



FSN E-Commerce Ventures Limited

(formerly 'FSN E-Commerce Ventures Private Limited')

May 24, 2023

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai – 400 001

Symbol: NYKAA

Scrip Code: 543384

Dear Sirs,

Sub: Audited Standalone and Consolidated financial results for the quarter and financial year ended March 31, 2023

In Continuation of our letter dated May 12, 2023, we wish to inform you that the Board of Directors of the Company, at its meeting held today i.e., May 24, 2023, has *inter alia* approved the Audited Standalone and Consolidated financial results for the quarter and financial year ended March 31, 2023, along with the Auditor's Report on the Standalone and Consolidated Financials.

Pursuant to Regulation 33 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we enclose the following:

- (1) Audited Standalone and Consolidated financial results for the quarter and financial year ended March 31, 2023; and
- (2) Auditors' Reports with unmodified opinions on the aforesaid Audited Standalone and Consolidated financial results.

The meeting of the Board of Directors commenced at 01:25 p.m. and is still continuing.

The Financial Results will be published in Newspapers as required under the Listing Regulations.

Kindly take the same on record.

Thanking You.

Yours faithfully,
For FSN E-Commerce Ventures Limited
(formerly 'FSN E-Commerce Ventures Private Limited')



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



Encl.: as above

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, 2023 and for the year ended March 31, 2023 ("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:

- i. includes the results of the entities mentioned in the Annexure to this report;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. 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, 2023 and for the year ended March 31, 2023.

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 the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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.
- 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 No. 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

- 10 subsidiaries, whose financial statements include total assets of Rs 5,437.56 million as at March 31, 2023, total revenues of Rs 1,509.07 million and Rs 5,686.84 million, total net loss after tax of Rs 390.61 million and Rs 1,339.74 million, total comprehensive loss of Rs 390.96 million and Rs 1,338.45 million, for the quarter and the year ended on that date, respectively, and net cash inflow of Rs 82.63 million for the year ended March 31, 2023, as considered in the Statement which have been audited by their respective independent auditors.
- 1 associate whose statements include Group's share of net loss of Rs(20.00) million and Rs (38.60) million and Group's share of total comprehensive loss of Rs (20.00) million and Rs(38.60) million for the quarter and for the year ended March 31, 2023, respectively, as considered in the Statement whose financial statements, other financial information have been audited by their respective independent auditors.

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.

The comparative financial information of the Group and its associate for the corresponding quarter and year ended March 31, 2022, included in these consolidated financial results, were audited jointly by us along with the predecessor auditor, where we expressed an unmodified opinion on those consolidated financial information on May 27, 2022.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 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 Nilangshu Katriar
Partner

Membership Number: 058814

UDIN: 23058814BGYZOK9381



Place of Signature: Mumbai

Date: May 24, 2023

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure to the independent auditors' 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 Private Limited
2	FSN Brands Marketing Private Limited
3	Nykaa Fashion Private Limited
4	Nykaa-KK Beauty Private Limited
5	FSN Distribution Private Limited
6	Dot & Key Wellness Private Limited
7	Nudge Wellness Private Limited
8	Illuminar Media Private Limited
9	Nykaa Foundation
10	FSN International Private Limited
11	FSN Global FZE (Subsidiary of FSN International Private Limited)
12	Nykaa International UK Limited (Subsidiary of FSN International Private Limited)
13	Nessa International Holdings Limited (Subsidiary of FSN International Private 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, 2023

(Rs. in million, except per share data)

Sr. No.	Particulars	Quarter ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		(Refer note 12)	Unaudited	(Refer note 12)	Audited	Audited
	INCOME					
	Revenue from operations	13,017.24	14,628.26	9,733.20	51,438.00	37,739.35
	Other income	97.38	56.36	111.39	302.13	269.72
I	TOTAL INCOME	13,114.62	14,684.62	9,844.59	51,740.13	38,009.07
	EXPENSES					
	Cost of material consumed	972.77	166.08	257.87	1,594.33	843.12
	Purchase of traded goods	6,017.46	9,188.98	6,643.60	28,479.91	24,078.31
	Changes in inventories of finished goods and stock-in-trade	268.69	(1,073.50)	(1,420.88)	(1,417.43)	(3,621.28)
	Employee benefits expense	1,273.31	1,279.16	909.25	4,917.17	3,264.67
	Finance costs	187.61	204.25	133.58	746.05	465.11
	Depreciation and amortisation expense	530.42	507.00	304.84	1,732.56	964.13
	Other expenses	3,778.07	4,285.94	2,958.17	15,303.59	11,541.95
II	TOTAL EXPENSES	13,028.33	14,557.91	9,786.43	51,356.18	37,536.01
III	PROFIT BEFORE TAX (I - II)	86.29	126.71	58.16	383.95	473.06
	Tax expense:					
	Current tax	260.96	270.99	141.28	861.11	422.93
	Current tax pertaining to earlier years	-	-	23.46	-	23.46
	Deferred tax credit	(217.42)	(236.32)	(124.27)	(725.37)	(328.11)
	Deferred tax credit for unrecognised business loss of earlier years	-	-	(58.10)	-	(58.10)
IV	Total tax expense/(benefit)	43.54	34.67	(17.63)	135.74	60.18
V	NET PROFIT AFTER TAX (III - IV)	42.75	92.04	75.79	248.21	412.88
VI	Share in loss of associate	(20.00)	(7.19)	-	(38.60)	-
VII	NET PROFIT FOR THE PERIOD (V - VI)	22.75	84.85	75.79	209.61	412.88
	Other Comprehensive Income/(Loss) ("OCI")					
	Items that will not be reclassified to profit or loss					
	Remeasurements of defined benefit liability	(4.06)	4.84	15.70	0.77	32.72
	Income tax effect on above	0.95	(1.15)	(3.97)	0.15	(8.25)
	Fair valuation of investments measured through OCI	-	-	(0.27)	-	(13.19)
	Income tax effect on above	-	-	(9.50)	-	(6.25)
	Items that will be reclassified to profit or loss					
	Exchange differences in translating the financial statements of foreign operations, net	0.27	(1.13)	0.53	0.65	0.53
VIII	Total Other Comprehensive (Loss)/Income	(2.84)	2.56	2.49	1.57	5.56
IX	Total Comprehensive Income (VII+VIII)	19.91	87.41	78.28	211.18	418.44
X	Profit/ (Loss) for the period attributable to:					
	Equity shareholders of parent	24.11	81.93	85.60	192.62	410.75
	Non-controlling interests	(1.36)	2.92	(9.81)	16.99	2.13
		22.75	84.85	75.79	209.61	412.88
XI	Other Comprehensive (Loss)/Income for the period attributable to:					
	Equity shareholders of parent	(2.74)	2.43	2.50	1.53	5.57
	Non-controlling interests	(0.10)	0.13	(0.01)	0.04	(0.01)
		(2.84)	2.56	2.49	1.57	5.56
XII	Total Comprehensive Income/(Loss) for the period attributable to:					
	Equity shareholders of parent	21.37	84.36	88.10	194.15	416.32
	Non-controlling interests	(1.46)	3.05	(9.82)	17.03	2.12
		19.91	87.41	78.28	211.18	418.44
XIII	Paid-up equity share capital	2,852.45	2,849.37	474.11	2,852.45	474.11
	Face value Re	1.00	1.00	1.00	1.00	1.00
XIV	Other Equity for the year				10,927.65	12,924.89
	Earnings per equity share of face value of Re 1/- each (not annualised for the Quarter ended March 31, 2023/March 31, 2022 and quarter ended December 31, 2022) (Refer note 11)					
	- Basic	0.01	0.03	0.03	0.07	0.15
	- Diluted	0.01	0.03	0.03	0.07	0.15



Notes:

1. The above audited Consolidated Financial Results of the Company for the quarter and year ended March 31, 2023 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. 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 24, 2023.
2. During the previous 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 Rs. 1,125 per share (including a share premium of Rs. 1,124 per share). A discount of Rs. 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 Rs. 6,300 million and offer for sale of 41,972,660 equity shares by selling shareholders aggregating to Rs. 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 Rs 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 Rs. 6,045.72 million (net of IPO expenses of Rs. 254.28 million) is summarized below:

(Rs. in million)

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2023	Unutilised as on March 31, 2023
Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	420.00	182.58	237.42
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	324.94	95.06
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	5,713.24	332.48

Net proceeds unutilized as of March 31, 2023, were temporarily invested in deposits with scheduled commercial banks.

3. 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):

Sr. No.	Particulars	Quarter ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Total Income	1,059.01	892.47	1,019.06	3,464.85	3,034.06
2	Profit before tax	304.78	260.00	519.33	806.27	1,216.92
3	Profit after tax	225.99	197.73	486.56	613.09	1,035.13

5. On May 04, 2022, the Company had acquired 18.51% stake in Earth Rhythm Private Limited (Earth Rhythm) for a consideration of Rs. 416.50 million. Accordingly, effective such date Earth Rhythm has become an associate of the Company and the same has been accounted as per equity method of accounting in the consolidated financial results in accordance with Ind AS 28 'Investment in associates and joint ventures'. The Company has completed the Purchase Price Allocation (PPA) in accordance with Ind AS 103 Business Combinations. The excess of the purchase price over the fair value of the net assets acquired was allocated to the group's share in Brand amounting to Rs. 161.15 million and Goodwill amounting to Rs 162.22 million. Amortisation expense of brand amounting to Rs. 9.77 million has been considered non-deductible expense for tax purposes.
6. On June 30, 2022, the Company has acquired 60% stake in Nudge Wellness Private Limited (Nudge) for a consideration of Rs. 36.00 million. Accordingly, effective such date Nudge has become a subsidiary of the Company. The Company has completed the Purchase Price Allocation (PPA) in accordance with Ind AS 103 Business Combinations. Accordingly, as on the acquisition date, it has recognized the group's share in the carrying amount of assets and liabilities of the subsidiary, Non-Controlling Interest (NCI), and goodwill of Rs. 0.73 million.
7. On September 09, 2022, the Company acquired 100% stake in Illuminar Media Private Limited (LBB) for a consideration of Rs. 292.75 million. Accordingly, effective such date LBB has become a wholly owned subsidiary of the Company. The Company is in the process of completing the Purchase Price Allocation (PPA) in accordance with Ind AS 103 Business Combinations. Accordingly, as on the acquisition date, it has provisionally recognized the carrying amount of assets and liabilities of the subsidiary, and the excess of purchase consideration over net assets acquired amounting to Rs. 312.06 million has been allocated to certain intangibles of Rs. 176.89 million and goodwill of Rs. 135.17 million on provisional basis.
8. The Board of Directors of the Company at its meeting held on October 06, 2022 entered into Share Purchase cum Shareholders' Agreement ("Agreement") by FSN International Private Limited, a wholly owned subsidiary of the Company (hereinafter referred to as "FSN International") with Apparel Group, a global fashion and lifestyle retail conglomerate headquartered in the United Arab Emirates (UAE) (hereinafter referred to as "Apparel") for undertaking an omni-channel, multi branded beauty retail operation business in the countries that are part of the Gulf Cooperation Council (GCC) through an entity incorporated in Abu Dhabi Global Market in which FSN International holds 55% stake and balance 45% is held by Apparel as on the Closing Date, in accordance with the terms of the Agreement. On February 08, 2023, FSN International has remitted an amount of USD 5,500 to acquire 5,500 shares (55% stake) in the Company at face value. The share transfer process was completed on March 02, 2023 pursuant to which Nessa International Holdings Limited became a subsidiary effective such date.



9. Statement of Assets and Liabilities:

(Rs in million)

Particulars	As at March 31, 2023	As at March 31, 2022
A ASSETS		
1 Non-current assets		
Property, plant and equipment	2,313.46	1,244.42
Right of use assets	3,119.21	2,473.26
Capital work-in-progress	20.22	97.64
Goodwill	610.65	474.78
Intangible assets	944.85	640.05
Intangible assets under development	288.56	147.31
Financial assets		
Investments	381.20	-
Other financial assets	434.50	718.79
Deferred tax assets (net)	1,877.73	1,152.18
Non current tax assets (net)	211.82	138.70
Other non-current assets	241.60	102.69
Total non-current assets	10,443.80	7,189.82
2 Current assets		
Inventories	10,051.40	8,756.21
Financial assets		
Trade receivables	1,635.31	945.33
Cash and cash equivalents	413.76	371.72
Bank balance other than cash and cash equivalents	1,073.64	2,298.71
Other financial assets	2,644.86	4,878.78
Other current assets	3,237.01	2,019.78
Total current assets	19,055.98	19,270.53
Total assets	29,499.78	26,460.35
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	2,852.45	474.11
Other equity	10,927.65	12,924.89
Equity attributable to equity holders of the parent	13,780.10	13,399.00
Non-controlling interest	141.45	56.15
Total equity	13,921.55	13,455.15
2 Non-current liabilities		
Financial liabilities		
Borrowings	3.61	9.22
Lease liabilities	2,133.68	2,043.19
Other financial liabilities	1,373.20	1,222.26
Long term provisions	92.65	77.96
Total non-current liabilities	3,603.14	3,352.63
3 Current liabilities		
Financial liabilities		
Borrowings	4,600.01	3,321.12
Lease liabilities	1,247.63	552.70
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	418.93	560.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,234.96	3,059.84
Other financial liabilities	2,703.61	1,666.92
Short term provisions	113.86	88.66
Contract liabilities	234.78	160.41
Current tax liabilities	-	21.73
Other current liabilities	421.31	220.49
Total current liabilities	11,975.09	9,652.57
Total equity and liabilities	29,499.78	26,460.35



10. Statement of Cash Flows:

(Rs. In Million)

Particulars	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Operating activities		
Profit before tax	383.95	473.06
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant & equipment	1,559.73	835.00
Amortisation of intangible assets	172.81	129.12
Interest expense and other finance costs	746.05	465.11
Foreign exchange (gain) / loss	(3.11)	0.65
Share Based expense	93.96	143.24
Provision for Gratuity expense	41.65	35.50
Provision for Leave compensated expense	30.04	0.65
Expected credit loss	44.80	(23.29)
Interest income	(218.59)	(227.78)
Liabilities no longer required written back	(2.19)	-
Gain on closure of cancellation of lease contract	(10.10)	-
Operating profit before working capital changes	2,839.00	1,831.26
Working capital adjustments		
(Increase) in trade receivables	(718.84)	(136.97)
(Increase) in inventories	(1,295.19)	(3,719.01)
(Increase) in current financial asset	(91.44)	(413.29)
(Increase) in non-current financial assets	(223.02)	(193.69)
(Increase) in other current assets	(1,213.21)	(1,169.20)
(Increase) in other non current assets	(67.70)	(35.00)
(Decrease)/ Increase in trade payables	(987.06)	412.38
Increase/(Decrease) in short-term provisions	16.89	(20.18)
Increase in current financial liabilities	1,094.88	620.56
Increase in other current liabilities	250.56	4.07
(Decrease)/Increase in long-term provisions	(56.24)	1.07
Cash flows (used in) operating activities	(451.37)	(2,818.00)
Payment of taxes (net)	(951.05)	(721.57)
Net cash flows (used in) operating activities	(1,402.42)	(3,539.57)
Investing activities		
Purchase of Property, Plant and Equipment and other intangible assets	(2,081.61)	(939.73)
Sale of investments in mutual funds	-	5.47
Investment in subsidiary (net off cash and cash equivalent acquired from subsidiary)	(285.92)	(510.84)
Redemption/(Investment) in fixed deposits	3,998.86	(4,745.51)
Investment in associate	(416.50)	-
Payment towards Purchase of business in slump sale	-	(2.85)
Interest Received	180.94	165.57
Net cash flows from/(used in) investing activities	1,395.77	(6,027.89)
Financing activities		
Proceeds from issue of equity shares/ shares pending allotment (net of share issue expenses)	288.36	8,727.28
Proceeds from issue of preference shares	-	1.58
(Repayment) of Non-Current borrowings (net)	(5.61)	(7.38)
Proceeds from Current borrowings (net)	1,268.80	1,463.06
Interest paid on borrowings	(334.21)	(262.46)
Principal payment of lease liabilities	(820.07)	(449.80)
Interest paid on lease liabilities	(348.58)	(202.21)
Net cash flows from financing activities	48.69	9,270.07
Net increase/(decrease) in cash and cash equivalents for the year	42.04	(297.39)
Cash and cash equivalents at the beginning of the year	371.72	669.11
Cash and cash equivalents at the end of the year	413.76	371.72



11. The Board of Directors at its meeting held on October 03, 2022 approved issue of bonus shares, in proportion of 5:1, i.e., 5 (five) bonus equity shares of Re 1 each for every 1 (one) fully paid-up equity share held as on the record date. Subsequently, pursuant to the approval by the Members of the Company on November 02, 2022 through Postal Ballot, the Company allotted 237,35,63,075 equity shares of Re 1/- each as fully paid-up bonus equity shares on November 12, 2022 to the eligible equity shareholders. Consequent to the bonus issue, the total paid up share capital of the Company increased from Rs. 474.71 million to Rs. 2,848.28 million. Earnings Per Share for all periods presented have been adjusted accordingly. Also, the Board of Directors approved reclassification of Authorized Share Capital of the Company from Rs. 3,250 million comprising of 275,00,00,000 (Two Hundred and Seventy-Five Crores) equity shares of Re 1 each and 50,00,00,000 (Fifty Crores) preference shares of Re 1 each, to Rs. 3,250 million comprising of 325,00,00,000 (Three Hundred and Twenty-Five Crores) Equity Shares of Re 1/- (Rupee One) and the same was approved by Members of the Company on November 02, 2022 through Postal Ballot.
12. The consolidated results for the quarter ended March 31, 2023 and March 31, 2022 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.
13. Previous period figures have been regrouped wherever found necessary, to conform to the current period classification.

FSN E-Commerce Ventures Limited

Falguni Nayar



Falguni Nayar

Executive Chairperson, CEO & Managing Director

Mumbai, May 24, 2023



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, 2023 and for the year ended March 31, 2023 ("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, 2023 and for the year ended March 31, 2023.

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.

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

Other Matter

The comparative financial information of the Company for the corresponding quarter and year ended March 31, 2022, included in these standalone financial results, were audited jointly by us along with the predecessor auditor, where we expressed an unmodified opinion on those financial information on May 27, 2022.

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 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 Number: 058814

UDIN: 23058814BGYZOJ2575



Place of Signature: Mumbai

Date: May 24, 2023

FSN E-Commerce Ventures Limited						
CIN: L52600MH2012PLC230136						
Regd. Office: 104, Vasan Udyog Bhavan, Sun Mill compound, Tulsi Pipe Road, Lower Parel, Mumbai - 400013						
Audited Financial Results for the quarter and year ended March 31, 2023						
(Rs. in million, except per share data)						
Sr. No.	Particulars	Quarter ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Refer note 10	Unaudited	Refer note 10	Audited	Audited
	INCOME					
	Revenue from operations	743.20	540.77	499.14	2,177.99	1,876.99
	Other income	315.81	351.70	519.92	1,286.86	1,157.07
I	TOTAL INCOME	1,059.01	892.47	1,019.06	3,464.85	3,034.06
	EXPENSES					
	Cost of material consumed	112.51	119.32	249.36	589.11	720.67
	Purchase of traded goods	127.02	39.96	56.42	210.09	193.99
	Changes in inventories of finished goods and stock-in-trade	74.50	(5.30)	(163.01)	57.65	(326.25)
	Employee benefits expense	78.18	103.68	103.19	365.22	287.93
	Finance costs	16.10	18.67	17.12	74.51	58.87
	Depreciation and amortisation expense	17.35	19.46	12.50	70.63	46.84
	Other expenses	328.57	336.68	224.15	1,291.37	835.09
II	TOTAL EXPENSES	754.23	632.47	499.73	2,658.58	1,817.14
III	PROFIT BEFORE TAX (I - II)	304.78	260.00	519.33	806.27	1,216.92
	Tax expense:					
	Current tax	61.34	75.36	43.91	157.90	43.91
	Current tax pertaining to earlier years	-	-	20.56	-	20.56
	Deferred tax (credit)/charge	17.45	(13.09)	11.73	35.28	160.75
	Deferred tax credit for unrecognised business loss of earlier years	-	-	(43.43)	-	(43.43)
IV	Total tax expense	78.79	62.27	32.77	193.18	181.79
V	NET PROFIT AFTER TAX (III - IV)	225.99	197.73	486.56	613.09	1,035.13
	Other Comprehensive Income/(Loss) ("OCI")					
	Items that will not be reclassified to profit or loss					
	Remeasurements of defined benefit liability	(0.03)	(2.09)	(2.20)	(2.94)	0.51
	Income tax effect on above	0.00*	0.52	0.55	0.74	(0.13)
	Fair valuation of investments measured through OCI	-	-	(0.27)	-	(13.19)
	Income tax effect on above	-	-	(9.50)	-	(6.25)
VI	Total Other Comprehensive (Loss)	(0.03)	(1.57)	(11.42)	(2.20)	(19.06)
VII	Total Comprehensive Income (V+VI)	225.96	196.16	475.14	610.89	1,016.07
VIII	Paid-up equity share capital	2,852.45	2,849.37	474.11	2,852.45	474.11
	Face value Re	1.00	1.00	1.00	1.00	1.00
IX	Other Equity for the year				13,640.29	15,025.36
	Earnings per equity share of face value of Re 1/- each (not annualised for the Quarter ended March 31, 2023/March 31, 2022 and quarter ended December 31, 2022) (Refer note 9)					
	- Basic	0.08	0.07	0.17	0.22	0.37
	- Diluted	0.08	0.07	0.17	0.21	0.37

*Numbers are below one million under the rounding off convention adopted by the company



Notes:

- The above Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2023 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 24, 2023.
- 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 Rs. 1,125 per share (including a share premium of Rs. 1,124 per share). A discount of Rs.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 Rs. 6,300 million and offer for sale of 41,972,660 equity shares by selling shareholders aggregating to Rs. 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 Rs. 2,161.24 million (inclusive of taxes) which 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 Rs. 6,045.72 million (net of IPO expenses of Rs. 254.28 million) is summarized below:

Particulars	Rs. in million		
	Amount to be utilised as per prospectus	Utilisation upto March 31, 2023	Unutilised as on March 31, 2023
Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	420.00	182.58	237.42
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	324.94	95.06
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	5,713.24	332.48

Net proceeds unutilised as of March 31, 2023, were temporarily invested in deposits with scheduled commercial banks.

- The Company 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.



5. Statement of Cash Flows:

(Rs. in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Audited	Audited
Operating activities		
Profit before tax	806.27	1,216.92
Adjustments to reconcile profit before tax to net cash flows		
Depreciation of property, plant & equipment	61.83	39.48
Amortisation of intangible assets	8.80	7.36
Interest expense and other finance costs	73.95	58.87
Foreign exchange loss/ (gain)	0.06	(0.14)
Share Based expense	21.35	35.82
Provision for gratuity expense	5.34	1.19
Provision for leave compensated expense	4.52	4.84
Expected credit loss	2.49	(5.53)
Fair value of put option liability	52.00	(260.36)
Commission on financial guarantee	(45.47)	(58.54)
Interest income	(738.64)	(440.20)
Liabilities no longer required written back	(0.05)	-
Gain on cancellation of lease	(0.88)	-
Operating profit before working capital changes	251.57	599.71
Working capital adjustments		
(Increase)/ Decrease in trade receivables	(382.00)	400.58
Decrease/ (Increase) in inventories	240.20	(393.27)
Decrease/ (Increase) in current financial asset	57.17	(15.51)
Decrease/(Increase) in non-current financial assets	47.51	(25.48)
Decrease/(Increase) in other current assets	4.83	(26.77)
(Decrease)/ Increase in trade payables	(128.90)	51.99
(Decrease)/ Increase in provisions	(8.29)	(3.11)
(Decrease)/Increase in current financial liabilities	(91.55)	241.64
Increase/ (Decrease) in other current liabilities	113.57	(41.64)
Cash flows generated from operating activities	104.11	788.14
Payment of taxes (net)	(143.03)	(67.95)
Net cash flows (used in)/generated from operating activities	(38.92)	720.19
Investing activities		
Purchase of Property, Plant and Equipment and other intangible assets	(122.64)	(46.36)
Investment redeemed / (placed) in fixed deposits	3,933.36	(4,330.38)
Investment in subsidiaries	(328.85)	(2,269.16)
Investment in associate	(416.50)	-
Loans to subsidiaries (net)	(4,137.06)	(3,168.71)
Interest received	692.88	372.73
Net cash flows (used in) investing activities	(378.81)	(9,441.88)
Financing activities		
Proceeds from issue of equity shares/ shares pending allotment including security premium (net off expenses)	288.36	8,727.28
Proceeds from issue of preference shares	-	1.58
Proceeds from current borrowings (net)	41.41	69.73
Interest paid on borrowings	(52.49)	(38.45)
Rental income on sub lease	25.60	39.45
Principal payment of lease liabilities	(68.53)	(53.04)
Interest payment on lease liabilities	(21.74)	(19.95)
Net cash flows from financing activities	212.61	8,726.60
Net (decrease)/ increase in cash and cash equivalents during the year	(205.12)	4.91
Cash and cash equivalents at the beginning of the year	317.74	312.83
Cash and cash equivalents at the end of the year	112.62	317.74



6. On May 04, 2022, the Company has acquired 18.51% stake in Earth Rhythm Private Limited for a consideration of Rs. 416.50 million.
7. On June 30, 2022, the Company has acquired 60% stake (with a right to go upto 100%) in Nudge Wellness Private Limited, for a consideration of Rs. 36.00 million.
8. On September 09, 2022, the Company has acquired 100% stake in Illuminar Media Private Limited for a consideration of Rs. 292.75 million.
9. The Board of Directors at their meeting held on October 03, 2022 approved issue of bonus shares, in proportion of 5:1, i.e., 5 (five) bonus equity shares of Re 1 each for every 1 (one) fully paid-up equity share held as on the record date. Subsequently, pursuant to the approval by the Members of the Company on November 02, 2022 through Postal Ballot, the Company allotted 2,37,35,63,075 equity shares of Re 1/- each as fully paid-up bonus equity shares on November 12, 2022 to the eligible equity shareholders. Consequent to the bonus issue, the total paid up share capital of the Company increased from Rs. 474.71 million to Rs.2,848.28 million. Earnings Per Share for all periods presented have been adjusted accordingly. Also, the Board of Directors approved reclassification of Authorized Share Capital of the Company from Rs. 3,250 million comprising of 2,75,00,00,000 (Two Hundred and Seventy-Five Crores) equity shares of Re 1 each and 50,00,00,000 (Fifty Crores) preference shares of Re 1 each, to Rs. 3,250 million comprising of 3,25,00,00,000 (Three Hundred and Twenty-Five Crores) Equity Shares of Re 1/- (Rupee One) and the same was approved by Members of the Company on November 02, 2022 through Postal Ballot.
10. The results for the quarter ended March 31, 2023 and March 31, 2022 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.
11. Previous period figures have been regrouped wherever found necessary, to conform to current period classification.

FSN E-Commerce Ventures Limited

Falguni Nayal

Falguni Nayal
Executive Chairperson, CEO & Managing Director
Mumbai, May 24, 2023

