2.19	-
Measured at FVTPL		
Mark to market derivative instrument	-	0.01
Total	**269.30**	**183.32**

(1) Includes lien amounting to ₹0.08 crores (March 31, 2024: ₹0.57 crores).

Interest accrued on deposit but not due

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	2.92	10.81
Interest accrued during the year	11.48	13.94
Receipt of interest during the year	(9.57)	(21.83)
Closing balance	**4.83**	**2.92**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

18 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advances other than capital advances		
Advance to suppliers	39.93	51.32
Prepaid expenses	18.70	19.46
Balance with statutory / government authorities	467.85	365.34
Total	**526.48**	**436.12**

19 Share capital

Particulars	Equity shares	
	Numbers	Amount
Authorised Share Capital		
As at April 01, 2023 (face value ₹ 1 each)	**3,25,00,00,000**	**325.00**
Increase during the year	-	-
As at March 31, 2024 (face value ₹ 1 each)	**3,25,00,00,000**	**325.00**
Increase during the year	-	-
As at March 31, 2025 (face value ₹ 1 each)	**3,25,00,00,000**	**325.00**

Issued, subscribed and fully paid-up share capital

Particulars	Equity shares	
	Numbers	Amount
As at April 01, 2023	**2,85,24,46,720**	**285.25**
Issue of equity shares of face value of ₹1 each	35,38,889	0.35
As at March 31, 2024	**2,85,59,85,609**	**285.60**
Issue of equity shares of face value of ₹1 each	32,66,874	0.33
As at March 31, 2025	**2,85,92,52,483**	**285.93**

Notes:

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval.

(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Sanjay Nayar (through family trust)	63,41,13,520	22.18%	63,41,13,520	22.20%
Falguni Nayar (through family trust)	62,58,34,620	21.89%	62,58,34,620	21.91%
Indra Singh Banga / Harindarpal Singh Banga*	-	-	18,28,78,740	6.40%

*Below 5% in Current year.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

(c) Shares reserved for issue under option

The Company has reserved issuance of 21,00,00,000 (March 31, 2024: 21,00,00,000) equity Shares of ₹1 each for offering to Eligible Employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year ended March 31, 2025 the Company has granted 38,75,000 options (March 31, 2024: 16,18,400). Cumulative number of equity shares granted under Employee Stock Option Scheme (ESOS) is 6,49,41,800 equity shares as at March 31, 2025. (March 31, 2024: 6,10,66,800).

(d) Shares issued for consideration other than cash

1. The Company has issued 2,373,563,075 bonus shares of face value of ₹1 each during the year vide shareholders' approval dated November 02, 2022 in the ratio of 5 bonus shares for every 1 share held.
2. The Company had issued 31,13,57,900 bonus shares of face value of ₹1 each during the year 2021-22 vide shareholders' approval dated July 16, 2021 in the ratio of 2 bonus shares for every 1 share held.

(e) Details of promoter shareholding

As at March 31, 2025

Promoter Name	Description	No. of shares at the beginning of the year	% of Total Shares	No. of shares at the end of the year	% of Total Shares	% change during the year
Individuals:						
Anchit Nayar		9,60,480	0.03%	9,60,480	0.03%	0.00%
Adwaita Nayar		1,80,360	0.01%	1,80,360	0.01%	0.00%
Rashmi Mehta		63,162	0.00%	63,162	0.00%	0.00%
Through Family Trust:						
Sanjay Nayar Family Trust	Equity shares of ₹1 each fully paid	63,41,13,520	22.20%	63,41,13,520	22.18%	(0.02%)
Falguni Nayar Family Trust		62,58,34,620	21.91%	62,58,34,620	21.89%	(0.02%)
Anchit Nayar Family Trust		8,66,20,000	3.03%	8,66,20,000	3.03%	0.00%
Adwaita Nayar Family Trust		8,66,20,000	3.03%	8,66,20,000	3.03%	0.00%
Adwaita Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	0.00%
Anchit Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	0.00%
Total		**1,49,13,92,142**	**52.21%**	**1,49,13,92,142**	**52.17%**	**(0.04%)**

As at March 31, 2024

Promoter Name	Description	No. of shares at the beginning of the year	% of Total Shares	No. of shares at the end of the year	% of Total Shares	% change during the year
Individuals:						
Anchit Nayar		9,60,480	0.03%	9,60,480	0.03%	0.00%
Adwaita Nayar		1,80,360	0.01%	1,80,360	0.01%	0.00%
Rashmi Mehta		63,162	0.00%	63,162	0.00%	0.00%
Through Family Trust:						
Sanjay Nayar Family Trust	Equity shares of ₹1 each fully paid	63,49,13,520	22.26%	63,41,13,520	22.20%	(0.06%)
Falguni Nayar Family Trust		62,58,34,620	21.94%	62,58,34,620	21.91%	(0.03%)
Anchit Nayar Family Trust		8,62,20,000	3.02%	8,66,20,000	3.03%	0.01%
Adwaita Nayar Family Trust		8,62,20,000	3.02%	8,66,20,000	3.03%	0.01%
Adwaita Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	0.00%
Anchit Nayar - Sanjay Nayar Family Trust		2,85,00,000	1.00%	2,85,00,000	1.00%	0.00%
Total		**1,49,13,92,142**	**52.28%**	**1,49,13,92,142**	**52.21%**	**(0.07%)**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

20 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Securities premium		
Opening balance	1,235.43	1,214.16
Add : Additions during the year	18.15	16.42
Add: Transfer from employee share options scheme reserve	6.91	4.85
Closing balance (A)	**1,260.49**	**1,235.43**
(ii) Retained earnings		
Opening balance	(6.15)	(38.89)
Add: Profit during the year	66.08	32.26
Add: Shares lapsed during the year	1.03	0.48
Less: Transfer to debenture redemption reserve	(12.50)	-
Closing balance (B)	**48.46**	**(6.15)**
(iii) Other comprehensive income		
Opening balance	(0.59)	(1.27)
Add: Other comprehensive income for the year	(4.90)	0.68
Closing balance (C)	**(5.49)**	**(0.59)**
(iv) Share application money pending allotment		
Opening balance	0.50	0.05
Add : Additions during the year	18.06	17.23
Less: Shares allotted during the year	(18.48)	(16.78)
Closing balance (D)	**0.08**	**0.50**
(v) Employee share options scheme reserve		
Opening balance	28.11	16.93
Add : Additions during the year	16.90	16.51
Less: Shares exercised / lapsed during the year	(7.94)	(5.33)
Closing balance (E)	**37.07**	**28.11**
(vi) Capital reserve		
Opening balance	0.04	0.04
Add : Additions during the year	-	-
Closing balance (F)	**0.04**	**0.04**
(vii) Debenture redemption reserve		
Opening balance	-	-
Add : Addition during the year	12.50	-
Closing balance (G)	**12.50**	**-**
(viii) Other reserve		
Opening balance	(280.65)	(98.36)
Add : Fair valuation of put option liability for acquisition of subsidiary	(70.72)	(195.75)
Less: NCI share of fair value of put option	13.14	13.46
Closing balance (H)	**(338.23)**	**(280.65)**
(ix) Foreign currency translation reserve		
Opening balance	(0.06)	0.11
Add : Addition during the year	0.49	(0.17)
Closing balance (I)	**0.43**	**(0.06)**
Total (A+B+C+D+E+F+G+H+I)	**1,015.35**	**976.63**

Nature and purpose of reserves:

(i) Securities premium: Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to securities premium.

(ii) Retained earnings: Retained earnings are the profits/(losses) that the Company has earned/incurred till date, less any dividends or other distributions paid to shareholders.

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

(iii) Other Comprehensive Income: This represents the cumulative gains and losses arising on remeasurement of defined employee benefit plan.

(iv) Share application money pending allotment: This represents the share application money received for Employee Stock Option Scheme for which shares are allotted during the current financial year.

(v) Employee share options scheme reserve: The fair value of the equity-settled share based payment transactions with employees is recognised in Employee Share Options Scheme Reserve.

(vi) Capital Reserve: Capital reserve is on account of forfeiture of partly paid up OCRPS and security premium thereon.

(vii) Debenture Redemption Reserve: The Group has issued redeemable non-convertible debentures repayable in two equal annual installments. Accordingly, the Group has created Debenture Redemption Reserve out of its profits as per the requirements of the Companies (Share capital and Debentures) Rules, 2014 (as amended).

(viii) Other Reserve: This represents fair value of put option liability towards acquisition of subsidiary.

(ix) Foreign Currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in foreign currency translation reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

21 Borrowings (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Term loan from Bank (refer note i and iv)	47.80	-
9.25% non-convertible debentures (unsecured) (refer note v)	62.50	-
	110.30	**-**
Less: Unamortised upfront fee on borrowings	(0.09)	-
Total	**110.21**	**-**

Note:

i) As at March 31, 2025, ₹64.68 crores (March 31, 2024: Nil) of the total outstanding borrowings were secured by a first pari passu charge on current assets and movable fixed assets (both present and future). Weighted average rate of borrowings is ranging from 9.2% - 9.6% p.a.

ii) Loan from SIDBI (carrying amount of ₹2.62 crores) is secured by hypothecation of book debts, current assets and movable Property, plant and equipment both present and future. It is for a period of 36 months and interest rate is 13% p.a. which is payable monthly.

iii) Term Loan amounting to ₹30.00 crores (March 31, 2024: Nil) is repayable in 9 equal quarterly repayments, the next installment is due on July 8, 2025.

iv) Term Loan amounting to ₹35.00 crores (March 31, 2024: Nil) is repayable in 9 equal quarterly repayments, the next installment is due on October 11, 2025.

v) Refer note 25 (vi) for terms of non-convertible debentures.

22 Lease liabilities (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Payable for lease liabilities (refer note 42)	211.55	159.30
Total	**211.55**	**159.30**

23 Other financial liabilities (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial liabilities measured at FVTPL		
Put option liability {refer note 52 (A)}	135.88	71.19
Total	**135.88**	**71.19**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

24 Provisions (non-current)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for gratuity (refer note 43)	18.18	9.76
Provision for litigation (refer movement below)	0.46	0.46
Total	**18.64**	**10.22**

Movement in provision for litigation:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	0.46	-
Add: Provision made during the year	-	0.46
Closing Balance	**0.46**	**0.46**

25 Borrowings (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Working capital loan from banks (refer note i to v)	742.00	599.77
Current maturities of term loan from bank {refer note 21 (ii and iii)}	19.82	0.36
Unsecured		
Working capital loan from banks (refer note ii to v)	27.10	80.27
Current maturities of unsecured debentures (refer note vi)	62.50	-
	851.42	**680.40**
Less: Unamortised upfront fee on borrowings	(0.27)	-
Total	**851.15**	**680.40**

A) Terms

i) Working capital/cash credit facilities from banks are secured by hypothecation of book debts, current assets and movable property, plant and equipment both present and future.

ii) Loans are payable on demand. Interest payable on working capital loan ranging from 8.5% - 8.7% p.a.

iii) Bank loan contains certain financial covenants and there have been no breaches in the financial covenants of any interest-bearing borrowings.

iv) As at March 31, 2025, the Group had available ₹389 crores (March 31, 2024: ₹188.87 crores) of undrawn committed borrowing facilities.

v) Quarterly statements of current assets filed by the Company and its subsidiaries with banks are in agreement with the books of account.

vi) The 9.25% debentures are unsecured and are repayable in two equal annual instalments of ₹62.50 crores commencing on August 12, 2025.

26 Lease liabilities (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Payable for lease liabilities (refer note 42)	147.68	129.78
Total	**147.68**	**129.78**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

27 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprise and small enterprises	45.26	37.01
Total outstanding dues of creditors other than micro enterprise and small enterprises	589.57	349.68
Total	**634.83**	**386.69**

Notes:

(i) Refer note 44 related party disclosures for trade payables to related parties.

(ii) Trade payables are non interest bearing.

Trade payables aging schedule

As at March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	7.65	37.61	-	-	-	45.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	246.26	339.49	0.96	0.78	2.08	589.57
Total	**253.91**	**377.10**	**0.96**	**0.78**	**2.08**	**634.83**

As at March 31, 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	28.54	8.47	-	-	-	37.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	175.11	162.68	8.01	1.91	1.97	349.68
Total	**203.65**	**171.15**	**8.01**	**1.91**	**1.97**	**386.69**

28 Other financial liabilities (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Employee related liabilities	58.72	52.35
Accrued expenses	311.82	274.92
Creditors for capital goods	29.37	5.12
Market-place vendors	34.33	12.41
Interest accrued but not due	3.89	1.78
Measured at FVTPL		
Put option liability {refer note 52 (A)}	-	261.88
Mark to market derivative instrument	0.48	-
Total	**438.61**	**608.46**

Note:

(i) Refer note 44 related party disclosures for accrued expenses and employee related liabilities.

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Movement in Interest accrued but not due and finance charge:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	1.78	6.00
Interest and finance charge accrued during the year	74.50	51.55
Payment of interest and finance charge during the year	(72.39)	(55.77)
Closing balance	**3.89**	**1.78**

29 Provisions (current)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for gratuity (refer note 43)	3.71	3.73
Provision for compensated absences	6.48	4.96
Total	**10.19**	**8.69**

30 Contract liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers	22.09	14.15
Deferred revenue (provision for reward points)	15.52	13.19
Total	**37.61**	**27.34**

Movement in provision for reward points:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	13.19	8.84
Provision made during the year	63.73	59.62
Provision utilised during the year	(61.40)	(55.27)
Closing balance	**15.52**	**13.19**

31 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues	40.52	37.51
Total	**40.52**	**37.51**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

32 Revenue from operations

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
A.	**Sale of products**	6,857.90	5,478.47
B.	**Sale of services**		
	Marketing support revenue	733.33	599.53
	Income from marketplace services	293.47	262.01
C.	**Other operating revenue**		
	Logistics services income (shipping and delivery charges)	63.31	44.02
	Others	1.81	1.59
Total		**7,949.82**	**6,385.62**

Revenue from geographical market	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	7,926.27	6,378.23
Outside India	23.55	7.39
Total	**7,949.82**	**6,385.62**

(A) Disaggregation of revenue from contracts with customers

The Company and its subsidiaries derives its major revenue from sale of products on its own platform, offline stores and other retail channels, which is a single line of business.

The Group also earns revenue from sale of services primarily from advertisement services (marketing support) to its suppliers which is related to sale of product business.

The Group further earns revenue from marketplace services by providing its platform to various marketplace vendors to sell their products.

(B) Reconciliation between the contract price and revenue from contracts with customers

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract price	7,960.09	6,389.48
Revenue recognised in the period from:		
Revenue recognised in the current year from contract liability:		
Advance from customer	14.15	14.64
Reward Point	13.19	8.84
Revenue deferred in the current year towards unsatisfied performance obligation:		
Advance from customer	(22.09)	(14.15)
Reward point	(15.52)	(13.19)
Revenue from operations	**7,949.82**	**6,385.62**

(C) Contract balances

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables (refer note 14)	246.61	241.60
Contract liabilities (refer note 30)	37.61	27.34

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

33 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Interest Income		
Security deposit measured at amortised cost	6.81	5.79
Bank deposit measured at amortised costs	11.48	13.65
Interest on tax refund	1.90	0.03
Others	-	0.29
(b) Others		
Gain on cancellation of lease	3.84	2.75
Liabilities no longer required written back	-	1.83
Foreign exchange gain (net)	3.10	3.52
Miscellaneous income	0.13	2.08
Total	**27.26**	**29.94**

34 Cost of material consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock	4.61	16.47
Add: Purchase	9.33	53.25
Less: Closing stock	5.84	4.61
Total	**8.10**	**65.11**

35 Purchase of traded goods

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchases of traded goods	4,683.08	3,781.68
Total	**4,683.08**	**3,781.68**

36 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finished goods		
Opening stock	40.76	104.26
Closing stock	35.86	40.76
Changes in inventories of finished goods	**4.90**	**63.50**
Stock in trade		
Opening stock	1,133.72	869.82
Closing stock	1,357.14	1,133.72
Changes in inventories of stock-in-trade	**(223.42)**	**(263.90)**
Total	**(218.52)**	**(200.40)**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

37 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	615.15	528.81
Contribution to provident fund	17.15	9.76
Gratuity expenses (refer note 43)	4.31	4.58
Compensated expenses	2.31	(1.90)
Share-based payments (refer note 50)	16.90	16.36
Staff welfare expenses	10.25	7.29
Total	**666.07**	**564.90**

38 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses on borrowings	71.70	49.13
Interest expenses on lease liabilities (refer note 42)	33.18	31.29
Other interest charges	0.27	0.41
Other finance charges	2.17	2.00
Total	**107.32**	**82.83**

39 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (refer note 4)	80.48	70.81
Depreciation of right-of-use assets (refer note 7)	151.64	129.05
Amortisation of intangible assets (refer note 6)	34.28	24.37
Total	**266.40**	**224.23**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

40 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Marketing and advertisement expenses	994.82	739.16
Freight expenses	489.55	388.53
Outsource warehouse manpower expense	124.81	108.18
Consumption of packing materials	78.75	74.59
Web and technology expenses	137.38	123.09
Payment gateway charges	31.97	27.15
Legal and professional fees	42.96	37.07
Rent and maintenance expenses	42.57	32.46
Rates and taxes	12.58	12.67
Expected credit loss (refer note 46)	(0.78)	11.31
Bad Debts written off (refer note 46)	3.52	-
Selling expenses	106.13	68.61
Beauty advisor expenses	110.21	82.21
Electricity charges	25.83	20.68
Insurance expenses	6.42	6.24
Travelling and conveyance expenses	28.31	19.29
Security expenses	21.57	18.46
Recruitment expenses	8.68	6.41
Warehouse operation management expenses	10.67	6.13
Printing and stationery expenses	6.31	6.10
Repairs and maintenance	12.65	5.99
Communication expenses	8.30	8.45
Brand usage fees	10.65	7.13
Bank charges	0.87	0.72
Director sitting fees and commission	1.52	1.36
Expenditure towards Corporate Social Responsibility ('CSR') activities	6.44	4.86
Auditors remuneration		
- Audit fees	2.30	1.90
- Other matters	0.12	0.22
- Out of pocket expenses	0.40	-
Miscellaneous expenses	11.67	9.22
Total	**2,337.18**	**1,828.19**

41 Earnings per share (EPS)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Nominal value of per equity share	1.00	1.00
Profit attributable to equity shareholders of the parent (A)	66.08	32.26
Total number of shares outstanding during the year	2,85,92,52,483	2,85,59,85,609
Weighted average number of equity shares outstanding during the year (B)	2,85,77,78,495	2,85,38,72,558
Basic EPS (A/B)	**0.23**	**0.11**
Dilutive effect on weighted average number of equity shares outstanding during the year (C)	46,07,958	58,89,979
Weighted average number of diluted equity shares (D=B+C)	2,86,23,86,454	2,85,97,62,537
Diluted EPS (A/D)	**0.23**	**0.11**

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

42 Leases

The Company as lessee

The Company and its subsidiaries have lease contracts for premises obtained for offices, stores and warehouse etc. Leases of premises generally have lease terms between 1.5 to 10 years.

The Company and its subsidiaries obligations under its leases are secured by the lessor's title to the leased assets.

The Company and its subsidiaries have several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Refer note 7 for carrying value of right of use assets.

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**289.08**	**338.13**
Addition	235.34	99.13
Addition on account of acquisition of subsidiary (refer note 52 (B))	5.47	-
Accretion of interest	33.18	31.29
Deletion due to closure	(24.17)	(31.53)
Payments	(179.67)	(147.94)
Closing balance	**359.23**	**289.08**
Current	147.68	129.78
Non-current	211.55	159.30

The maturity analysis of lease liabilities is disclosed in note 46.

The effective interest rate for lease liabilities as at March 31, 2025 ranges between 9.40%-11.50% (March 31, 2024: 9.40%-11.50%)

The following are the amounts recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expenses of right of use assets	151.64	129.05
Interest expenses on lease liabilities	33.18	31.29
Expenses relating to short-term leases*	42.57	32.46
Total amount recognised in Statement of Profit and Loss	**227.39**	**192.80**

*Includes common area maintenance charges.

43 Defined benefit plan and other long-term employee benefit plan:

I) Defined Contribution Plan

During the year, the Group has made contribution/provision to provident fund stated under defined contribution plan amounting to ₹17.15 crores (March 31, 2024 : ₹9.76 crores) and the same has been recognised as an expense in the Statement of Profit and Loss.

II) Defined Benefit Plans

The Group operates a defined benefit gratuity plan for its employees. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving.

The Group has provided for gratuity based on actuarial valuation done as per projected unit credit method.

Notes

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(Amounts in ₹ crores, unless stated otherwise)

A. The following tables set out the funded status of the gratuity plans and the amounts recognised in the Group's financial statements as at March 31, 2025 and March 31, 2024:

Particulars	As at March 31, 2025	As at March 31, 2024
Amount to be recognised in balance sheet		
Present value of defined benefit obligation	21.89	13.49
Less: Fair value of plan assets	-	-
Funded status – deficit / (surplus)	21.89	13.49
Net liability recognised in balance sheet	**21.89**	**13.49**
Current	3.71	3.73
Non-current	**18.18**	**9.76**

i) Changes in the present value of defined benefit obligation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	13.49	11.62
Addition on acquisition of subsidiary {refer note 52 (B)}	0.29	-
Current service cost	3.46	4.05
Past service cost	-	(0.22)
Interest cost	0.85	0.75
Actuarial loss in obligation for year ended due to changes in financial assumptions	0.61	0.02
Actuarial loss / (gain) in obligation for year ended due to changes in demographic assumptions	1.83	(0.24)
Actuarial loss / (gain) in obligation for year ended due to changes in experience adjustments	3.57	(0.59)
Benefit paid	(2.21)	(1.90)
Closing defined benefit obligations	**21.89**	**13.49**

ii. Amount for the year ended March 31, 2025 and March 31, 2024 recognised in the Statement of Profit and Loss under employee benefit expenses and other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	3.46	4.05
Past service cost	-	(0.22)
Interest expenses	0.85	0.75
Amount recognised in Statement of Profit and Loss	**4.31**	**4.58**
Actuarial loss / (gain) in obligation for year ended due to changes in demographic / financial assumptions	2.44	(0.22)
Actuarial loss / (gain) in obligation for year ended due to changes in experience adjustments	3.57	(0.59)
Amount recognised in Other Comprehensive Income (OCI)	**6.01**	**(0.81)**

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Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

B. The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Mortality table	IALM (2012-14)	IALM (2012-14)
Discount rate	6.65%	7.10%
Future salary increases	7.00%	7.00%
Withdrawal rates	22% - 30% across all levels	37% - 38% across all levels
IALM - Indian Assured Lives Mortality (Ultimate)	IALM (2012-14)	IALM (2012-14)

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated terms of the obligations.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

C. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	3.71	3.69
Between 2 and 5 years	14.46	9.61
Between 6 and 9 years	6.71	3.19
10 & Above following years	4.27	0.58
Total expected payments	**29.15**	**17.07**

The average duration of defined benefit plan obligation at the end of the reporting period is 4.12 years (March 31, 2024: 3.6 years).

D. Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as of end of reporting period is shown below:

Particulars	Pre-tax impact (decrease) / increase in liability	
	As at March 31, 2025	As at March 31, 2024
Discount rate (-/+ 1%)		
Decrease by 100 bps	1.56	1.29
Increase by 100 bps	(1.46)	(1.17)
Future salary increase (-/+ 1%)		
Decrease by 100 bps	(1.39)	(1.17)
Increase by 100 bps	1.46	1.25

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period and assuming there are no other changes in the market conditions. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

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(A) Interest risk – A decrease in the discount rate will increase the plan liability.

(B) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(C) Salary risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

44 Related party transactions

A. Names of the related parties

Relationship	Name of entity
Directors and Key Management Personnel (KMP)	Mrs. Falguni Nayar – Executive Chairperson, CEO and Managing Director Mrs. Adwaita Nayar – Executive Director Mr. Anchit Nayar – Executive Director Mr. Sanjay Nayar – Director Mr. Milan Khakhar – Director Ms. Anita Ramachandran – Independent Director Ms. Alpana Parida Shah – Independent Director till July 14, 2024 Mr. Pradeep Parameswaran – Independent Director Mr. Milind Sarwate – Independent Director Mr. Seshashayee Sridhara – Independent Director Mr. Santosh Desai – Independent Director w.e.f. July 15, 2024 Mr. P Ganesh – Chief Financial Officer Mr. Sujeet Jain – Company Secretary till February 7, 2024 Mr. Neelabja Chakrabarty – Company Secretary w.e.f. February 8, 2024
Associate	Earth Rhythm Private Limited till November 25, 2024
Relative of Key Management Personnel (KMP)*	Mrs. Rashmi Mehta – Relative of Managing Director
Company in which key management personnel have significant influence *	Sealink View Probuild Private Limited Golfland Developers Private Limited Cerebus Consultants Private Limited

* Name of the related parties where the transactions have occurred.

B. Transactions with related party

Particulars	Nature of transactions	Transactions during FY25	Balance as at March 31, 2025	Transactions during FY24	Balance as at March 31, 2024
Directors and Key Management Personnel (KMP)					
Mrs. Falguni Nayar	Remuneration & reimbursements	11.16	(2.54)	8.67	-
Mrs. Adwaita Nayar	Remuneration & reimbursements	5.81	(0.63)	4.26	-
Mr. Anchit Nayar	Remuneration & reimbursements	5.81	(0.63)	4.26	-
Mr. Sanjay Nayar	Remuneration & reimbursements	0.92	-	-	-
Mr. Milan Khakhar	Sitting Fees	0.07	-	0.08	-
Ms.Anita Ramachandran	Sitting Fees	0.09	-	0.10	-
	Commission	0.25	(0.25)	0.20	-
Ms. Alpana Parida Shah	Sitting Fees	0.01	-	0.06	-
	Commission	-	-	0.05	-
Mr. Pradeep Parameshwaran	Sitting Fees	0.06	-	0.06	-
	Commission	0.15	(0.15)	0.02	-
Mr. Milind Sarwate	Sitting Fees	0.08	-	0.08	-
	Commission	0.35	(0.35)	0.30	-

Notes

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(Amounts in ₹ crores, unless stated otherwise)

Particulars	Nature of transactions	Transactions during FY25	Balance as at March 31, 2025	Transactions during FY24	Balance as at March 31, 2024
Mr. Seshashayee Sridhara	Sitting Fees	0.07	-	0.09	-
	Commission	0.15	(0.15)	0.10	-
Mr. Santosh Desai	Sitting Fees	0.05	-	-	-
	Commission	0.20	(0.20)	-	-
Mr. P Ganesh	Remuneration & reimbursements	4.50	-	3.71	-
Mr. Sujeet Jain	Remuneration & reimbursements	-	-	2.65	-
Mr. Neelabja Chakrabarty	Remuneration & reimbursements	1.25	-	0.27	-
Associate					
Earth Rhythm Private Limited	Purchases	6.99	-	-	-
	Marketing Income	(0.95)	-	-	-
	Discount Income	(3.18)	-	-	-
Relative of Key Management Personnel (KMP)					
Mrs. Rashmi Mehta	Rent and maintenance expenses	0.34	-	0.31	0.01
	Notional interest income on security deposit	-	-	(0.00)*	-
	Security deposit	-	0.05	-	0.05
	Interest cost on lease liability	-	-	0.03	-
	Lease liability	-	-	-	(0.16)
Company in which key management personnel have significant influence					
Sealink View Probuild Private Limited	Rent, maintenance, electricity & other expenses	4.34	-	3.80	-
	Notional interest income on security deposit	-	-	(0.10)	-
	Security deposit	-	0.86	-	0.90
	Interest cost on lease liability	-	-	0.80	-
	Lease liability	-	-	-	(6.60)
Golf land Developers Private Limited	Rent and maintenance expenses	2.92	-	2.56	-
	Notional interest income on security deposit	-	-	(0.09)	-
	Security deposit	-	1.06	-	1.06
	Interest cost on lease liability	-	-	0.44	-
	Lease liability	-	-	-	(5.65)
Cerebus Consultants Private Limited	Human resource Service Cost	0.02	-	0.04	-

Figures in brackets indicates payables and income.

*Less than ₹0.01 crores.

Terms and conditions of transactions with related parties

1. The sales to and purchases from related parties are made on terms. equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

2. Amount paid to KMP do not include the provisions made for gratuity as it is determined on an actuarial basis for the Group as a whole. Similarly, expenses for compensated absences are not included in the above table as the same is also determined on an actuarial basis for the Group as a whole.

Notes

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(Amounts in ₹ crores, unless stated otherwise)

45 Fair value of financial assets and financial liabilities

Below, is a comparison by class of the carrying amounts of the Group's financial instruments that are reasonable approximations of fair values.

Particulars	Level	Carrying value as of	
		March 31, 2025	March 31, 2024
Financial assets:			
Amortised cost			
Trade receivables		246.61	241.60
Cash and cash equivalents		124.94	75.78
Bank balance other than cash and cash equivalents		92.21	164.08
Other financial assets		366.80	232.55
FVTPL			
Derivative Financial Assets[1]	2	1.18	0.01
		831.74	**714.02**
Financial liabilities:			
Amortised cost			
Borrowings		961.36	680.40
Lease liabilities		359.23	289.08
Other financial liabilities		574.01	346.58
Trade payables		634.83	386.69
FVTPL			
Derivative Financial Liabilities[1]	2	0.48	333.07
Derivative Financial Liabilities[1]	3	135.88	-
		2,665.79	**2,035.81**

[1] Included in other non-current/current financial assets and liabilities.

The carrying values of the financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and liabilities have not been disclosed separately.

Valuation methodology

The fair values of assets and liabilities are included at the amount at which the instrument can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes

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(Amounts in ₹ crores, unless stated otherwise)

Discounted cash flow method was used to determine the fair values of financial liabilities classified as level 3 and the significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2025 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Increase/ decrease in bps	Effect Increase/ (decrease)
FVTPL-Put Value Liability	Discounted Cash Flow method	Volatility of EBITDA	+500 -500	0.45 0.14
		Change in EBITDA discount rate	+100 -100	(0.21) 0.78
		Change in risk free rate	+50 -50	0.84 (0.24)

46 Financial Risk Management Objectives and Policies:

The Group principal financial liabilities comprise borrowings from banks, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise cash and bank balance, trade and other receivables that derive directly from its operations.

The Group's is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Group's senior management team oversees the management of these risks. The Board of Directors review and agree policies for manage each of these risks, which are summarised below:

A) Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk, product price risk and interest risk.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024.

a) Interest rate risk

The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase / decrease in bps	Effect on profit before tax
March 31, 2025	+50	(4.18)
	-50	4.18
March 31, 2024	+50	(3.40)
	-50	3.40

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables and advances paid to vendors. The Group's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Group's policies. When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

The year end foreign currency forward contracts and unhedged foreign currency exposures are given below:

Notes

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(Amounts in ₹ crores, unless stated otherwise)

(a) Derivatives (forward contracts) outstanding as at the reporting date (in respective currency):

Particulars of transactions	Currency	As at March 31, 2025		As at March 31, 2024	
		Foreign currency	₹ #	Foreign currency	₹ #
Forward contracts to Purchases - Trade Payable	Euro	0.03	2.57	0.09	7.84
Forward contracts to Purchases - Trade Payable	GBP	0.00	0.01	0.01	0.59
Forward contracts to Purchases - Trade Payable	SGD	-	-	0.00*	0.09
Forward contracts to Purchases - Trade Payable	USD	0.37	31.79	0.53	44.18

Amount in ₹ represents conversion at hedged rate.

(b) Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

Particulars	Currency	As at March 31, 2025		As at March 31, 2024	
		Foreign currency	₹	Foreign currency	₹
Payables:					
Trade payables	USD	0.08	7.29	0.12	9.71
	Euro	0.00*	0.18	0.00*	0.10
	SGD	-	-	0.00*	0.01
	GBP	0.00*	0.41	0.00*	0.01
Advances:					
Advance to vendors against purchases / expenses	USD	0.03	2.16	0.11	9.55
	Euro	0.00*	0.00	0.00*	0.17
	GBP	0.00*	0.01	0.00*	0.30
	CNY	-	-	0.06	0.69
Receivables:					
Trade Receivables	USD	0.04	3.04	-	-
	AED	0.00*	0.06	-	-

Since the business of the Group does not involve material foreign currency transactions, its exposure to foreign currency changes is not material.

*Less than ₹0.01 crores.

c) Product price risk

In an inflationary economy, the Group expects periodical price increases across its product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/ sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the customers. This helps the Group to protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and security deposit).

a) Trade receivables and security deposit

The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks. The Company's experience of delinquencies and customer disputes have been minimal. Also the Company has a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. Accordingly, the credit risk is covered by the Company. (Refer accounting policy 2(C)(h) for expected credit loss on trade receivable).

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The Company also carries credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed and property possessions are taken for operations. The risk relating to refunds after vacating the premises is managed through successful negotiations or appropriate legal actions, where necessary. Trade receivables are non- interest bearing and are generally on payment terms of 0-90 days.

Movement in allowances for expected credit losses:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	18.28	9.15
Provision made during the year	-	9.38
Provision reversed during the year	(6.75)	(0.25)
Bad Debts written off during the year	3.52	-
Closing balance	**15.05**	**18.28**

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

C) Liquidity risk

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying value	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2025					
Borrowings	961.36	851.42	110.30	-	961.72
Trade payables	634.83	634.83	-	-	634.83
Other financial liabilities	574.49	438.61	152.92	-	591.53
Lease liabilities	359.23	161.12	231.22	14.18	406.52
Total	**2,529.91**	**2,085.98**	**494.44**	**14.18**	**2,594.60**
As at March 31, 2024					
Borrowings	680.40	680.40	-	-	680.40
Trade payables	386.69	386.69	-	-	386.69
Other financial liabilities	679.65	614.15	79.27	-	693.42
Lease liabilities	289.08	140.73	179.06	16.67	336.46
Total	**2,035.82**	**1,821.97**	**258.33**	**16.67**	**2,096.97**

Notes

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(Amounts in ₹ crores, unless stated otherwise)

47 Commitments and contingent liabilities

A Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) – ₹32.26 crores as at March 31, 2025 (March 31, 2024 – ₹31.49 crores)

B Contingent liabilities (not provided for)

Particulars	As at March 31, 2025	As at March 31, 2024
i) Claims against the Group, not acknowledged as debts		
Disputed Indirect tax matters (including interest up to the date of demand, if any) [refer note (i) to (v) below]	6.02	2.66
Disputed Direct tax matters (including interest up to the date of demand, if any) [refer note (vi) below]	7.44	7.44
ii) Corporate guarantees given to banks for loans taken by subsidiaries (maximum amount)	-	812.00
iii) Litigations pertaining to consumer cases	0.10	0.10
Total	**13.56**	**822.20**

Notes:

i) The Group had received VAT assessments order for FY17 with demands amounting to ₹3.20 crores on account of certain input disallowances/adjustment made by VAT department. Out of the total demand amount, the Group has paid ₹0.54 crores to tax authorities during the FY22 and for the balance ₹2.66 crores, the management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

ii) The Group has also received VAT assessments order for FY17 with demands amounting to ₹0.50 crores on account of certain input disallowances/adjustment made by VAT department. The Group has deposited ₹0.41 crores in FY22 and ₹0.02 crores in FY24. The Group has closed the litigation under amnesty scheme and received the settlement order dated December 8, 2023.

iii) The Group has received order from the adjudicating authority for the period of FY19, on availing ITC on purchases from suppliers whose registration certificates were cancelled demanding ₹0.10 crores including applicable interest and penalty. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

iv) The Company has received order from the adjudicating authority for the period of FY21, imposing tax on commission on financial guarantee amounting to ₹2.23 crores including applicable interest and penalty. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

v) The GST adjudicating authority has passed an order for FY19 & FY20 with demand amounting to ₹1.03 crores including penalty on account of short payment of GST liability and wrong availment of ITC as per Tran-1. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

vi) The Group had received an income tax assessment order for the FY18 pertaining to Nykaa E-Retail Limited (Formerly known as Nykaa E-Retail Private Limited) in respect of a demand of ₹7.44 crores on account of certain disallowances made by the tax authorities. The Group had filed an appeal before the CIT(A) contesting the said disallowances and has obttained a stay order w.r.t the outstanding demand. The Management believes that the position taken by it on the above matter is tenable and hence, no adjustment has been made to the financial statements.

Notes

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(Amounts in ₹ crore, unless stated otherwise)

48 Segment Information:

Effective from FY25, the Group has identified and reported 'Business Segments' as its primary segment, in accordance with Ind AS 108 'Operating Segments'. This change follows a reorganisation of the Group's businesses and internal management structure, whereby the Group's Chief Operating Decision Maker (CODM) now reviews the Group's performance and allocates resources based on these segments, viz.,

i) Beauty segment which comprises of online beauty platform, beauty owned brands, physical retail stores, eB2B distribution business and Nykaa Man BPC business.

ii) Fashion segment which comprises of Nykaa Fashion, Fashion retail, fashion owned brands, LBB (content platform) and Nykaa Man lifestyle business.

iii) Others which comprises the Group's International beauty business.

The Group has identified Board of Directors and CEO as Chief Operating Decision Maker ('CODM') who reviews and allocates resources based on abovementioned "Business Segments".

A) Consolidated Segment wise Revenue, Results and Capital Employed:

As at and for the year ended March 31, 2025

Sr. No.	Particulars	Beauty	Fashion	Others	Unallocable	Total
I	**Segment Revenue**	7,251.17	674.69	23.96	-	7,949.82
II	**Other Income**	23.73	1.22	0.90	-	25.85
III	**Segment Expenses**					
	Cost of material consumed/cost of goods sold[1]	4,338.91	122.89	10.86	-	4,472.66
	Employee benefit expenses and other expenses	2,319.15	645.20	38.90	-	3,003.25
	Depreciation and amortisation	231.90	30.50	4.00	-	266.40
	Finance cost	31.40	1.86	0.19	-	33.45
IV	**Segment Results (I+II-III)**	**353.54**	**(124.54)**	**(29.09)**	**-**	**199.91**
	Less: Finance costs	-	-	-	73.87	73.87
	Add: Other Income	-	-	-	1.41	1.41
V	**Profit before tax**	**353.54**	**(124.54)**	**(29.09)**	**(72.46)**	**127.45**
	Less: Tax expense	-	-	-	53.75	53.75
	Add: Share in loss of associate	(1.63)	-	-	-	(1.63)
VI	**Profit for the year**	**351.91**	**(124.54)**	**(29.09)**	**(126.21)**	**72.07**
VII	**Non-Cash items other than depreciation and amortisation**	**10.22**	**9.62**	**(0.94)**	**-**	**18.90**
VIII	**Capital Employed (Segment Assets-Segment Liabilities)**					
	Segment Assets	3,146.52	319.44	54.80	458.77	3,979.53
	Segment Liabilities	1,439.04	185.45	37.14	975.24	2,636.87
	Total Capital Employed	**1,707.48**	**133.99**	**17.66**	**(516.47)**	**1,342.66**
IX	**Capital Expenditure**					
	Segment capital expenditure[2]	133.53	6.11	16.30	-	155.94
	Addition to ROU	218.55	13.52	4.01	-	236.08
	Total Capital Expenditure	**352.08**	**19.63**	**20.31**	**-**	**392.02**

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(Amounts in ₹ crore, unless stated otherwise)

As at and for the year ended March 31, 2024

Sr. No.	Particulars	Beauty	Fashion	Others	Unallocable	Total
I	**Segment Revenue**	5,809.92	568.30	7.40	-	6,385.62
II	**Other Income**	27.01	1.80	1.10	-	29.91
III	**Segment Expenses**					
	Cost of material consumed / cost of goods sold[1]	3,518.29	125.40	2.70	-	3,646.39
	Employee benefit expenses and other expenses	1,825.24	544.41	23.44	-	2,393.09
	Depreciation and amortisation	193.33	30.20	0.70	-	224.23
	Finance cost	29.61	2.05	0.04	-	31.70
IV	**Segment Results (I+II-III)**	**270.46**	**(131.96)**	**(18.38)**	**-**	**120.12**
	Less: Finance costs	-	-	-	51.13	51.13
	Add: Other Income	-	-	-	0.03	0.03
V	**Profit before tax**	**270.46**	**(131.96)**	**(18.38)**	**(51.11)**	**69.02**
	Less: Tax expense	-	-	-	25.31	25.31
	Add: Share in loss of associate	(3.97)	-	-	-	(3.97)
VI	**Profit for the year**	**266.49**	**(131.96)**	**(18.38)**	**(76.42)**	**39.74**
VII	**Non-Cash items other than depreciation and amortisation**	**20.19**	**2.96**	**3.26**	**-**	**26.41**
VIII	**Capital Employed (Segment Assets-Segment Liabilities)**					
	Segment Assets	2,570.80	424.02	21.33	384.47	3,400.62
	Segment Liabilities	1,271.83	135.41	22.64	689.70	2,119.58
	Total Capital Employed	**1,298.97**	**288.61**	**(1.31)**	**(305.23)**	**1,281.04**
IX	**Capital Expenditure**					
	Segment capital expenditure[2]	94.07	14.33	6.40	-	114.80
	Addition to ROU	96.58	5.76	2.53	-	104.87
	Total Capital Expenditure	**190.65**	**20.09**	**8.93**	**-**	**219.67**
X	**Investment in associates accounted for by equity method**	**33.82**	**-**	**-**	**-**	**33.82**

1 Cost of goods sold includes purchase of traded goods (netted off with changes in inventories of finished goods and stock-in-trade).

2 Comprises of capital expenditure on property, plant and equipement, capital work-in-progress, intangible assets including those under development (excluding additions on account of business combinations (refer note 52B)).

B) The information based on geographical areas in relation to revenue and non-current assets are as follows:

(I) Revenue from operations

Revenue from geographical market	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	7,926.27	6,378.23
Outside India	23.55	7.39
Total	**7,949.82**	**6,385.62**

(II) Non-current operating assets

₹19.83 crores (March 31, 2024: ₹4.55 crores) non-current operating assets are located outside India. All other non-current operating assets are located in India.

(c) The Group does not have revenue from transactions with a single external customer amounting to 10% or more of the total revenue.

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49 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the owners of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest bearing borrowings less cash and cash equivalents.

Particulars	As at March 31, 2025	As at March 31, 2024
Gross debt	961.36	680.40
Less: cash and cash equivalents	(124.94)	(75.78)
Net debt (A)	**836.42**	**604.62**
Equity	1,301.28	1,262.23
Total equity (B)	**1,301.28**	**1,262.23**
Net gearing ratio* (A)/(B)	**0.64**	**0.48**

*No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

50 Share-based payments

Disclosure under Ind AS 102:

(A) Employee stock options- equity settled

The Company has granted stock options under the employee stock option scheme- ESOS 2012, ESOS 2017, ESOP 2022 and RSU respectively, as approved by the Board of Directors of the Company, to the eligible employees of the Company or its subsidiaries. These options would vest in 3 or 4 equal annual instalments from the date of grant based on the vesting conditions as per letter of grant executed between the Company and the employee of the Company or its subsidiaries. The maximum period for exercise of options is 5 years from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹1 each of the Company. The options granted under ESOS 2012, ESOS 2017, ESOP 2022 and RSU scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at grant date using Black-Scholes Model, taking into account the terms and conditions upon which the share options were granted.

The Group has recognised an expense of ₹16.90 crores (March 31, 2024: ₹16.36 crores) arising from equity settled share based payment transactions for employee services received during the year. The carrying amount of employee stock options outstanding reserve as at March 31, 2025 is ₹37.07 crores (March 31, 2024: ₹28.11 crores).

As at the end of the given period, details and movements of the outstanding options are as follows:

Options granted under ESOS 2012

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	7,09,500	9,70,500
Options granted during the year	-	-
Options forfeited during the year	(66,000)	(96,000)
Options expired/lapsed during the year	(29,250)	-
Options exercised during the year	(3,750)	(1,65,000)
Options outstanding at the end of the year	**6,10,500**	**7,09,500**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	₹99 - 187.50	₹99 - 187.50
Weighted average remaining contractual life (in years)	3.42	4.44

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Options granted under ESOS 2017

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	1,41,50,913	1,59,56,436
Options granted during the year	38,75,000	60,18,000
Options forfeited during the year	(23,43,130)	(43,81,880)
Options expired/lapsed during the year	(1,29,800)	(1,31,330)
Options exercised during the year	(29,84,200)	(33,10,313)
Options outstanding at the end of the year	**1,25,68,783**	**1,41,50,913**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	₹19.61 - 226.33	₹12.30 - 226.3
Weighted average remaining contractual life (in years)	4.63	4.79

Options granted under ESOS 2022

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	11,20,400	7,60,000
Options granted during the year	-	3,80,400
Options forfeited during the year	(3,13,500)	(20,000)
Options exercised during the year	(1,43,000)	-
Options outstanding at the end of the year	**6,63,900**	**11,20,400**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	₹131.05 - 133.35	₹131.05 - 133.35
Weighted average remaining contractual life (in years)	4.61	5.47

Options granted under RSU

Particulars	March 31, 2025**	March 31, 2024**
Options outstanding at the beginning of the year	6,00,000	-
Options granted during the year	-	6,00,000
Options forfeited during the year	(80,000)	-
Options exercised during the year	(1,00,000)	-
Options outstanding at the end of the year	**4,20,000**	**6,00,000**
For options outstanding at the end of the year:		
Exercise price range (in ₹)	₹1	₹1
Weighted average remaining contractual life (in years)	4.76	5.41

(B) Fair value of options granted

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	ESOS 2017				
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected life (years)	1.98-1.99	2.73-2.79	3.45-3.48	4.13-4.14	5.13-5.13
Risk free interest rate (%)	6.39% to 6.94%	6.39% to 6.94%	6.39% to 6.95%	6.39% to 6.95%	6.59% to 6.59%
Volatility (%)	35% - 40%	40% - 45%	45.00%	40% - 45%	45.00%
Market price on date of grant			169.91-176.90		
Fair Value	42.29-50.72	55.5-64.78	68.25-73.05	73.54-80.05	83.41-83.41

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The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of time. The Company has determined the market price on grant date based on the average of last 15 days closing price of shares on NSE index, as on the grant date.

The weighted average share price at the date of exercise of options exercised during the the year was ₹181.95 (March 31, 2024 ₹151).

**The movement of options & the fair value assumptions have been restated to give effect of the bonus shares allotted by the Company wide Board's approval dated October 03, 2022 in proportion of 5:1, i.e., 5 (five) bonus equity shares of ₹1 each for every 1 (one) fully paid-up equity share held as on the record date.

(C) Expenses arising from share-based payment transactions

The total expenses arising from share-based payment transactions recognised were as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Stock based compensation expense determined under fair value method recognised in Statement of Profit or Loss	16.90	16.36

51 Audit Trail

The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level and master fields as it relates to accounting software used for maintaining general ledger.

Further, the Group uses certain other peripheral applications that support the recording of Revenue, Inventory and Purchase (hereinafter referred to as 'supporting softwares'), wherein the audit trail (edit log) facility was not enabled throughout the year for all relevant transactions recorded in the software.

The Group uses a third-party operated software for processing payroll. Management has obtained the report of Service Organisation Controls (SOC) auditors engaged by such third party for the period April 01, 2024 to December 31, 2024 which mention that the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

Also the Group uses a third-party operated software for consumption of raw materials. Management is not in possession of Service Organisation Controls report to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

Additionally, the audit trail of prior year has been preserved by the Group as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

52 Business Combination

A) Acquisition of Dot & Key Wellness Limited (Formerly known as Dot & Key Wellness Private Limited) ['Dot & Key']

On September 28, 2021, the Group had acquired 51% of the issued share capital of Dot & Key Wellness Limited (Formerly known as Dot & Key Wellness Private Limited) ('Dot & Key'), first D2C (direct to consumer) beauty brand acquired by Nykaa, allowing the Group to expand its skincare, personal care and nutraceuticals owned portfolio.

Pursuant to the shareholder's agreement (as amended), the Group had written put option on the balance 49% of the equity share capital. The put option liability, the value of which was linked to Dot & Key's future performance, was recognised on acquisition.

During the current year, the Company has acquired 39.04% stake and accordingly the put option liability, to the extent of 39.04%, has been settled and remaining amount will be settled on acquisition of balance stake in Dot & Key. Fair value of the put option liability has decreased from ₹333.07 crores to ₹135.88 crores primarily on account of acquisition of 39.04% stake.

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B) Acquisition of Earth Rhythm Private Limited ('Earth Rhythm')

On November 26, 2024 the Group has acquired additional stake of Earth Rhythm Private Limited ('Earth Rhythm'), which is a homegrown brand that offers smart and safe skincare backed by cited scientific research. The Group now holds 74.63% equity interest (including Optionally Convertible reedemable preference shares) in Earth Rhythm post such investment. Pursuant to the share purchase agreement and share subscription and shareholders agreement, the Group has call option on the balance 25.37% of the issued share capital and accordingly has recorded Call option assets of ₹1.18 crores (refer note 10). The Group has concluded that it does not have present ownership interest over the balance stake and accordingly has presented the share of non-controlling interest separately in the consolidated financial statements. This transaction is accounted as per Ind AS 103 'Business Combination'.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	Carrying value as per books	PPA fair value adjustments	Fair value of assets taken over
(A) Assets acquired			
(a) Property, plant and equipment	2.49	-	2.49
(b) Right of use assets	4.96	-	4.96
(c) Intangible assets			
Trademark	-	28.44	28.44
Others	0.30	-	0.30
(d) Intangible assets under development	0.11	-	0.11
(e) Current tax assets (net)	0.04	-	0.04
(f) Inventories	8.49	-	8.49
(g) Trade receivables	3.82	-	3.82
(h) Cash and cash equivalents	10.48	-	10.48
(i) Other financial assets	0.36	-	0.36
(j) Other current assets	7.12	-	7.12
Total Assets acquired (A)	**38.16**	**28.44**	**66.59**
(B) Liabilities assumed			
(a) Lease liabilities	5.47	-	5.47
(b) Borrowings	4.54	-	4.54
(c) Trade payables	3.23	-	3.23
(d) Other current liabilities	0.13	-	0.13
(e) Provisions	0.29	-	0.29
(f) Other current financial liabilities	2.32	-	2.32
Total Liabilities assumed (B)	**15.99**	**-**	**15.99**
Net identifiable assets acquired (A-B)	**22.17**	**28.44**	**50.60**
Non- controlling interests measured at proportionate share of the fair value of the acquiree's identifiable net assets			16.52
Goodwill arising on acquisition			36.43

The fair value of trade and other receivables amount to ₹3.82 crores. The gross contractual amount receivable from trade and other receivables is ₹3.82 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be collected. Further, no contingent liability has been transferred to the Group.

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Calculation of goodwill

Particulars	Amount
Purchase consideration	38.32
Add: Fair value of investment in equity accounted investee on the date of acquisition of control	32.19
Add: NCI share in FV of assets	16.52
Less: Net identifiable assets acquired	(50.60)
Goodwill	**36.43**

The goodwill on acquisition is attributable to skilled employees, expected synergies from acquisition and other intangible assets of the Company that cannot be identified separately. The amount of goodwill is not expected to be deductible for tax purposes.

Non-controlling interest in Earth Rhythm, based on proportionate share in the recognised amounts of the acquiree's identifiable net assets.

The acquired business contributed ₹8.59 crores and ₹3.18 crores towards revenue from operations and loss after tax for the Group for the period November 26, 2024 to March 31, 2025.

Purchase consideration – Cash outflow

Particulars	Amount
Cash consideration	38.32
Less: Cash and cash equivalent acquired	(10.48)
Net cashflow on acquisition	**27.84**

Calculation of Gain on acquisition of control in equity accounted investee (i.e. ERPL)

The remeasurement to fair value of the Group's existing 18.51 percent share has resulted in a gain of ₹ Nil.

Particulars	Amount
Fair value of investment in equity accounted investee on the date of acquisition of control	32.19
Carrying value of investment on the date of acquisition of control	32.19
Gain on acquisition of control in equity accounted investee	**0.00**

C) Impairment testing of Goodwill:

For impairment testing, goodwill acquired through business combinations pertains to the subsidiaries i.e. Dot & Key Wellness Limited (Formerly known as Dot & Key Wellness Private Limited) ('Dot & Key'), Iluminar Media Limited (Formerly Iluminar Media Private Limited) ('Iluminar') and Earth Rhythm Private Limited (ERPL).

Carrying amount of goodwill allocated to each of the CGUs:

Particulars	ERPL		Dot & Key		Iluminar	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Goodwill	36.43	-	46.97	46.97	13.52	13.52
	36.43	**-**	**46.97**	**46.97**	**13.52**	**13.52**

The Group performed its annual impairment test for years ended March 31, 2025 and March 31, 2024 at year end, respectively.

Dot & Key CGU:

The recoverable amount of the Dot & Key has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. As at March 31, 2025, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 15.6% (March 31, 2024: 17.10%). The cash flows beyond 5 years have been extrapolated assuming 5% (March 31, 2024: 5.00%) growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

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Iluminar CGU:

The recoverable amount of the Iluminar has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. As at March 31, 2025, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 21.20%. The cash flows beyond 5 years have been extrapolated assuming 5% growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Earth Rhythm Private Limited CGU:

The recoverable amount of the Earth Rhythm has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As at March 31, 2025, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 17.50%. The cash flows beyond 5 years have been extrapolated assuming 5% growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

53 Additional information required by Schedule III of the Companies Act, 2013.

Particulars	% of shareholding as at March 31, 2025	Principal place of operation / country of incorporation	As at March 31, 2025							
			Net Assets ('N A'), i.e. total assets minus total liabilities		Share in profit and loss ('P&L')		Share in other comprehensive income ('OCI')		Share in total comprehensive income ('TCI')	
			Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income
Parent:										
FSN E-Commerce Ventures Limited	100%	India	1,659.57	123.60%	97.19	134.86%	(0.95)	22.02%	96.24	142.03%
Subsidiary:										
Nykaa E-retail Limited (formerly known as Nykaa E-retail Private Limited)	100%	India	890.14	66.30%	248.06	344.19%	(1.98)	45.90%	246.08	363.16%
FSN Brands Marketing Private Limited	100%	India	32.84	2.45%	14.90	20.67%	(0.42)	9.74%	14.48	21.37%
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)	100%	India	(123.72)	(9.21%)	(167.31)	(232.15%)	(0.82)	19.01%	(168.13)	(248.13%)
Nykaa KK Beauty Private Limited	51%	India	35.92	2.68%	10.98	15.24%	(0.02)	0.46%	10.96	16.17%
FSN International Limited (formerly known as FSN International Private Limited)	100%	India	38.58	2.87%	(1.53)	(2.12%)	(0.01)	0.23%	(1.54)	(2.27%)
FSN Distribution Limited (formerly known as FSN Distribution Private Limited)	100%	India	(340.91)	(25.39%)	(145.08)	(201.30%)	(0.35)	8.11%	(145.43)	(214.63%)
Dot & Key Wellness Limited (Formerly known as Dot & Key Wellness Private Limited)	90%	India	118.04	8.79%	56.09	77.83%	(0.17)	3.94%	55.92	82.53%
Nykaa Foundation	99.93%	India	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%
Nudge Wellness Private Limited	60%	India	2.95	0.22%	(0.84)	(1.17%)	-	0.00%	(0.84)	(1.24%)
Iluminar Media Limited (Formerly known as Iluminar Media Private Limited)	100%	India	51.84	3.86%	48.81	67.73%	(0.09)	2.09%	48.72	71.90%
Earth Rhythm Private Limited (w.e.f. November 26, 2024)	74.63%	India	21.00	1.56%	(3.18)	(4.41%)	-	0.00%	(3.18)	(4.69%)
Nykaa Essentials Private Limited (w.e.f. March 10, 2025)	0.00%	India	-	-	-	-	-	-	-	-
Step down subsidiary:										
Nykaa International UK Limited	100%	United Kingdom	(5.64)	(0.42%)	(1.36)	(1.89%)	(0.27)	6.26%	(1.63)	(2.41%)
FSN Global FZE	100%	UAE	(3.29)	(0.25%)	(0.42)	(0.58%)	(0.07)	1.62%	(0.49)	(0.72%)
Nessa International Holdings Limited and its subsidiaries	55%	UAE	16.54	1.23%	(25.76)	(35.74%)	0.69	(15.99%)	(25.07)	(37.00%)
Minority interest in the subsidiaries			41.38	3.08%	5.99	8.31%	0.10	(2.23%)	6.09	8.98%
Adjustment on consolidation			(1,092.59)	(81.38%)	(64.47)	(89.46%)	0.05	(1.16%)	(64.42)	(95.07%)
Total			**1,342.66**		**72.07**		**(4.31)**		**67.76**	

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

Particulars	% of shareholding as at March 31, 2024	Principal place of operation / country of incorporation	As at March 31, 2024							
			Net Assets ('N A'), i.e. total assets minus total liabilities		Share in profit and loss ('P&L')		Share in other comprehensive income ('OCI')		Share in total comprehensive income ('TCI')	
			Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income
Parent:										
FSN E-Commerce Ventures Limited	100%	India	1,627.45	127.04%	117.09	294.65%	0.20	44.27%	117.29	291.89%
Subsidiary:							-			
Nykaa E-retail Limited (formerly known as Nykaa E-retail Private Limited)	100%	India	644.06	50.28%	226.83	570.80%	0.16	35.49%	226.99	564.89%
FSN Brands Marketing Private Limited	100%	India	18.37	1.43%	7.84	19.73%	0.10	22.98%	7.94	19.76%
Nykaa Fashion Limited (formerly known as Nykaa Fashion Private Limited)	100%	India	(54.67)	(4.27%)	(189.97)	(478.04%)	0.01	1.58%	(189.96)	(472.75%)
Nykaa KK Beauty Private Limited	51%	India	24.96	1.95%	11.31	28.46%	(0.00)	(0.29%)	11.31	28.14%
FSN International Limited (formerly known as FSN International Private Limited)	100%	India	20.12	1.57%	(2.42)	(6.09%)	-	0.00%	(2.42)	(6.03%)
FSN Distribution Limited (formerly known as FSN Distribution Private Limited)	100%	India	(195.48)	(15.26%)	(114.23)	(287.45%)	0.11	23.94%	(114.12)	(284.02%)
Dot & Key Wellness Private Limited	51%	India	58.42	4.56%	15.48	38.95%	0.05	10.17%	15.53	38.63%
Nykaa Foundation	99.93%	India	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%
Nudge Wellness Private Limited	60%	India	3.79	0.30%	(1.59)	(4.00%)	-	0.00%	(1.59)	(3.95%)
Iluminar Media Private Limited	100%	India	3.12	0.24%	5.18	13.04%	(0.02)	(4.07%)	5.16	12.86%
Associate:							-			
Earth Rhythm Private Limited	18.51%	India	31.72	2.48%	3.97	9.99%	-	0.00%	3.97	9.87%
Step down subsidiary:							-			
Nykaa International UK Limited	100%	United Kingdom	(4.66)	(0.36%)	(2.70)	(6.79%)	0.07	16.91%	(2.63)	(6.52%)
FSN Global FZE	100%	UAE	(2.80)	(0.22%)	(0.80)	(2.01%)	0.05	10.90%	(0.75)	(1.88%)
Nessa International Holdings Limited and its subsidiaries	55%	UAE	12.57	0.98%	(11.12)	(27.98%)	(0.19)	(41.79%)	(11.31)	(28.14%)
Minority interest in the subsidiaries			57.58	4.50%	7.48	18.83%	(0.07)	(15.63%)	7.41	18.45%
Adjustment on consolidation			(963.52)	(75.21%)	(32.61)	(82.07%)	(0.02)	(4.46%)	(32.63)	(81.22%)
Total			**1,281.04**		**39.74**		**0.44**		**40.18**	

Notes

Forming part of the Consolidated Financial Statements as at and for year ended March 31, 2025

(Amounts in ₹ crores, unless stated otherwise)

54 Other Statutory Information

1 The Holding Company, its subsidiary companies and associate companies does not have any transactions with companies struck off.

2 The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

3 The Holding Company, its subsidiaries and associate companies has not traded or invested in Crypto currency or Virtual Currency during the financial year.

4 The Group did not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

5 No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6 No funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

7 Neither the Holding Company nor any of its subsidiary companies or associate companies are holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Further, no proceedings have been initiated or pending against the Group for holding any benami property under the act and rules mentioned above.

8 The Company, its subsidiaries or associates have not been declared wilful defaulter by any bank or financial institution or any other lender.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Govind Ahuja
Partner
Membership No.: 048966

Place: Mumbai
Date: May 30, 2025

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar
Executive Chairperson, CEO & Managing Director
DIN No.: 00003633

Place: Rome, Italy
Date: May 30, 2025

P. Ganesh
Chief Financial Officer

Place: Mumbai
Date: May 30, 2025

Anchit Nayar
Executive Director
DIN No.: 08351358

Place: London, United Kingdom
Date: May 30, 2025

Neelabja Chakrabarty
Company Secretary & Compliance Officer
Membership No.: A16075

Place: Mumbai
Date: May 30, 2025

NOTICE

FSN E-COMMERCE VENTURES LIMITED
CIN: L52600MH2012PLC230136
Registered Office: 104 Vasan Udyog Bhavan, Sun Mill Compound,
Tulsi Pipe Road, Lower Parel, Mumbai – 400013
Email: nykaacompanysecretary@nykaa.com; **Website:** www.nykaa.com; **Phone No.:** +9122 6838 9616

Dear Member,

NOTICE is hereby given that the **13th (Thirteenth) Annual General Meeting** of the Members of FSN E-Commerce Ventures Limited ('Company') will be held on **Monday, August 25, 2025 at 10:30 A.M. (IST)** through Video Conferencing / Other Audio-Visual Means organised by the Company, to transact the following business:

ORDINARY BUSINESS:

(1) To consider and adopt the:

(A) Standalone Audited Financial Statements of the Company for financial year ended March 31, 2025, together with the Reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

(B) Consolidated Audited Financial Statements of the Company for financial year ended March 31, 2025, together with the Report of Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, and the Report of Auditors thereon as circulated to the Members be and are hereby considered and adopted."

(2) To appoint a Director in place of Ms. Adwaita Nayar (DIN: 07931382) who retires by rotation and being eligible offers herself for re-appointment and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Adwaita Nayar (DIN: 07931382), Executive Director, who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment, be and is hereby re-appointed as an Executive Director of the Company, liable to retire by rotation."

(3) To appoint a Director in place of Mr. Milan Khakhar (DIN: 00394065) who retires by rotation and being eligible offers himself for re-appointment and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Milan Khakhar (DIN: 00394065), Non-Executive (Non-Independent) Director, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Non-Executive (Non-Independent) Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

(4) To consider and approve the appointment of M/s. S. N. Ananthasubramanian & Co., Practicing Company Secretaries, as Secretarial Auditors of the Company for a period of five consecutive financial years and in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circulars issued thereunder to the extent applicable and other applicable provisions, if any, read alongwith Section 204 of Companies Act, 2013 and relevant Rules framed thereunder, and based on the recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of M/s. S. N. Ananthasubramanian & Co., Practicing Company Secretaries (Firm Registration Number: P1991MH040400), as Secretarial Auditors of the Company for a period of five consecutive financial years i.e., from Financial Year 2025-26 to Financial Year 2029-30, to conduct Secretarial Audit of the records of the Company and to furnish the Secretarial Audit Report thereon.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to the Secretarial Auditors of the Company, as recommended by the Audit Committee, in consultation with the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters, and things as may be considered necessary, proper, and expedient to give effect to this Resolution."

By order of the Board of Directors of
FSN E-Commerce Ventures Limited

Neelabja Chakrabarty
Company Secretary and Compliance Officer
Mem. No.: A16075

Mumbai, May 30, 2025

NOTES:

(1) The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 09/2024 dated September 19, 2024 read with General Circular No. 09/2023 dated September 25, 2023, General Circular Nos. 2/2022 dated May 05, 2022, 21/2021 dated December 14, 2021, 02/2021 dated January 13, 2021, 20/2020 dated May 05, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 08, 2020 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without physical presence of the Members at a common venue, upto September 30, 2025.

Further, the Securities and Exchange Board of India ('SEBI'), vide its circulars dated May 12, 2020, and subsequent circulars issued in this regard, the latest being October 3, 2024 (collectively referred to as 'SEBI Circulars'), has provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In compliance with the applicable provisions of the Companies Act, 2013 ('Act'), the Listing Regulations, MCA Circulars, SEBI Circulars and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), the 13th AGM of the Company is being held through VC/OAVM on August 25, 2025, at 10:30 a.m. (IST) with the deemed venue being the Company's Registered Office at 104 Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai, 400013.

(2) PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

(3) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

(4) Institutional/Corporate Members are entitled to appoint authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Members are requested to send a certified true copy of the Board Resolution authorising its representatives to attend and vote at the AGM, to the Scrutiniser at csllp108@gmail.com with a copy marked to evoting@nsdl.com.

Alternatively, the Corporate/Institutional Members (i.e., other than individuals, HUFs, NRIs, etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc., by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-voting" tab.

(5) As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matter of Special Business as appearing at Item No. 4 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forms part of this Notice.

(6) Members can join the AGM in VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com. Please note that, the facility for participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

(7) Re-appointment of Directors and Appointment of Secretarial Auditors:

The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No. 4 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 36(3) and 36(5) of the Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors and Secretarial Auditors seeking appointment / re-appointment at this AGM is also annexed. Requisite declarations have been received from the Directors and Secretarial Auditors seeking appointment / re-appointment.

(8) Registrar and Transfer Agent:

The Registrar and Transfer Agent ('RTA') of the Company is MUFG Intime India Private Limited. Consequent to the acquisition of Link Group by Mitsubishi UFJ Trust & Banking Corporation, Link Intime India Private Limited is known as MUFG Intime India Private Limited. The change of name is effective from December 31, 2024.

(9) Electronic dispatch of Integrated Annual Report and process for registration of email ID for obtaining copy of Integrated Annual Report:

In compliance with the aforementioned MCA circulars and SEBI circulars, Notice of AGM along with the Integrated Annual Report for FY25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company and/or with Depository Participants (DPs) and/or with RTA. A letter providing the web-link, including the exact path, where complete details of the Integrated Annual Report, is being sent to those Members who have not registered their email addresses. Members may note that the Notice and the Integrated Annual Report for the FY25 will also be available on the website of the Company at www.nykaa.com, websites of the Stock Exchanges on which the equity shares of the Company are listed i.e., National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com), and on the website of RTA i.e., MUFG Intime India Private Limited at https://in.mpms.mufg.com/

(a) In case any Member is desirous of obtaining physical copy of the Annual Report for the FY25, he/she may send a request to the Company by writing at nykaacompanysecretary@nykaa.com or to the RTA at rnt.helpdesk@in.mpms.mufg.com.

(b) Process for registration of email ID for obtaining copy of Notice of the AGM along with the Integrated Annual Report:

Any person who is a Member of the Company as on **cut-off date for dispatch of Notice of AGM along with the Integrated Annual Report i.e., July 25, 2025** and who has not yet registered his/her e-mail with the Depository Participants ("DPs") (if shares held in electronic form) / Company / RTA (if shares held in physical form) is requested to get the e-mail address registered in order to receive copy of the same by completing the process as mentioned under:

Members holding share(s) in physical mode: by registering e-mail address with MUFG Intime India Private Limited. Click the link on their web site https://in.mpms.mufg.com/ at the 'Investor Services' tab, choose the 'E-mail Registration' heading and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio No/ PAN, mobile number and e-mail id. In case of any query, a Member may send an e-mail to MUFG Intime India Private Limited at rnt.helpdesk@in.mpms.mufg.com.

Members holding share(s) in electronic mode: by registering / updating their e-mail ID in respect of demat holdings with the respective DPs by following the procedure prescribed by the DPs for receiving all communications from the Company electronically.

(10) Documents open for inspection:

(a) All the documents referred to in the accompanying Notice shall be available for electronic inspection, without any fee, by the Members from the date of circulation of this Notice up to the date of AGM, i.e., August 25, 2025. Members seeking to inspect such documents can send an email to nykaacompanysecretary@nykaa.com mentioning their DP ID and Client ID / Folio Number. These will be replied to by the Company suitably.

(b) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the Certificate from M/s. S.N. Ananthasubramanian & Co., Secretarial Auditors of the Company, certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the Members before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to nykaacompanysecretary@nykaa.com.

(11) Instructions for Members for remote e-voting and e-voting during the AGM:

(a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard - 2 on General Meetings, Regulation 44 of Listing Regulations (as amended) and the applicable MCA circulars, the Company is pleased to provide the facility to Members to cast their votes using an electronic voting system from any place before the Meeting ("remote e-voting") and during the Meeting in respect of the resolutions proposed in this Notice. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

(b) **The Members, whose names appear in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date i.e., Monday, August 18, 2025, are entitled to vote on the Resolutions set forth in this Notice.** Voting Rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as on the cut- off date i.e., **Monday, August 18, 2025.** A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

(c) **The remote e-voting period commences on Thursday, August 21, 2025 from 09:00 a.m. (IST) and ends on Sunday, August 24, 2025 at 05:00 p.m. (IST).** The remote e-voting module shall be disabled by NSDL thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

(d) Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes Member of the Company after the Notice is dispatched and holding shares as of the cut-off date i.e., **Monday, August 18, 2025,** may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of individual Members holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e., **Monday, August 18, 2025** may follow steps mentioned below in Note 12 under "Login method for e-voting and joining virtual AGM for individual shareholders holding securities in demat mode".

(12) Procedure for remote e-voting and e-voting during the AGM:

The detailed process and manner for accessing and participating in the 13th AGM through VC/OAVM facility and voting through electronic means including remote e-voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

(A) Login method for e-voting and joining virtual AGM for individual Members holding securities in demat mode is given below:

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client ID, PAN No., verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can view e-voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period. 2. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to view e-voting services under value added services. Click on **"Access to e-Voting"** under e-voting services and you will be able to view e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be re-directed to **e-Voting website of NSDL** for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of Members	Login Method
	4. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can view e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 5. Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** Download on the App Store  GET IT ON Google Play 
Individual Members holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest you will be able to view the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting Service Provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the Meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number and e-mail id as recorded in the Demat Account. After successful authentication, user will be able to view the e-voting option where the e-voting is in progress and will also be able to directly access the system of all e-voting Service Providers.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to view e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can view e-voting feature. Click on Company name or e-voting Service Provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID / Forget Password option available at abovementioned website.

Helpdesk for individual Members holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL:

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your password/OTP and a verification code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Members other than individual Members are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those Members whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-voting as the voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to csllp108@gmail.com with a copy marked to evoting@nsdl.com. Institutional Members (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Suketh Shetty, Assistant Manager ,National Securities Depository Limited at evoting@nsdl.com

Process for those Members whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:

(a) Members whose shares are held in physical form are requested to provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to evoting@nsdl.com.

(b) Members whose shares are held in demat mode are requested to provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.com. If you are an individual Member holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for individual Members holding securities in demat mode.

(c) Alternatively Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

(d) In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual member holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

The instructions for Members for e-voting on the day of the AGM are as under:

(a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(b) Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

(c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(d) The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM are the same as mentioned for remote e-voting.

(13) Procedure for joining the 13th AGM through VC/OAVM:

(a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for 'Access to NSDL e-voting system'. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.

(b) Members are encouraged to join the Meeting through laptops for better experience.

(c) Further, Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the Meeting.

(d) Please note that Members connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

(e) Members who need assistance before or during the AGM, you may refer the Frequently Asked Questions ("FAQs") for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or can:

- Send a request at evoting@nsdl.com or use toll free no.: 1800 1020 990 or 1800 224 430; or
- Contact Mr. Amit Vishal, Assistant Vice-President, NSDL at the designated e-mail ID: evoting@nsdl.com; or
- Contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated e-mail ID: evoting@nsdl.com

(14) Procedure to raise questions/seek clarifications at the ensuing 13th AGM:

(a) Members are encouraged to express their views/ send their queries in advance mentioning their name, DP ID and Client ID/Folio No., email ID, mobile no. at nykaacompanysecretary@nykaa.com. Questions/ queries received by the Company till 05:00 p.m. (IST) on Thursday, August 21, 2025 shall only be considered and responded during the AGM.

(b) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by following the steps mentioned at note no. 12(A) "Step 1: Access to NSDL e-voting system" till 05:00 p.m. (IST) on **Thursday, August 21, 2025.** After successful login, Members will be able to register themselves as a speaker shareholder by clicking on the link available against the EVEN of the Company.

(c) The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM and avoid repetition of questions, as appropriate for smooth conduct of the AGM. All Members attending the AGM will have the option to post their comments / queries through a dedicated chat box that will be available below the Meeting screen.

(15) The recorded transcript of the AGM will be hosted on the website of the Company post the AGM.

(16) Declaration of voting results:

(a) The Board of Directors have appointed Mr. Sachin Sharma (Membership No. F12788/CP. No. 20423) or failing him Mr. Dinesh Trivedi (Membership No. A23841 / CP. No. 22407) or failing him Mr. Vishwanath (Membership No. A14521/ CP. No. 25099) ,Designated Partners of M/s. Sharma and Trivedi LLP, (LLPIN: AAW-6850), Company Secretaries, Mumbai as the Scrutiniser to scrutinise the remote e-voting and e-voting at AGM process in a fair and transparent manner.

(b) The Scrutiniser will submit the results to Executive Chairperson, Managing Director and CEO of the Company or any person authorised by her after completion of the scrutiny and the results will be announced not later than 2 working days of the conclusion of the AGM. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM.

(c) The voting results along with the Scrutiniser's Report will be displayed at the Registered Office of the Company, submitted to the Stock Exchanges viz. BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com and also be uploaded on the Company's website: www.nykaa.com and on the website of NSDL: https://www.evoting.nsdl.com.

Others:

(17) SEBI has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA/Company directly and/or through the SEBI SCORES platform, the Members can initiate dispute resolution through the ODR Portal https://smartodr.in/login and the same can also be accessed through the Company's website at https://www.nykaa.com/

(18) SEBI vide its notification dated January 24, 2022, amended Regulation 40 of the Listing Regulations and mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or the Company's RTA, for assistance in this regard.

(19) Members may please also note that SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated the listed companies to issue securities in dematerialised form only while processing service requests viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

(20) In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the Members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be.

(21) In view of the above, Members are requested to register and intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, PAN, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

a. For shares held in electronic form: to their respective DPs.

b. For shares held in physical form: to the Company / RTA through the following prescribed Forms:

Form	Description
ISR-1	Request For Registering PAN, KYC Details or Changes / Updation thereof
ISR-2	Confirmation of Signature of securities holder by the Banker
ISR-3	Declaration Form for Opting-out of Nomination
ISR-4	Request for issue of Duplicate Certificate
ISR-5	Request for Transmission of Securities by Nominee or Legal Heir
SH-13	Registration of Nomination
SH-14	Cancellation or Variation of Nomination

The said forms are available on the Company's website at Norms for Processing Investor's Service Requests.

Members will have to submit duly filled Form ISR-4 or Form ISR-5, as applicable, for the above-mentioned requests and surrender their original securities certificate(s) for processing of service requests to the RTA. The RTA shall thereafter issue a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder / claimant within 30 days of receipt of such request after removing objections, if any. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder / claimant shall make a request to the DP for dematerialising the said securities.

(22) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

(23) SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company's RTA. Further, it is also mandatory to link PAN details with Aadhar number. Members who are yet to link the PAN details with Aadhar number are requested to complete the same.

By order of the Board of Directors of
FSN E-Commerce Ventures Limited

Neelabja Chakrabarty
Company Secretary and Compliance Officer
Mem. No.: A16075

Mumbai, May 30, 2025

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT") AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS")

Item No. 4

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ('the Act'), a listed company is required to undertake Secretarial Audit conducted by Secretarial Auditors and annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

Furthermore, SEBI vide its notification dated December 12, 2024, amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). As per the revised Regulation, the listed entity is required to appoint a Secretarial Audit firm, for a maximum of two terms of five consecutive years each, who is a peer reviewed company secretary, and meets the eligibility criteria, as specified in Regulation 24A of the SEBI Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, subject to Members' approval at the Annual General Meeting.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors, at its Meeting held on May 30, 2025, approved appointment of M/s. S. N. Ananthasubramanian & Co., Company Secretaries ("**SNACO**"), as the Secretarial Auditors of the Company for a period of five consecutive financial years i.e., from FY26 to FY30 and recommended the same for Members' approval at the Annual General Meeting.

While recommending SNACO for appointment, the Board and the Audit Committee evaluated various factors, including the firm's capability to handle a diverse business environment, its existing experience in the various business segments, its industry standing, the clientele that it serves and its technical expertise. SNACO was found to be proficient to manage the Secretarial Audit of the Company.

SNACO has been conducting the secretarial audit of the Company since FY2021-22. It may be noted that in terms of the revised Regulation 24A of the Listing Regulations, any association of the Secretarial Auditors before March 31, 2025, shall not be considered for the purpose of calculating the tenure.

SNACO has consented to act as the Secretarial Auditors of the Company and confirmed that it satisfies the eligibility criteria and has no disqualifications or conflicts of interest, as prescribed under the Listing Regulations read with the SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/ CIR/P/2024/185 dated December 31, 2024. It also does not provide any services to the Company, directly or indirectly, which has been restricted by the SEBI, thereby ensuring their independence and alignment with regulatory requirements, as mandated by the SEBI.

The proposed remuneration to be paid to SNACO, for FY2025-26 is ₹5 lakhs (plus applicable taxes and reimbursement of out-of-pocket expenses). The remuneration to be paid to Secretarial Auditors for the remaining term i.e., from FY2026-27 through FY2029-30 shall be mutually agreed between the Board, based on recommendation of the Audit Committee, and the Secretarial Auditors, from time to time.

The fee for services in the nature of statutory certifications and other permissible non-audit services will be in addition to the secretarial audit fee as above, and will be decided by the Management in consultation with the Secretarial Auditors. The provision of such permissible non-audit services will be reviewed and approved by the Board.

Brief profile:

SNACO bearing Firm Registration Number: P1991MH040400, is a reputed Practicing Company Secretary firm established in 1991 by Mr. S. N. Ananthasubramanian, a fellow member and past president of The Institute of Company Secretaries of India ("ICSI") and has a team of experienced and qualified company secretaries led by five partners. Over the years, SNACO has built a diverse client base, serving local, national and international corporates. Its clientele spans companies in the public sector, FMCG sector, insurance firms, market infrastructure institutions, emerging businesses, leading corporates, and not-for profit organisations. SNACO offers a wide range of services, including secretarial audits, corporate governance consulting, certifications, and regulatory advisory. The firm and all the partners are peer reviewed in accordance with the relevant guidelines of The Institute of the Company Secretaries of India and has a Peer Review Certificate No. 5218/2023.

The Board of Directors recommends the resolution for approval by the Members, as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel (KMP), or their relatives have any financial or other interest in the proposed resolution.

ANNEXURE TO AGM NOTICE

DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE MEETING

[Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]

Name of Director	Ms. Adwaita Nayar	Mr. Milan Khakhar
Director Identification Number	07931382	00394065
Designation	Executive Director	Non-Executive (Non-Independent) Director
Date of Birth (Age in years)	August 16, 1990 (34 years)	January 18, 1961 (64 years)
Nationality	Indian	Indian
Qualification	• Bachelor's degree in applied mathematics from the Yale University. • Master's degree in business administration with distinction from the Harvard Business School.	• Bachelor's degrees in commerce and law from the University of Bombay. • Awarded with a merit certificate under the National Scholarship Scheme by the Government of Maharashtra in 1983.
Experience (including expertise in specific functional area) / Brief Resume	Ms. Adwaita Nayar is the MD & CEO of Nykaa Fashion & the co-founder of Nykaa. Over the decade at Nykaa, she has held multiple roles within the Nykaa ecosystem. In the early years, she was the COO of the beauty business, where she drove marketing, operations and product. Later, in 2017, she moved on to lead the foray into physical retail, where she launched 30 stores over 1.5 years across two formats. Another milestone in her journey of serial entrepreneurship at Nykaa was establishing Nykaa's Fashion business in 2018. Ms. Adwaita Nayar spearheads the multi-brand retail business, as well as a vast assortment of owned brands including Nyri (pronounced as Naa-ree), NYKD (pronounced as Naked), Likha, MIXT, Azai, Kica, 20Dresses, Pipa Bella and more. Ms. Adwaita Nayar holds a bachelor's degree in applied mathematics from Yale University. She also holds an MBA from Harvard Business School. Prior to Nykaa, she worked with Bain and Co. in New York City. Recently, owing to her contribution to growing India's fashion market and her stellar leadership at Nykaa Fashion, she was part of Entrepreneur India's 35 Under 35 achievers. She has also been recognised as a Fortune India's and The Economic Times' 40 Under 40 achiever in 2022 and 2025. In 2020, she was awarded Fashion & Lifestyle Women Entrepreneur of the year, by Business World.	Mr. Milan Khakhar has over 40 years of experience in natural stones and building materials industry sector. He is a Commerce and Law Graduate from the University of Mumbai and has rich business experience. Currently he is the Chairman and Managing Director of Solid Stone Company Limited, a BSE listed entity.
Terms and Conditions of Re-appointment	Executive Director of the Company, liable to retire by rotation.	Non-Executive (Non-Independent) Director of the Company, liable to retire by rotation
Remuneration last drawn (FY2024-25)	As disclosed in the Corporate Governance Report	As disclosed in the Corporate Governance Report
Remuneration proposed	She shall be paid remuneration from the Company as earlier approved by the Members at the time of her appointment as Executive Director of the Company. She is also entitled to receive remuneration from Nykaa Fashion Limited, where she is appointed as MD & CEO, within the statutory limits of law.	He is entitled for sitting fee and reimbursement of expenses for attending the meetings and commission from the Company. Currently, he has waived the commission and other expenses.
Date of first appointment on the Board	January 22, 2018	August 28, 2015
Shareholding in the Company as on March 31, 2025	1,80,360	Nil
Skills and capabilities required for the role and manner in which the proposed person meets such requirements	Please refer brief profile and the Report on Corporate Governance for details	Please refer brief profile and the Report on Corporate Governance for details

Name of Director	Ms. Adwaita Nayar	Mr. Milan Khakhar
Relationship with other Directors / Key Managerial Personnel	Daughter of Ms. Falguni Nayar and Mr. Sanjay Nayar and sister of Mr. Anchit Nayar.	N.A.
Number of meetings of the Board attended during the FY25	5 out 5	5 out 5
Directorships of other Boards (other than FSNE) as on March 31, 2025 (excluding foreign companies)	Public Companies: • Nykaa Fashion Limited Section 8 Company: • Nykaa Foundation	Public Companies: • Solid Stone Company Limited • Global Instile Solid Industries Limited • Nykaa Fashion Limited • Universal Tiles & Stone Company Limited
Membership / Chairmanship of Committees of other Companies (other than FSNE) as on March 31, 2025 (only statutory committees under Companies Act, 2013 or Listing Regulations)	Nil	Solid Stone Company Limited: - Stakeholder Relationship Committee- Member
Entities from which the Director has resigned in the past three years	• Nykaa-KK Beauty Private Limited	N.A.
As the full-time employments of the Directors will be counted in the Number of Board Membership for giving voting decision, Disclosure regarding such full-time employments of Directors, if Board is of the opinion that the Director will be able to devote sufficient time along with the reason for such opinion.	N.A.	N.A.
Whether atleast 75% Board Meetings have been attended in past 3 years by the Director	Yes	Yes
In case the Director is a past employee, whether the said Director was appointed on the Board after the Completion of 5 years cooling off period	N.A.	N.A.
Companies which displayed poor governance practices and oversight, on which the said Director was a Board Member or that he failed in discharging fiduciary responsibilities in other Companies	Nil	Nil
Whether they are Promoter Director of any Company whose performance has been continuously deteriorating	Nil	Nil
Number of Promoter family members on the Board of the Company	4 (including Adwaita Nayar)	N.A.
Reputational Risk, if any, associated with the said Director or any transactions associated in a manner prejudicial to minority shareholders	Nil	Nil
Director's political linkages, if any	Nil	Nil

Note

Corporate Information

BOARD OF DIRECTORS

Ms. Falguni Nayar
Executive Chairperson, Managing Director and CEO

Mr. Sanjay Nayar
Non-Executive Director

Mr. Anchit Nayar
Executive Director

Ms. Adwaita Nayar
Executive Director

Ms. Anita Ramachandran
Independent Director

Mr. Milind Sarwate
Independent Director

Mr. Pradeep Parameswaran
Independent Director

Mr. Seshashayee Sridhara
Independent Director

Mr. Milan Khakhar
Non-Executive Director

Mr. Santosh Desai
Independent Director (w.e.f. July 15, 2024)

CHIEF FINANCIAL OFFICER

Mr. P Ganesh

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Neelabja Chakrabarty

STATUTORY AUDITORS

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants

SECRETARIAL AUDITORS

M/s. S. N. Ananthasubramanian & Co., Company Secretaries

BANKERS

Axis Bank Ltd.

IDFC First Bank Ltd.

Kotak Mahindra Bank Ltd.

HDFC Bank Ltd.

ICICI Bank Ltd.

Citibank N.A.

JP Morgan

REGISTERED OFFICE

104, Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai – 400 013.
Tel No.: 022-6838 9616

CORPORATE OFFICE

A2, 4th Floor, Cnergy IT Park,
Appasaheb Marathe Marg,
Opposite Tata Motors,
Prabhadevi, Mumbai – 400 025.
Tel No.: 022-3095 8700

REGISTRAR AND TRANSFER AGENT

MUFG Intime India Private Limited (Formerly known as "Link Intime India Private Limited")
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Email: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

13TH ANNUAL GENERAL MEETING

Monday, August 25, 2025 at 10:30 A.M. (IST) through Video Conference/ Other Audio-Visual Means

CORPORATE IDENTITY NUMBER

L52600MH2012PLC230136

WEBSITE

https://www.nykaa.com/



FSN E-Commerce Ventures Limited

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: L52600MH2012PLC230136

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