



May 22, 2024

National Stock Exchange of India Limited

BSE Limited

Symbol: NYKAA

Scrip Code: 543384

Dear Sirs,

Subject: Audited Standalone and Consolidated financial results for the quarter and year ended March 31, 2024

With reference to our letter dated May 10, 2024, we wish to inform you that the Board of Directors of the Company, at its meeting held today i.e., May 22, 2024, has *inter alia* approved the Audited Standalone and Consolidated Financial Results for the quarter and financial year ended March 31, 2024, along with the Report of the Statutory Auditors thereon.

Pursuant to Regulation 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we enclose the Audited Standalone and Consolidated financial results for the quarter and financial year ended March 31, 2024 along with the Auditors Report with unmodified opinions on the said financial results.

The meeting of the Board of Directors commenced at 11:05 a.m. (IST) and concluded at 03:52 p.m. (IST)

We request you to take the above information on records.

Thanking You,

Yours faithfully,

For FSN E-Commerce Ventures Limited

Neelabja Chakrabarty
Company Secretary & Compliance Officer

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
FSN E-Commerce Ventures Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of FSN E-Commerce Ventures Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate for the quarter ended March 31, 2024 and for the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 reports of the other auditors on separate audited financial statements of the subsidiaries and associate, the Statement:

- includes the results of the following entities mentioned in Annexure to this report;
- are presented in accordance with the requirements of the Listing Regulations in this regard; and
- gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2024 and for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associate in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, 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 and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 and its associate 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 Statement 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 and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, 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 Statement 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.

We also performed procedures in accordance with the Circular CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of:

- 11 subsidiaries, whose financial statements include total assets of Rs 5,649.44 million as at March 31, 2024, total revenues of Rs 2,132.57 million and Rs 7,623.41 million, total net profit/ (loss) after tax of Rs 889.71 million and Rs (109.19) million, total comprehensive income/ (loss) of Rs 889.64 million and Rs (109.44) million, for the quarter and the year ended on that date respectively, and net cash inflows of Rs 273.80 million for the year ended March 31, 2024, as considered in the Statement which have been audited by their respective independent auditors.
- 1 associate, whose financial statements include Group's share of net loss of Rs 6.66 million and Rs 39.67 million and Group's share of total comprehensive loss of Rs 6.66 million and Rs 39.67 million for the quarter and for the year ended March 31, 2024 respectively, as considered in the Statement whose financial statements, other financial information has been audited by its independent auditor.

The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its associate is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Nilanoshu Katriar
Partner
Membership No.: 058814



UDIN: 24058814BKGSOD2920

Place: Mumbai
Date: May 22, 2024

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure to the Independent Auditor's Review Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Sr. No.	Name of subsidiaries
1	Nykaa E-Retail Limited (erstwhile Nykaa E-Retail Private Limited)
2	FSN Brands Marketing Private Limited
3	Nykaa Fashion Limited (erstwhile Nykaa Fashion Private Limited)
4	FSN Distribution Limited (erstwhile FSN Distribution Private Limited)
5	Nykaa-KK Beauty Private Limited
6	Dot & Key Wellness Private Limited
7	Nudge Wellness Private Limited
8	Illuminar Media Limited (erstwhile Illuminar Media Private Limited)
9	Nykaa Foundation
10	FSN International Limited (erstwhile FSN International Private Limited)
11	Nykaa International UK Limited (Subsidiary of FSN International Limited)
12	FSN Global FZE (Subsidiary of FSN International Limited)
13	Nessa International Holdings Limited (Subsidiary of FSN International Limited)
14	Nysaa Beauty LLC (Subsidiary of Nessa International Holdings Limited)

Sr. No.	Name of associate
1	Earth Rhythm Private Limited



FSN E-Commerce Ventures Limited
CIN: L52600MH2012PLC230136

Regd. Office: 104, Vasan Udyog Bhavan, Sun Mill compound, Tulsi Pipe Road, Lower Parel, Mumbai - 400013
Audited Consolidated Financial Results for the quarter and year ended March 31, 2024

(₹ in million, except per share data)

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-24	31-Mar-23
		(Refer note 5)	Unaudited	(Refer note 5)	Audited	Audited
	INCOME					
	Revenue from operations	16,679.80	17,887.98	13,017.24	63,856.26	51,438.00
	Other income	70.63	75.84	97.38	299.42	302.13
I	TOTAL INCOME	16,750.43	17,963.82	13,114.62	64,155.68	51,740.13
	EXPENSES					
	Cost of material consumed	74.87	235.19	972.77	651.13	1,594.33
	Purchase of traded goods	10,182.01	12,322.52	6,017.46	37,816.75	28,479.91
	Changes in inventories of finished goods and stock-in-trade	(679.51)	(2,277.21)	268.69	(2,004.02)	(1,417.43)
	Employee benefits expense	1,420.75	1,479.30	1,273.31	5,649.01	4,917.17
	Finance costs	211.34	218.41	187.61	828.32	746.05
	Depreciation and amortisation expense	596.49	580.28	530.42	2,242.33	1,732.56
	Other expenses	4,748.86	5,140.44	3,778.07	18,281.89	15,303.59
II	TOTAL EXPENSES	16,554.81	17,698.93	13,028.33	63,465.41	51,356.18
III	PROFIT BEFORE TAX (I - II)	195.62	264.89	86.29	690.27	383.95
	Tax expense:					
	Current tax	306.28	308.98	260.96	1,067.35	861.11
	Deferred tax expense/(credit)	(208.03)	(226.43)	(217.42)	(814.24)	(725.37)
IV	Total tax expense	98.25	82.55	43.54	253.11	135.74
V	NET PROFIT AFTER TAX (III - IV)	97.37	182.34	42.75	437.16	248.21
VI	Share in loss of associate	(6.66)	(7.80)	(20.00)	(39.67)	(38.60)
VII	NET PROFIT FOR THE PERIOD (V - VI)	90.71	174.54	22.75	397.49	209.61
	Other Comprehensive Income/(Loss) ("OCI")					
	Items that will not be reclassified to profit or loss					
	Remeasurements of defined benefit liability	11.80	0.69	(4.06)	8.12	0.77
	Income tax effect on above	(2.95)	0.01	0.95	(2.02)	0.15
	Items that will be reclassified to profit or loss					
	Exchange differences in translating the financial statements of foreign operations, net	(1.02)	(1.11)	0.27	(1.67)	0.65
VIII	Total Other Comprehensive Income/(Loss)	7.83	(0.41)	(2.84)	4.43	1.57
IX	Total Comprehensive Income (VII+VIII)	98.54	174.13	19.91	401.92	211.18
X	Profit/ (Loss) for the period attributable to:					
	Equity shareholders of parent	69.31	161.86	24.11	322.65	192.62
	Non-controlling interests	21.40	12.68	(1.36)	74.84	16.99
		90.71	174.54	22.75	397.49	209.61
XI	Other Comprehensive Income/(Loss) for the period attributable to:					
	Equity shareholders of parent	8.39	(0.18)	(2.74)	5.12	1.53
	Non-controlling interests	(0.56)	(0.23)	(0.10)	(0.69)	0.04
		7.83	(0.41)	(2.84)	4.43	1.57
XII	Total Comprehensive Income/(Loss) for the period attributable to:					
	Equity shareholders of parent	77.70	161.68	21.37	327.77	194.15
	Non-controlling interests	20.84	12.45	(1.46)	74.15	17.03
		98.54	174.13	19.91	401.92	211.18
XIII	Paid-up equity share capital	2,855.99	2,854.96	2,852.45	2,855.99	2,852.45
	Face value Re	1.00	1.00	1.00	1.00	1.00
XIV	Other Equity				9,766.34	10,927.65
	Earnings per equity share (not annualised for the quarter ended March 31, 2024/ March 31, 2023/ December 31, 2023)					
	- Basic	0.02	0.06	0.01	0.11	0.07
	- Diluted	0.02	0.06	0.01	0.11	0.07



Consolidated Statement of Assets and Liabilities :-

(₹ in million)

Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
A ASSETS		
1 Non-current assets		
Property, plant and equipment	2,357.72	2,313.46
Capital work-in-progress	60.77	20.22
Goodwill	610.65	610.65
Other intangible assets	1,104.67	944.85
Right of use assets	2,608.54	3,119.21
Intangible assets under development	236.99	288.56
Investments accounted for using equity method	338.23	377.90
Financial assets		
- Investments	4.88	3.30
- Other financial assets	492.36	434.50
Deferred tax assets (net)	2,689.91	1,877.73
Non-current tax assets (net)	456.72	211.82
Other non-current assets	115.36	241.60
Total non-current assets	11,076.80	10,443.80
2 Current assets		
Inventories	11,920.46	10,051.40
Financial assets		
- Trade receivables	2,416.00	1,635.31
- Cash and cash equivalents	757.77	413.76
- Bank balance other than cash and cash equivalents	1,640.81	1,073.64
- Other financial assets	1,833.22	2,644.86
Other current assets	4,361.20	3,237.01
Total current assets	22,929.46	19,055.98
Total assets	34,006.26	29,499.78
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	2,855.99	2,852.45
Other equity	9,766.34	10,927.65
Equity attributable to equity holders of the parent	12,622.33	13,780.10
Non-controlling interest	188.11	141.45
Total equity	12,810.44	13,921.55
2 Non-current liabilities		
Financial liabilities		
- Borrowings	-	3.61
- Lease liabilities	1,593.03	2,133.68
- Other financial liabilities	711.85	1,373.20
Long-term provisions	102.21	92.65
Total non-current liabilities	2,407.09	3,603.14
3 Current liabilities		
Financial liabilities		
- Borrowings	6,803.95	4,600.01
- Lease liabilities	1,297.89	1,247.63
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises	370.16	418.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,496.76	2,234.96
- Other financial liabilities	6,084.58	2,703.61
Short-term provisions	86.90	113.86
Contract liabilities	273.42	234.78
Other current liabilities	375.07	421.31
Total current liabilities	18,788.73	11,975.09
Total liabilities	21,195.82	15,578.23
Total equity and liabilities	34,006.26	29,499.78



Consolidated Statement of Cash Flows :-

(₹ in million)

Particulars	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)
Operating activities		
Profit before tax as per statement of profit and loss	690.27	383.95
Adjustments to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment and right-of-use assets	1,998.62	1,559.73
Amortisation of intangible assets	243.71	172.81
Interest expense and other finance costs	828.32	746.05
Foreign exchange loss / (gain)	6.41	(3.11)
Share based expense	163.64	93.96
Gratuity expense	45.78	41.65
Compensated absence expense	(19.04)	30.04
Expected credit loss	113.14	44.80
Interest income	(197.32)	(218.59)
Liabilities no longer required written back	(18.33)	(2.19)
Gain on termination of lease	(27.46)	(10.10)
Operating profit before working capital changes	3,827.74	2,839.00
Working capital adjustments		
(Increase) in trade receivables	(893.83)	(718.84)
(Increase) in inventories	(1,869.06)	(1,295.19)
(Increase) in current financial asset	(591.51)	(91.44)
(Increase) in non-current financial assets	(106.99)	(223.02)
(Increase) in other current assets	(1,124.19)	(1,213.21)
Decrease / (Increase) in other non current assets	31.92	(67.70)
Increase/ (decrease) in trade payables	1,220.80	(987.06)
(Decrease) / Increase in provisions	(26.96)	16.89
Increase in current financial liabilities	861.16	1,094.88
(Decrease) / Increase in other current liabilities	(5.26)	250.56
(Decrease) in long-term provisions	(9.06)	(56.24)
Cash flows from / (used in) operating activities	1,314.76	(451.37)
Payment of taxes (net)	(1,312.25)	(951.05)
Net cash flows from / (used in) operating activities	2.51	(1,402.42)
Investing activities		
Purchase of property, plant and equipment and other intangible assets	(1,107.28)	(2,081.61)
Investment in subsidiary (net off cash and cash equivalent acquired from subsidiary)	-	(285.92)
Proceeds from fixed deposits	1,581.36	-
(Investment) in fixed deposits	(232.38)	-
Proceeds from deposits (net)	(561.09)	3,998.86
Investment in associate	-	(416.50)
Interest received	218.28	180.94
Net cash flows from investing activities	(101.11)	1,395.77
Financing activities		
Proceeds from issue of equity shares/ shares pending allotment (net of share issue expenses)	172.30	288.36
Investment by non-controlling interest in Subsidiary	107.08	-
(Repayment) of non-current borrowings (net)	(3.61)	(5.61)
Proceeds from current borrowings (net)	2,203.94	1,268.80
Interest paid on borrowings	(557.72)	(334.21)
Principal payment of lease liabilities	(1,166.52)	(820.07)
Interest paid on lease liabilities	(312.86)	(348.58)
Net cash flows from financing activities	442.61	48.69
Net Increase in cash and cash equivalents for the year	344.01	42.04
Cash and cash equivalents at the beginning of the year	413.76	371.72
Cash and cash equivalents at the end of the year	757.77	413.76



Notes:

- The above audited Consolidated Financial Results of the Company for the quarter and year ended March 31, 2024 have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended. These audited Consolidated Financial Results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on May 22, 2024.
- During the year ended March 31, 2022, the Company had completed its Initial Public Offer (IPO) of 47,575,326 equity shares of face value of Re 1 each at an issue price of ₹ 1,125 per share (including a share premium of ₹ 1,124 per share). A discount of ₹ 100 per share was offered to eligible employees bidding in the employee's reservation portion of 250,000 equity shares. The issue comprised of a fresh issue of 5,602,666 equity shares aggregating to ₹ 6,300 million and offer for sale of 41,972,660 equity shares by selling shareholders aggregating to ₹ 47,197 million. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 10, 2021.

The total offer expenses of ₹ 2,161.24 million (inclusive of taxes) were proportionately allocated between the selling shareholders and the Company in the proportion of equity shares sold by the selling shareholders and offered by the Company. The utilization of IPO proceeds of ₹ 6,045.72 million (net of IPO expenses of ₹ 254.28 million) is summarized below:

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2024	Unutilised as on March 31, 2024
Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	420.00	420.00	-
Capital expenditure to be incurred by our Company and investment in certain of our Subsidiaries, namely, Nykaa E-Retail, FSN Brands and Nykaa Fashion for funding the set-up of new warehouses	420.00	420.00	-
Repayment or prepayment of outstanding borrowings availed by our Company and one of our Subsidiaries, namely, Nykaa E-Retail	1,560.00	1,560.00	-
Expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands	2,340.00	2,340.00	-
General corporate purposes	1,305.72	1,305.72	-
Total	6,045.72	6,045.72	-

The entire IPO proceeds have been utilised by March 31, 2024.

- The Group is engaged in the business of selling beauty, personal care, fashion products and other related products and services through various platforms and the Group's Chief Operating Decision Makers (CODM) review and allocate resources based on Omni business and Omni channel strategy, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment. Hence, no separate disclosure is required for segments.

4. Financial results of FSN E-Commerce Ventures Limited (Standalone):

(₹ in million)

Sr. No.	Particulars	Quarter ended			Year Ended	
		31-Mar-24 (Refer note 5)	31-Dec-23 Unaudited*	31-Mar-23 (Refer note 5)*	31-Mar-24 Audited	31-Mar-23 Audited*
1	Total Income	1,550.28	1,085.88	1,243.74	4,425.63	4,042.29
2	Profit before tax	552.93	200.81	324.10	899.85	764.00
3	Profit after tax	886.71	158.77	245.31	1,170.92	570.82

* Restated (Refer note 2 of the Standalone Financial results)

- The consolidated results for the quarter ended March 31, 2024 and March 31, 2023 are balancing figures between audited results for the full financial year and the published year to date figures upto the third quarter of the respective financial years which were subjected to limited review by statutory auditors.
- Previous period figures have been regrouped wherever found necessary, to confirm to the current period classification.

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar

Falguni Nayar
Executive Chairperson, CEO & Managing Director
Mumbai
May 22, 2024



Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
FSN E-Commerce Ventures Limited

Report on the audit of the Standalone Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of FSN E-Commerce Ventures Limited (the "Company") for the quarter ended March 31, 2024 and for the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 and for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the [Standalone] Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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.


Other Matter

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Nilangshu Katriar
Partner
Membership No.: 058814



UDIN: 24058814BKGSOC4722

Place: Mumbai

Date: May 22, 2024

FSN E-Commerce Ventures Limited
CIN: L52600MH2012PLC230136

Regd. Office: 104, Vasan Udyog Bhavan, Sun Mill compound, Tulsi Pipe Road, Lower Parel, Mumbai - 400013
Audited Standalone Financial Results for the quarter and year ended March 31, 2024

(₹ in million, except share data)

Sr. no.	Particulars	Quarter ended			Year ended	
		March 31, 2024 (Refer note 6)	December 31, 2023* Unaudited	March 31, 2023* (Refer note 6)	March 31, 2024 Audited	March 31, 2023* Audited
	INCOME					
	Revenue from operations	935.88	634.68	927.48	2,579.60	2,754.56
	Other income	614.40	451.20	316.26	1,846.03	1,287.73
I	TOTAL INCOME	1,550.28	1,085.88	1,243.74	4,425.63	4,042.29
	EXPENSES					
	Cost of material consumed	-	-	112.51	-	589.11
	Purchase of traded goods	327.22	343.31	256.34	1,034.69	689.95
	Changes in inventories of finished goods and stock-in-trade	21.38	(72.36)	26.27	34.06	(143.63)
	Employee benefits expense	141.53	155.96	115.58	602.45	499.47
	Finance costs	16.65	17.12	16.10	68.95	74.51
	Depreciation and amortisation expense	20.45	19.81	17.93	77.32	72.60
	Other expenses	470.12	421.23	374.91	1,708.33	1,496.28
II	TOTAL EXPENSES	997.35	885.07	919.64	3,525.80	3,278.29
III	PROFIT BEFORE TAX (I - II)	552.93	200.81	324.10	899.83	764.00
	Tax expense:					
	Current tax	24.25	43.89	61.34	90.04	157.90
	Deferred tax (credit) / charge (refer note 2)	(358.03)	(1.85)	17.45	(361.11)	35.28
IV	Total tax expense	(333.78)	42.04	78.79	(271.07)	193.18
V	NET PROFIT AFTER TAX (III - IV)	886.71	158.77	245.31	1,170.90	570.82
	Other Comprehensive Income/(Loss) ("OCI")					
	Items that will not be reclassified to profit or loss					
	Remeasurements of defined benefit liability	1.92	-	(0.03)	2.60	(2.94)
	Income tax effect on above	(0.48)	-	0.00#	(0.64)	0.74
VI	Total Other Comprehensive Income/(Loss)	1.44	-	(0.03)	1.96	(2.20)
VII	Total Comprehensive Income (V+VI)	888.15	158.77	245.28	1,172.86	568.62
VIII	Paid-up equity share capital	2,855.99	2,854.96	2,852.45	2,855.99	2,852.45
	Face value ₹	1.00	1.00	1.00	1.00	1.00
IX	Other equity				13,418.49	11,703.12
X	Earnings per equity share (not annualised for quarter ended March 31, 2024, December 31, 2023 and March 31, 2023)					
	- Basic	0.31	0.06	0.09	0.41	0.20
	- Diluted	0.31	0.06	0.09	0.41	0.20

*Restated (refer note 2)

#Numbers are below one million under the rounding off convention adopted by the Company



Fajuni Nayar

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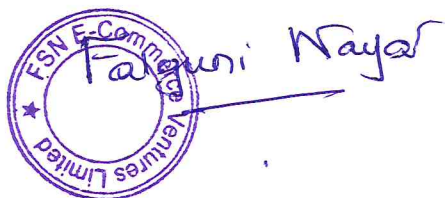


Statement of Assets and Liabilities

(₹ in million)

Sr. no.	Particulars	As at	As at
		March 31, 2024	March 31, 2023*
		Audited	Audited
A	Assets		
1	Non-current assets		
	Property, plant and equipment	197.36	173.33
	Capital work-in-progress	39.05	-
	Intangible assets	41.53	36.74
	Right of use assets	39.80	76.17
	Intangible assets under development	52.43	8.86
	Financial assets		
	- Investments	6,408.62	4,612.77
	- Loans	3,861.00	2,184.35
	- Other financial assets	48.48	108.08
	Deferred tax assets (net)	400.44	39.97
	Non-current tax assets (net)	229.42	53.94
	Other non-current assets	3.63	5.07
	Total non-current assets	11,321.76	7,299.28
2	Current assets		
	Inventories	745.98	780.04
	Financial assets		
	- Trade receivables	922.41	714.90
	- Cash and cash equivalents	14.42	112.62
	- Bank balance other than cash and cash equivalents	371.92	407.04
	- Loans	3,990.34	7,069.34
	- Other financial assets	512.55	1,724.80
	Other current assets	244.19	248.42
	Total current assets	6,801.81	11,057.16
	Total assets	18,123.57	18,356.44
B	Equity and liabilities		
1	Equity		
	Equity share capital	2,855.99	2,852.45
	Other equity	13,418.49	11,703.12
	Total equity	16,274.48	14,555.57
2	Non-current liabilities		
	Financial liabilities		
	- Lease liabilities	51.04	124.02
	- Other financial liabilities	114.18	294.40
	Long-term provisions	19.88	13.91
	Total non-current liabilities	185.10	432.33
3	Current liabilities		
	Financial liabilities		
	- Borrowings	748.66	354.68
	- Lease liabilities	73.02	74.85
	- Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	36.75	9.98
	Total outstanding dues of creditors other than micro enterprises and small enterprises	191.26	146.79
	- Other financial liabilities	519.74	2,607.83
	Short-term provisions	16.03	22.32
	Contract liabilities	3.29	3.28
	Other current liabilities	75.25	148.81
	Total current liabilities	1,664.00	3,368.54
	Total liabilities	1,849.10	3,800.87
	Total equity and liabilities	18,123.57	18,356.44

*Restated (refer note 2)



Statement of Cash Flows

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023*
	Audited	Audited
Operating activities		
Profit before tax	899.83	764.00
Adjustments to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment and right of use assets	69.05	61.83
Amortisation of intangible assets	8.27	10.77
Interest expense and other finance costs	68.62	73.95
Foreign exchange (gain)/ loss	(0.02)	0.62
Share based expense	69.00	21.35
Gratuity expense	8.94	6.49
Compensated absence expense	(4.23)	6.08
Expected credit loss	-	2.49
Fair value of put option liability	(180.22)	52.00
Commission on financial guarantee	(55.27)	(45.47)
Interest income	(917.16)	(738.64)
Liabilities no longer required written back	(0.89)	(0.05)
Gain on cancellation of lease	-	(0.88)
Operating profit before working capital changes	(34.08)	214.54
Working capital adjustments		
(Increase) in trade receivables	(207.28)	(503.32)
Decrease in inventories	34.06	38.92
(Increase) / decrease in current financial asset	(215.05)	57.18
(Increase) / decrease in non-current financial assets	(0.70)	47.51
Decrease in other current assets	4.23	11.54
Increase/ (decrease) in trade payables	72.14	(12.25)
(Decrease) in provisions	(2.43)	(8.30)
Increase in current financial liabilities	376.27	179.20
(Decrease) / increase in other current liabilities	(73.55)	113.57
Cash flows (used in)/generated from operating activities	(46.39)	138.59
Payment of taxes (net)	(265.51)	(142.97)
Net cash flows (used in) operating activities	(311.90)	(4.38)
Investing activities		
Consideration paid on acquisition of business (refer note 2)	(2,260.30)	-
Purchase of property, plant and equipment and other intangible assets (net off capital advance)	(148.81)	(157.18)
Investment redeemed bank deposits (net)	54.60	3,933.36
Investment redeemed from bank deposits	1,581.36	-
Investment placed in bank deposits	(164.88)	-
Investment in subsidiaries	(1,699.79)	(328.85)
Investment in associate	-	(416.50)
Long-term loans repaid by subsidiaries	1,946.15	-
Long-term loans given to subsidiaries	(3,548.23)	-
Short-term loans given to subsidiaries (net)	3,078.99	(4,137.06)
Interest received	846.25	692.88
Net cash flows (used in) investing activities	(314.66)	(413.35)
Financing activities		
Proceeds from issue of equity shares/ shares pending allotment including security premium (net off expenses)	172.30	288.36
Proceeds from current borrowings (net)	393.98	41.41
Interest paid on borrowings	(49.98)	(52.49)
Rental income on sub-lease	47.75	25.60
Commission on financial guarantee	55.27	-
Principal payment of lease liabilities	(75.03)	(68.53)
Interest paid on lease liabilities	(15.93)	(21.74)
Net cash flows from financing activities	528.36	212.61
Net (decrease) in cash and cash equivalents during the year	(98.20)	(205.12)
Cash and cash equivalents at the beginning of the year	112.62	317.74
Cash and cash equivalents at the end of the year	14.42	112.62

*Restated (refer note 2)



Notes:

- 1 The above Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2024 have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended. These Audited Standalone Financial Results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on May 22, 2024.
- 2 In line with the strategy to streamline and consolidate owned brand business in a single entity, the Board of Directors at its meeting held on February 06, 2024, had approved to acquire, the business of athleisure and lingerie ('Business Undertaking') of Nykaa Fashion Limited (formerly known as 'Nykaa Fashion Private Limited') ('Seller') through slump sale on a going concern 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 ₹ 2,260.30 Mn.
- As per Appendix C to Ind AS 103, Business combinations involving entities or businesses under common control shall be accounted for, using the pooling of interest method as if the transaction had happened on the earliest period being presented. Accordingly, the results for the previous periods presented have been restated as if the acquisition had occurred on April 1, 2022. However, given the transaction was finally consummated on March 29, 2024, the consequent tax effects amounting to ₹ 366.96 Mn have been considered in the financial results for the quarter and year ended March 31, 2024. There is no impact on account of the above in the Consolidated Financial Results.
- 3 In continuation with the strategy of consolidating owned brand business into a unified entity over phases, the Board of Directors at its meeting held on May 22, 2024 has approved the acquisition of 'Western Wear' and 'Accessories' business of Nykaa Fashion Limited (formerly known as 'Nykaa Fashion Private Limited') ('Transferor Company'), a wholly owned subsidiary of the Company, as a going concern on slump sale basis. This transaction is subject to the conditions precedent as stated in the Business Transfer Agreement to be entered into between the Company and Transferor Company.
- 4 During the year ended March 31, 2022, the Company had completed its Initial Public Offer (IPO) of 47,575,326 equity shares of face value of ₹ 1 each at an issue price of ₹ 1,125 per share (including a share premium of ₹ 1,124 per share). A discount of ₹ 100 per share was offered to eligible employees bidding in the employee's reservation portion of 250,000 equity shares. The issue comprised of a fresh issue of 5,602,666 equity shares aggregating to ₹ 6,300 million and offer for sale of 41,972,660 equity shares by selling shareholders aggregating to ₹ 47,197 million. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 10, 2021.
- The total offer expenses of ₹ 2,161.24 million (inclusive of taxes) were proportionately allocated between the selling shareholders and the Company in the proportion of equity shares sold by the selling shareholders and offered by the Company. The utilization of IPO proceeds of ₹ 6,045.72 million (net of IPO expenses of ₹ 254.28 million) is summarised below:

Particulars	(₹ in million)		
	Amount to be utilised as per prospectus	Utilisation upto March 31, 2024	Unutilised as on March 31, 2024
Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	420.00	420.00	-
Capital expenditure to be incurred by our Company and investment in certain of our Subsidiaries, namely, Nykaa E-Retail, FSN Brands and Nykaa Fashion for funding the set-up of new warehouses	420.00	420.00	-
Repayment or prepayment of outstanding borrowings availed by our Company and one of our Subsidiaries, namely, Nykaa E-Retail	1,560.00	1,560.00	-
Expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands	2,340.00	2,340.00	-
General corporate purposes	1,305.72	1,305.72	-
Total	6,045.72	6,045.72	-

- 5 The Company is engaged in the business of selling beauty, personal care and other related products and services through various platforms and the Group's Chief Operating Decision Makers (CODM) review and allocate resources based on Omni business and Omni channel strategy, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment. Hence, no separate disclosure is required for segments.
- 6 The results for the quarter ended March 31, 2024 and March 31, 2023 are balancing figures between audited results for the full financial year and the published year to date figures upto the third quarter of the respective financial years which were subjected to limited review by statutory auditor.
- 7 Previous period/year figures have been regrouped wherever found necessary, to conform to the current period/year classification.

For and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited

Falguni Nayar

Falguni Nayar
Executive Chairperson, CEO & Managing Director
Mumbai,
May 22, 2024

