FSN E–COMMERCE VENTURES LIMITED

Our Company was originally incorporated as 'FSN E-Commerce Ventures Private Limited' under the provisions of Companies Act, 1956, at Mumbai, Maharashtra, pursuant to a certificate of incorporation dated April 24, 2012, issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Subsequently, our Company was converted into a public limited company and the name of our Company was changed to 'FSN E-Commerce Ventures Limited' pursuant to a special resolution passed by the Shareholders of our Company on July 16, 2021 and a revised certificate of incorporation was issued by the RoC on July 28, 2021. For further details in relation to change in name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 230.

Registered Office: 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400 013, Maharashtra; **Telephone**: + (91) 22 6614 9616
Corporate Office: A2, 4th Floor, Cnergy IT Park, Appasaheb Marathe Marg, Opposite Tata Motors, Prabhadevi, Mumbai 400 025, Maharashtra; **Telephone**: + (91) 22 3095 8700
Contact Person: Rajendra Punde, Head Legal, Company Secretary and Compliance Officer;
E-mail: nykaacompanysecretary@nykaa.com; **Website**: www.nykaa.com; **Corporate Identity Number**: U52600MH2012PLC230136

OUR PROMOTERS: FALGUNI NAYAR, SANJAY NAYAR, FALGUNI NAYAR FAMILY TRUST AND SANJAY NAYAR FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF FSN E–COMMERCE VENTURES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]* PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 6,300 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 41,972,660 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE SELLING SHAREHOLDERS REFERRED TO IN ANNEXURE A (THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO 250,000 EQUITY SHARES (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WOULD CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS COMMITTEE AND THE LEAD MANAGERS, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGERS, AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER JANSATTA AND MUMBAI EDITION OF THE MARATHI NEWSPAPER NAVSHAKTI (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

Our Company in consultation with the Lead Managers, may offer a discount of up to 10% of the Offer Price to Eligible Employees bidding in the Employee Reservation Portion.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the Lead Managers, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Lead Managers and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion, the "**QIB Portion**"), provided that our Company, in consultation with the Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIB**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 457.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 1 each. The Floor Price, Cap Price and Offer Price (determined by our Company in consultation with the Lead Managers and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 165), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 44.

OUR COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for, and confirms, that the statements specifically made or confirmed by such Selling Shareholder in this Red Herring Prospectus, to the extent that the statements and information specifically pertain to such Selling Shareholder and the Equity Shares offered by such Selling Shareholder under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect. Each Selling Shareholder, severally and not jointly, assumes no responsibility for any other statement, including any of the statements made by or relating to our Company or its business or any other Selling Shareholder.

LISTING

The Equity Shares, once offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated August 30, 2021 and August 16, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 568.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor, Plot No. C – 27, "G" Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400051, Maharashtra, India.
Telephone: +91 22 4336 0000
Email: nykaa.ipo@kotak.com
Website: http://investmentbank.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Morgan Stanley India Company Private Limited
18th Floor, Tower 2
One World Centre
Plot -841, Jupiter Textile Mill Compound, Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Telphone: +91 22 6118 1000
E-mail: nykaaipo@morganstanley.com
Website: www.morganstanley.com
Investor Grievance ID:
investors_india@morganstanley.com
Contact Person: Aditya Dixit
SEBI Registration No.: INM000011203

BofA Securities India Limited
Ground Floor, "A" Wing, One BKC, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Telephone: +91 22 6632 8000
E-mail: dg.Nykaa_ipo@bofa.com
Website: www.ml-india.com
Investor Grievance ID:
dg.india_merchantbanking@bofa.com
Contact Person: Samya Mittal
SEBI Registration No.: INM000011625

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Centre
G-Block, C54 & 55 Bandra Kurla Complex
Bandra (East), Mumbai 400 098
Telephone: +91 22 6175 9999
E-mail: nykaaipo@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Investor Grievance E-mail:
investors.cgmib@citi.com
Contact Person: Siddharth Prabhu
SEBI Registration No.: INM000010718

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai - 400 025, Maharashtra
Telephone: + 91 22 6807 7100
Email: nykaa.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance ID: customercare@icicisecurities.com
Contact Person: Sumit Singh / Shekher Asnani
SEBI Registration No.: INM000011179

JM Financial Limited#
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Telephone: +91 22 6630 3030
E-mail: nykaa.ipo@jmfl.com
Website: www.jmfl.com
Investor Grievance ID: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration number: INM000010361

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083, Maharashtra
Telephone: +91 22 4918 6200
E-mail: nykaa.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: nykaa.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	**Thursday, October 28, 2021***
BID/OFFER CLOSES ON	**Monday, November 1, 2021**

**Our Company shall, in consultation with the Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

#In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations, and Regulation 23(3) of the SEBI ICDR Regulations, JM Financial will be involved only in marketing of the Offer. JM Financial has signed the due diligence certificate and has been disclosed as a BRLM to the Offer.

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SECTION I : GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the SEBI Act, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Industry Overview", Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Basis for Offer Price", "Outstanding Litigation and Other Material Developments" and "Description of Equity Shares and Terms of Articles of Association", on pages 179, 219, 168, 286, 165, 408 and 480, respectively, will have the meaning ascribed to such terms in those respective sections.

Company and Selling Shareholders related terms

Term	Description
20 Dresses Business Transfer Agreement	Business Transfer Agreement between Outletwise Retail Private Limited and Nykaa Fashion Private Limited dated February 28, 2019.
20 Dresses Assignment Agreement	Trademark Assignment Agreement between Outletwise and Nykaa Fashion dated March 11, 2019.
"our Company", "the Company" or "the Issuer"	FSN E-Commerce Ventures Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400 013, Maharashtra.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries.
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended.
"Amendment Agreements"	Collectively, the First Amendment Agreement and the Second Amendment Agreement.
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act and the Listing Regulations and as described in "*Our Management*" on page 246.
"Board" or "Board of Directors"	The board of directors of our Company.
"Chief Executive Officer" or "CEO"	The chief executive officer of our Company, being Falguni Nayar.
"Chief Financial Officer" or "CFO"	The chief financial officer of our Company, being Arvind Agarwal.
"Company Secretary and Compliance Officer"	Company secretary and compliance officer of our Company, being Rajendra Punde.
"Conde Nast Agreement"	Agreement between Nykaa Fashion Private Limited and Conde Nast (India) Private Limited dated April 20, 2020.
"Corporate Social Responsibility & Environmental, Social and Governance Committee" or "CSR & ESG Committee"	The corporate social responsibility and environmental, social and governance committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 246.
"Corporate Office"	The corporate office of our Company situated at A2, 4th Floor, Cnergy IT Park, Appasaheb Marathe Marg, Opposite Tata Motors, Prabhadevi, Mumbai 400 025, Maharashtra.
"Deed of Assignment"	Deed of Assignment of Trademarks between Pipa Bella Accessories Private Limited and Nykaa Fashion Private Limited dated March 4, 2021.

Term	Description
"Deed of Assignment 2"	Deed of Assignment of Trademarks between Pipa Bella Pte. Limited Shuchi Pandya and Nykaa Fashion Private Limited dated March 30, 2021.
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time.
"Dot & Key"	Dot & Key Wellness Private Limited
"Dot & Key SSPA"	Share purchase and subscription agreement dated September 19, 2021 by and amongst Dot & Key, Suyash Saraf, Anisha Saraf, our Company and other shareholders of Dot & Key.
"Dot & Key SHA"	Shareholders agreement dated September 19, 2021 by and amongst Dot & Key, Suyash Saraf, Anisha Saraf, our Company and other shareholders of Dot & Key
"Equity Shares"	Equity shares of our Company of face value of ₹ 1 each.
"ESOS-2012"	Employees Stock Options Scheme – 2012, as amended.
"ESOS-2017"	FSN Employees Stock Scheme – 2017, as amended.
"ESOS Schemes"	Collectively, ESOS 2012 and ESOS 2017.
"Executive Director"	Executive director(s) of our Company. For further details of the Executive Director, see "*Our Management*" on page 246.
"First Amendment Agreement"	The Amendment Agreement dated July 15, 2021 to the Restated Shareholders Agreement by and amongst our Company, Promoters, Adwaita Nayar and Anchit Nayar, and the investors namely, Harindarpal Singh Banga jointly with Indra Banga, Lighthouse India Fund III, Limited, Sachin Kumar Bhartiya, in his capacity as the trustee of Lighthouse India III Employee Trust, Sunil Kant Munjal, Shefali Munjal, Narotam Sekhsaria and TPG Growth IV SF Pte. Ltd.
"FSN Brands"	FSN Brands Marketing Private Limited.
FSN Distribution"	FSN Distribution Private Limited.
"FSN Global"	FSN Global FZE.
"FSN International"	FSN International Private Limited.
"Group Companies"	Our group companies as disclosed in section "*Our Group Companies*" on page 282.
"IPO Committee"	The IPO committee of our Board constituted as described in "*Our Management*" on page 246.
"Investor Selling Shareholders"	Collectively, TPG Growth IV SF Pte. Ltd, Lighthouse India Fund III, Limited, Lighthouse India III Employee Trust, J M Financial and Investment Consultancy Services Private Limited and Yogesh Agencies & Investments Private Limited.
"Independent Directors"	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 246.
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, which includes key managerial personnel in terms of the Companies Act, 2013, as disclosed in "*Our Management*" on page 246.
"Masaba Trademark License Agreement"	Trademark License Agreement between House of Masaba Lifestyle Private Limited and FSN E-Commerce Ventures Private Limited dated March 25, 2019.
"Managing Director"	The managing director of our Company, being Falguni Nayar.
"Materiality Policy"	The materiality policy of our Company adopted pursuant to a resolution of our Board dated July 30, 2021 for the identification of material (a) outstanding litigation proceedings; (b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Red Herring Prospectus.
"Material Subsidiaries"	Nykaa E-Retail and FSN Brands.
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended.
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in "*Our Management*" on page 246.
"Non – Executive Director(s)"	A Director, not being an Executive Director.
"Nykaa E-Retail"	Nykaa E-Retail Private Limited.
"Nykaa Fashion"	Nykaa Fashion Private Limited.
"Nykaa International"	Nykaa International UK Limited.
"Nykaa–KK Beauty"	Nykaa–KK Beauty Private Limited.
"OCRPS"	Optionally convertible redeemable non-cumulative preference shares of ₹ 10 each of our Company.
"Other Selling Shareholders"	Collectively, Sunil Kant Munjal, Harindarpal Singh Banga jointly with Indra Banga, Narotam Sekhsaria, Rishabh Mariwala, Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar, Michael Carlos, Samina Hamied, Sanjay Maliah, Vikram Sud and Karan Swani.

Term	Description
"Pipa Bella Business Transfer Agreement"	Business Transfer Agreement between Pipa Bella Accessories Private Limited and Nykaa Fashion Private Limited dated March 3, 2021.
"Promoters"	Promoters of our Company namely, Falguni Nayar, Sanjay Nayar, Falguni Nayar Family Trust and Sanjay Nayar Family Trust. For further details, see "*Our Promoters and Promoter Group*" on page 277.
"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 277.
"Promoter Selling Shareholder"	Sanjay Nayar Family Trust.
"Registered Office"	The registered office of our Company situated at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400 013, Maharashtra.
"RedSeer"	RedSeer Management Consulting Private Limited.
"RedSeer Report"	RedSeer Report titled "Report on India Beauty and Personal Care and Fashion Markets" dated October 14, 2021 issued by RedSeer, which has been exclusively commissioned and paid for by us in connection with the Offer.
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Mumbai.
"Restated IND AS Consolidated Financial Statement"	Restated consolidated summary statements of our Company together with subsidiaries ("**Group**"), comprising the restated consolidated financial statement of assets and liabilities as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020, and March 31, 2019 and restated consolidated summary statements of profit and loss (including other comprehensive income), and restated consolidated summary cash flows and restated consolidated summary statement of changes in equity for the three-months period ended June 30, 2021, and June 30, 2020, and for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of Significant accounting policies, and other explanatory information of our Group, derived from audited financial statements as at and for the three-months period ended June 30, 2021 and and June 30, 2020 prepared in accordance with Ind AS 34, and as at and for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS and our audited financial statements as at for the year ended March 31, 2019 are prepared in accordance with Indian GAAP and restated by our Group in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. The audited consolidated financial statements as at and for the years ended March 31, 2020 and March 31, 2019 were audited solely by V.C. Shah & Co., Chartered Accountants, one of the joint auditors.
"Restated Shareholders' Agreement"	Amended and Restated Shareholders Agreement dated April 21, 2020, and subsequently, amended on May 22, 2020 by and amongst our Company, Promoters, Adwaita Nayar and Anchit Nayar, and the investors namely, Harindarpal Singh Banga jointly with Indra Banga, Lighthouse India Fund III, Limited, Sachin Kumar Bhartiya, in his capacity as the trustee of Lighthouse India III Employee Trust, Sunil Kant Munjal, Shefali Munjal, Narotam Sekhsaria and TPG Growth IV SF Pte. Ltd
"Risk Management Committee"	The risk management committee constituted in accordance with the Listing Regulations, and as described in, "*Our Management*" on page 246.
"Second Amendment Agreement"	The Second Amendment Agreement dated September 18, 2021 to the Restated Shareholders Agreement as amended and restated pursuant to the First Amendment Agreement by and amongst our Company, Promoters, Adwaita Nayar and Anchit Nayar, and the investors namely, Harindarpal Singh Banga jointly with Indra Banga, Lighthouse India Fund III, Limited, Sachin Kumar Bhartiya, in his capacity as the trustee of Lighthouse India III Employee Trust, Sunil Kant Munjal, Shefali Munjal, Narotam Sekhsaria and TPG Growth IV SF Pte. Ltd.
"Selling Shareholders"	Collectively, the Promoter Selling Shareholder, Investor Selling Shareholders and Other Selling Shareholders
"Selling Shareholders Committee"	A committee representing the interest of the Selling Shareholders, comprising Adwaita Nayar, William Sean Sovak, Akshay Tanna, Angad Banga, Amit Aggarwal and Milan Khakhar.
"Shareholder(s)"	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares.
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in, "*Our Management*" on page 246.

Term	Description
"Statutory Auditors"	The joint statutory auditors of our Company, being V.C. Shah & Co., Chartered Accountants, together with S.R. Batliboi & Associates, LLP, Chartered Accountants.
"Subsidiaries"	The subsidiaries of our Company as on the date of this Red Herring Prospectus are: Nykaa E-Retail; FSN Brands; Nykaa Fashion; Nykaa–KK Beauty; FSN International; FSN Distribution; FSN Global; Nykaa International; and Dot & Key. For the purpose of financial information and restated financial statements - subsidiaries would mean subsidiaries as at and during the relevant fiscal year / period.

Offer Related Terms

Term	Description
"Acknowledgement Slip"	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of submission of the Bid cum Application Form.
"Allot", "Allotment", or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders.
"Allotment Advice"	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted.
"Anchor Investor"	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million.
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors during the Anchor Investor Bid/Offer Period in terms of this Red Herring Prospectus and the Prospectus which will be decided by our Company, in consultation with the Lead Managers.
"Anchor Investor Application Form"	The application form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
"Anchor Investor Bidding Date"	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Lead Managers will not accept any Bids from Anchor Investor, and allocation to the Anchor Investors shall be completed.
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the Lead Managers.
"Anchor Investor Pay – in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date.
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the Lead Managers, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
"Applications Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
"ASBA Account"	A bank account maintained with an SCSB by an ASBA Bidder as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form, which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism, to the extent of the Bid Amount of the ASBA Bidder.

Term	Description
"ASBA Bidder"	All Bidders except Anchor Investors.
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
"Banker(s) to the Offer"	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank, as the case may be.
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 457.
"Bid"	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
"Bidder"	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor.
"Bid Amount"	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cut off Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid. However, Eligible Employees bidding in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cut off Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.,* Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires.
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
"Bid/Offer Closing Date"	Except in relation to Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being, Monday, November 1, 2021, which shall be published in all editions of the English daily national newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta and Marathi daily national newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation. In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.
"Bid/Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being, Thursday, October 28, 2021, which shall also be notified in all editions of English national daily newspaper Financial Express, all editions of Hindi national daily newspaper Jansatta and Marathi national daily newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located) which are widely circulated English, Hindi and Marathi newspapers, respectively. Our Company shall, in consultation with the Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

Term	Description
"Bid/Offer Period"	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. The Bid/Offer Period will comprise of Working Days only.
"BofA"	BofA Securities India Limited
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely BofA Securities India Limited, Citigroup Global Markets India Private Limited, ICICI Securities Limited and JM Financial Limited.* **In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, JM Financial will be involved only in marketing of the Offer. JM Financial has signed the due diligence certificate and has been disclosed as a BRLM to the Offer.*
"Broker Centre"	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time.
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date.
"Cap Price"	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, subject to any revisions thereof, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
"Cash Escrow and Sponsor Bank Agreement"	Agreement dated October 20, 2021 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the Lead Managers, the Syndicate Members, the Banker(s) to the Offer, *inter alia*, the appointment of the Sponsor Bank in accordance with the UPI Circular and for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
"Circular on Streamlining of Public Issues"/ "UPI Circular"	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, SEBI circular number no. (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, and any subsequent circulars or notifications issued by SEBI in this regard.
"Citi"	Citigroup Global Markets India Private Limited.
"Client ID"	Client identification number maintained with one of the Depositories in relation to the demat account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time.
"Cut-off Price"	The Offer Price, as finalised by our Company, in consultation with the Lead Managers which shall be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details and UPI ID, where applicable.
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.

Term	Description
"Designated CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com).
"Designated Date"	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of this Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which our Board may Allot Equity Shares to successful Bidders in the Offer.
"Designated Intermediaries"	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Eligible Employees, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
"Designated RTA Locations"	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
"Designated Stock Exchange"	National Stock Exchange of India Limited.
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated August 1, 2021, filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer.
"Eligible Employee(s)"	All or any of the following: (a) a permanent employee of our Company who is a resident in India (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is a resident in India and eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of this Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.
"Eligible FPIs"	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
"Eligible NRIs"	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
"Employee Discount"	Our Company in consultation with the Lead Managers, may offer a discount of up to 10% of the Offer Price (equivalent to ₹ [●] per Equity Share) to Eligible Employees bidding under the Employee Reservation Portion, in accordance with the SEBI ICDR Regulations and details of which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.

Term	Description
"Employee Reservation Portion"	The portion of the Offer being up to 250,000 Equity Shares, aggregating to ₹ [●] available for allocation to Eligible Employees who are resident in India, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company.
"Escrow Account(s)"	Accounts as opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being ICICI Bank Limited.
"First Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
"Floor Price"	The lower end of the Price Band, i.e., ₹ [●] subject to any revision(s) thereto, not being lower than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted.
"Fresh Issue"	The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹ 6,300 million by our Company.
"General Information Document" or "GID"	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Lead Managers.
"Global Co-ordinators and Book Running Lead Managers" or "GCBRLMs"	The global co-ordinators and book running lead managers to the Offer, namely Kotak Mahindra Capital Company Limited and Morgan Stanley India Company Private Limited.
"Gross Proceeds"	The Offer Proceeds, less the amount to be raised with respect to the Offer for Sale.
"I-Sec"	ICICI Securities Limited
"JM Financial"	JM Financial Limited.* **In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, JM Financial will be involved only in marketing of the Offer. JM Financial has signed the due diligence certificate and has been disclosed as a BRLM to the Offer.*
"Kotak"	Kotak Mahindra Capital Company Limited.
"Lead Managers"	Collectively, the Global Co-ordinators and Book Running Lead Managers and the Book Running Lead Managers.
"Monitoring Agency"	ICICI Bank Limited
"Monitoring Agency Agreement"	Agreement dated October 20, 2021 entered into between our Company and the Monitoring Agency
"Morgan Stanley"	Morgan Stanley India Company Private Limited.
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"Mutual Fund Portion"	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
"Net Offer"	The Offer less the Employee Reservation Portion.
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 149.
"Net QIB Portion"	QIB Portion, less the Anchor Investors Portion.
"Non-Institutional Investors" or "NII(s)" or "Non-Institutional Bidders" or "NIB(s)"	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
"Non-Institutional Portion"	The portion of the Net Offer being not more than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
"Offer"	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity

Term	Description
	Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 6,300 million by our Company and an offer for sale of up to 41,972,660 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders.
"Offer Agreement"	The agreement dated August 1, 2021, entered into by and amongst our Company, the Selling Shareholders, the Lead Managers, and Mala Gaonkar (one of the Shareholders of our Company) pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer, read with amendment agreement to the Offer Agreement dated October 12, 2021, entered into by and amongst our Company, the Selling Shareholders and the Lead Managers.
"Offer for Sale"	The offer for sale of up to 41,972,660 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders in the Offer.
"Offer Price"	The final price at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the Lead Managers, in accordance with the Book Building Process on the Pricing Date and in terms of this Red Herring Prospectus. A discount up to 10% to the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company in consultation with the Lead Managers.
"Offer Proceeds"	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the* Offer" on page 149.
"Offered Shares"	The Equity Shares being offered by the Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 41,972,660 Equity Shares.
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum Price of ₹ [●] per Equity Share (Cap Price) and includes revisions thereof. The Price Band will be decided by our Company, in consultation with the Selling Shareholders Committee and the Lead Managers and the minimum bid lot will be decided by our Company in consultation with the Lead Managers, and will be advertised in all editions of an English national daily newspaper Financial Express, all editions of a Hindi national daily newspaper Jansatta and Marathi national daily newspaper Navshakti (each of which are widely circulated English, Hindi and Marathi newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchange for the purpose of uploading on their respective websites.
"Pricing Date"	The date on which our Company, in consultation with the Lead Managers, will finalise the Offer Price.
"Prospectus"	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
"Public Offer Account Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) has been opened, in this case being ICICI Bank Limited.
"Public Offer Account(s)"	Bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s)to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date.
"Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the Lead Managers up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).

Term	Description
"Red Herring Prospectus" or "RHP"	This red herring prospectus dated October 20, 2021 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. This red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' accounts opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
"Refund Bank(s)"	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited.
"Registered Broker"	Stock brokers registered under the SEBI (Stock Brokers) Regulations, 1992, as amended, with the Stock Exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
"Registrar Agreement"	The agreement dated August 1, 2021,entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, and Mala Gaonkar (one of the Shareholders of our Company) in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer, read with amendment agreement to the Registrar Agreement dated October 12, 2021, entered into by and amongst our Company, the Selling Shareholders and the Lead Managers
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available in the website of BSE and NSE, and the UPI Circulars.
"Registrar" or "Registrar to the Offer"	Link Intime India Private Limited.
"Resident Indian"	A person resident in India, as defined under FEMA.
"Retail Individual Bidders" or "RIB(s)" or "Retail Individual Investors" or "RII(s)"	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer.
"Retail Portion"	The portion of the Net Offer being not more than 10% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
"Revision Form"	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time.
"Share Escrow Agent"	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely Link Intime India Private Limited.

Term	Description
"Share Escrow Agreement"	The agreement dated October 12, 2021 entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow credit of such Equity Shares to the demat account of the Allottees.
"Sponsor Bank"	The Banker to the Offer registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, the Sponsor Bank in this case being ICICI Bank Limited.
"Specified Locations"	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time.
"Stock Exchange(s)"	Collectively, BSE and NSE.
"Syndicate Agreement"	Agreement dated October 20, 2021, entered into among the Company, the Selling Shareholders, the Lead Managers, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
"Syndicate Members"	Intermediaries (other than Lead Managers) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Offer namely, [Kotak Securities Limited and JM Securities Limited].
"Syndicate" or "members of the Syndicate"	Together, the Lead Managers and the Syndicate Members.
"Systemically Important Non-Banking Financial Company" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Total Borrowings"	Total Borrowings= Non-current liabilities – Financial liabilities - Borrowings + Current liabilities – Other financial liabilities - Current maturity of long term debt + Current liabilities – Financial liabilities - Borrowings
"Underwriters"	[●]
"Underwriting Agreement"	The agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company on or after the Pricing Date, but prior to filing of the Prospectus.
"UPI"	Unified Payments Interface, which is an instant payment mechanism developed by NPCI.
"UPI ID"	ID created on UPI for single-window mobile payment system developed by the NPCI.
"UPI Mandate Request"	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
"UPI Mechanism"	The mechanism that may be used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars.
"UPI PIN"	Password to authenticate UPI transaction.
"Wilful Defaulter"	A wilful defaulter, as defined under the SEBI ICDR Regulations.
"Working Day"	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circular issued by SEBI.

Technical/Industry Related Terms or Abbreviations

Term	Description
"Annual Unique Transacting Consumers"	Unique consumers identified by their email-id or mobile number who have placed at least one Order on our websites, mobile applications or physical stores during the last 12 months ended as on measurement date. Annual Transacting Consumers, with respect to beauty and personal care, denotes Annual Transacting Consumers on the Nykaa and Nykaa Man websites, mobile applications and physical stores. Annual Transacting Consumers, with respect to fashion, denotes Annual Transacting Consumers on the Nykaa Fashion website and the mobile application.
"Average Order Value" / "AOV"	GMV generated across our websites, mobile applications and physical stores divided by Orders considered for such GMV.
"Beauty and Personal Care Market ('BPC' Market)"	Includes products belonging to hair care, oral care, bath and shower, skin care, fragrance, make up, and men's grooming categories; but excludes beauty and personal care appliances. Market size is based on actual price paid by the consumer (net of discounts).
"Cumulative Transacting Consumer Base"	Number of unique consumers identified by their email-id or mobile number who have placed at least one Order on our websites, mobile applications or physical stores since inception.
"Fashion Market"	Includes products belonging to apparel, footwear and accessories categories. Market size is based on actual price paid by the consumer (net of discounts).
"Generation Z" / "Gen-Z"	People in the 10-24 years age group.
"Gross Merchandise Value/ "GMV"	Monetary value of Orders inclusive of taxes and gross of discounts, if any, across our websites, mobile applications and physical stores prior to product returns or order cancellations and including sales to and through third party channels. GMV, with respect to beauty and personal care, denotes GMV of all beauty and personal care products. GMV, with respect to fashion, denotes GMV of all fashion products.
"Metro"	Areas with population above 1 million includes Ahmedabad, Bangalore, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune.
Millennials"	People in the 25-39 years age group.
"Monthly Average Unique Visitors"	Number of unique devices (laptops, mobile phones, *etc.*) which recorded at least one Visit to our websites or mobile applications during the month. Monthly Average Unique Visitors, with respect to beauty and personal care, denotes Monthly Average Unique Visitors on the Nykaa and Nykaa Man websites and mobile applications. Monthly Average Unique Visitors, with respect to fashion, denotes Monthly Average Unique Visitors on the Nykaa Fashion website and the mobile application.
"Omnichannel"	Multichannel retail approach which provides consumers seamless shopping experience across online channels (website or mobile applications) and physical stores.
"Orders"	All orders placed on our websites, mobile applications and physical stores prior to any cancellations and returns. Orders, with respect to beauty and personal care, includes all Orders that have at least one beauty and personal care product. Orders, with respect to fashion, includes all Orders that have at least one fashion product.
"Private Final Consumption Expenditure"	Expenditure incurred by the resident households and non-profit institutions serving households on final consumption of goods and services, whether made within or outside the economic territory.
"Rural"	All population, housing and territories not included within Urban.
"Social Media Followers"	Number of followers on Facebook, Instagram, YouTube, Twitter and Pinterest across all Nykaa handles.
"Specialty Beauty and Personal Care Platform"	Retail platform with highest contribution from beauty and personal care category.
"Tier 1"	Areas with population above 100 thousand and less than 1 million.
"Tier 2" / "Semi –	Areas with population above 10,000 and less than 100 thousand.

Term	Description
urban"	
"Urban"	As per Census of India includes urbanized areas of 50,000 or more people and urbanized clusters (at least 2,500 and at most 50,000 people).
"Visits"	Number of visits to our websites and mobile applications. A visit is considered ended when no new request has been recorded in more than 30 minutes from the same device to the website or the mobile application. Visits, with respect to beauty and personal care, denotes Visits to the Nykaa and Nykaa Man websites and mobile applications Visits, with respect to fashion, denotes Visits to the Nykaa Fashion website and the mobile application.

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees, the official currency of the Republic of India
"AIFs"	Alternative investment funds as defined in and registered under the AIF Regulations
"AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"API"	Application performing interface
"AS"	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
"BSE"	BSE Limited
"BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"CAGR"	Compounded Annual Growth Rate
"Calendar Year" or "year"	Unless the context otherwise requires, shall refer to the twelve months period ending December 31
"Category I AIF"	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
"Category II AIF"	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
"Category I FPIs"	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category II FPIs"	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category III AIF"	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
"CBDT"	Central Board of Direct Tax
"CCI"	Competition Commission of India
"CDSL"	Central Depository Services (India) Limited
"CIN"	Corporate Identity Number
"Companies Act"	*Erstwhile* Companies Act, 1956 and/or the Companies Act, 2013 as applicable
"Companies Act, 1956"	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder
"Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
"Cr.P.C."	Code of Criminal Procedure, 1973
"CSR"	Corporate social responsibility
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DIN"	Director Identification Number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DP ID"	Depository Participant's Identification Number
"DPIIT"	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry,GoI
"EBITDA"	Earnings before interest, tax, depreciation and amortisation
"EPS"	Earnings per share
"FDI"	Foreign direct investment.
"FDI Policy"	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and

Term	Description
	Industry, Government of India *(earlier known as the Department of Industrial Policy and Promotion*).
"FEMA"	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder.
"FEMA Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"FEMA Regulations"	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017.
"Financial Year", "Fiscal", "FY" or "F.Y."	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise.
"FIR"	First information report.
"FPI(s)"	Foreign Portfolio Investor, as defined under the FPI Regulations.
"FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
"FIPB"	The erstwhile Foreign Investment Promotion Board.
"FVCI"	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations.
"Fugitive Economic Offender"	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.
"FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
"GDP"	Gross domestic product.
"GIR Number"	General index registration number.
"GoI" or "Government" or "Central Government"	Government of India.
"GST"	Goods and services tax.
"HUF"	Hindu undivided family.
"IAS Rules"	Companies (Indian Accounting Standards) Rules, 2015, as amended.
"ICAI"	The Institute of Chartered Accountants of India.
"ICSI"	The Institute of Company Secretaries of India.
"ICWAI"	The Institute of Cost & Works Accountants of India.
"ICDS"	Income Computation and Disclosure Standards.
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board.
"India"	Republic of India.
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules.
"Ind AS 24"	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules.
"Ind AS 37"	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules.
"IGAAP" or "Indian GAAP"	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended.
"Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
"IPC"	The Indian Penal Code, 1860.
"IPR"	Intellectual property rights.
"IRDAI Investment Regulations"	Insurance Regulatory and Development Authority (Investment) Regulations, 2016.
"IST"	Indian standard time.
"IT Act"	The Income Tax Act, 1961.
"IT"	Information technology.
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges.
"Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
"MCA"	Ministry of Corporate Affairs, Government of India.
"MICR"	Magnetic ink character recognition.
"Mn" or "mn"	Million.
"N.A."	Not applicable.
"NACH"	National Automated Clearing House.

Term	Description
"NAV"	Net asset value.
"NBFC"	Non-Banking Financial Company.
"NECS"	National electronic clearing service.
"NEFT"	National electronic fund transfer.
"N.I. Act"	The Negotiable Instruments Act, 1881.
"NPCI"	National Payments Corporation of India.
"NRE"	Non-resident external.
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
"NRI" or "Non-Resident Indian"	Non-Resident Indian as defined under the FEMA Regulations.
"NRO"	Non-resident ordinary.
"NRO Account"	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
"NSDL"	National Securities Depository Limited.
"NSE"	National Stock Exchange of India Limited.
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
"ODI"	Offshore derivative instruments.
"P/E Ratio"	Price/earnings ratio.
"PAN"	Permanent account number allotted under the Income Tax Act, 1961.
"RBI"	Reserve Bank of India.
"Regulation S"	Regulation S under the U.S. Securities Act
"RONW"	Return on Net Worth.
"Rs." or "Rupees" or "₹" or "INR"	Indian Rupees.
"RTGS"	Real time gross settlement.
"Rule 144A"	Rule 144 A under the U.S. Securities Act
"SCRA"	Securities Contracts (Regulation) Act, 1956.
"SCRR"	Securities Contracts (Regulation) Rules, 1957.
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act.
"SEBI Act"	Securities and Exchange Board of India Act, 1992.
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999.
"SEBI SBEB Regulations"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
"SICA"	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.
"STT"	Securities Transaction Tax.
"State Government"	Government of a State of India.
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
"U.S.A"/ "U.S."/ "United States"	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia.
"USD" or "US$"	United States Dollars.
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America.
"U.S. QIB"	"Qualified institutional buyer", as defined in Rule 144A of the U.S. Securities Act.
"U.S. Securities Act"	United States Securities Act of 1933, as amended.
"VAT"	Value added tax.
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the

Term	Description
	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be.

OFFER DOCUMENT SUMMARY

This section is a general summary of the terms of the Offer, certain disclosures included in this Red Herring Prospectus and are neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Objects of the Offer*", "*Industry Overview*", "*Our Business*", "*Our Promoters and Promoter Group*", "*Financial Statements*", *"Management's Discussions and Analysis of Financial Position and Results of Operations",* "*Outstanding Litigation and Material Developments*", and *"Offer Structure",* on pages 44, 92, 112, 149, 179, 190, 277, 287, 369, 408and 451, respectively.

Primary business of our Company

We are a digitally native consumer technology platform, delivering a content-led, lifestyle retail experience to consumers. Since our incorporation in 2012, we have invested both capital and creative energy towards designing a differentiated journey of brand discovery for our consumers. We have a diverse portfolio of beauty, personal care and fashion products, including our owned brand products manufactured by third party manufacturers for us. As a result, we have established ourselves not only as a lifestyle retail platform, but also as a consumer brand offering an omnichannel experience to the consumers.

Summary of the Industry in which our Company operates

We have a large market opportunity aggregating ₹10.6 trillion (US$152 billion) in the growing beauty, personal care and fashion industry by the calendar year 2025 in India. The Indian beauty and personal care market is estimated to grow to approximately ₹2.0 trillion (US$28 billion) by the calendar year 2025 from ₹1.1 trillion (US$16 billion) in the calendar year 2020. The Indian fashion market is estimated to grow to approximately ₹8.7 trillion (US$124 billion) by the calendar year 2025 from ₹3.8 trillion (US$54 billion) in the calendar year 2020. *(Source: RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer).*

Names of the Promoters

Our Promoters are Falguni Nayar, Sanjay Nayar, Falguni Nayar Family Trust and Sanjay Nayar Family Trust. For further details, see "*Our Promoters and Promoter Group*" on page 277.

Offer Size

Offer of Equity Shares[(1)(2)]	Up to [●] Equity Shares, aggregating up to ₹[●] million
of which	
Fresh Issue[(1)]	Up to [●] Equity Shares, aggregating up to ₹ 6,300 million
Offer for Sale[(2)]	Up to 41,972,660 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders
Employee Reservation Portion[(3)]	Up to 250,000 Equity Shares
Net Offer	Up to [●] Equity Shares aggregating to ₹ [●] million

The Offer has been authorized by our Board pursuant to resolutions passed at its meetings held on July 15, 2021, July 30, 2021 and September 18, 2021 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed on July 16, 2021 and September 30, 2021.

The Offered Shares being offered by the Selling Shareholders in the Offer for Sale are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution at its meeting held on August 1, 2021. For further details of authorizations pertaining to the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 424.

In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 451.

The Offer and Net Offer shall constitute [●]% and [●]%, respectively, of the post Offer paid-up Equity Share capital of our Company.

The above table summarises the details of the Offer. For further details of the offer, see "*The Offer*" and

"*Offer Structure*" on pages 92 and 451, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(in ₹ million)

Particulars	Amount*
Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	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
Repayment or prepayment of outstanding borrowings availed by our Company and one of our Subsidiaries, namely, Nykaa E-Retail	1,560.00
Expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands	2,340.00
General corporate purposes[#]	[•]
Total*	**[•]**

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*
[#]The amount to be utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

For further details, see "*Objects of the Offer*" on page 149.

Aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Promoter and Promoter Group

S No.	Name of Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
	Promoters		
1.	Falguni Nayar	Nil	Nil
2.	Sanjay Nayar	Nil	Nil
3.	Sanjay Nayar Family Trust*	110,618,920	23.67
4.	Falguni Nayar Family Trust*	104,305,770	22.32
	Promoter Group		
5.	Anchit Nayar Family Trust**	14,370,000	3.07
6.	Adwaita Nayar Family Trust***	14,370,000	3.07
7.	Anchit Nayar	160,080	0.03
8.	Anchit Nayar-Sanjay Nayar Family Trust**	4,750,000	1.02
9.	Adwaita Nayar-Sanjay Nayar Family Trust***	4,750,000	1.02
10.	Adwaita Nayar	30,060	0.01
11.	Rashmi Mehta	10,527	negligible
Total		253,354,830	54.22

**Held through its trustees, Sanjay Nayar and Falguni Nayar.*
***Held through its trustees, Anchit Nayar, Sanjay Nayar and Falguni Nayar.*
****Held through its trustees, Adwaita Nayar, Sanjay Nayar and Falguni Nayar.*

Selling Shareholders

S No.	Name of Selling shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
	Promoter Selling Shareholders		

S No.	Name of Selling shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
1.	Sanjay Nayar Family Trust*	110,618,920	23.67
	Investor Selling Shareholders		
2.	TPG Growth IV SF Pte. Ltd	16,264,560	3.48
3.	Lighthouse India Fund III, Limited	14,533,860	3.11
4.	Lighthouse India III Employee Trust	154,590	0.03
5.	Yogesh Agencies & Investments Private Limited	5,538,450	1.19
6.	J M Financial and Investment Consultancy Services Private Limited	4,565,610	0.98
	Other Selling Shareholders		
7.	Sunil Kant Munjal	21,189,300	4.53
8.	Harindarpal Singh Banga jointly with Indra Banga	40,679,790	8.70
9.	Narotam Sekhsaria	17,085,150	3.66
10.	Rishabh Mariwala	5,571,810	1.19
11.	Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar	2,250,000	0.48
12.	Michael Carlos	1,349,490	0.29
13.	Samina Hamied	692,550	0.15
14.	Sanjay Maliah	1,394,700	0.30
15.	Vikram Sud	540,000	0.12
16.	Karan Swani	1,166,100	0.25

**Held through its trustees, Sanjay Nayar and Falguni Nayar*

Select Financial Information

The following details of our Equity share capital, total income, net asset value per Equity Share and total borrowings as at and for the three-months period ended June 30, 2021 and June 30, 2020 and for the fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 and total revenue from operations, profit after tax and earnings per Equity Share (basic and diluted) for the three-months period ended June 30, 2021 and June 30, 2020 and for the Fiscals 2021, 2020 and 2019 are derived from the Restated Ind AS Consolidated Financial Information:

(In ₹ million, except per share data)

Particulars	As at and for the three months ended June 30, 2021	As at and for the three months ended June 30, 2020	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity share capital	154.77	147.01	150.58	145.50	142.43
Equity attributable to equity holders of the parent	6,988.92	3,540.06	4,899.39	3,221.49	2,305.58
Total Income	8,217.14	2,910.46	24,526.37	17,778.50	11,163.82
Restated Profit/(Loss) for the period / year	35.22	(545.07)	619.45	(163.40)	(245.39)
Restated Profit/(Loss) for the period / year attributable to equity shareholders of parent	34.15	(541.45)	618.48	(166.09)	(245.18)

(In ₹ million, except per share data)

Particulars	As at and for the three months ended June 30, 2021	As at and for the three months ended June 30, 2020	Fiscal 2021	Fiscal 2020	Fiscal 2019
Restated earnings / (loss) per share of face value ₹ 1/- each attributable to equity holders of the parent*^					
Basic, computed on the basis of profit/(loss) attributable to equity holders (₹)	0.08	(1.23)	1.39	(0.39)	(0.59)
Diluted, computed on the basis of profit/(loss) attributable to equity holders (₹)	0.07	(1.23)	1.34	(0.39)	(0.59)
Net asset value per equity share - Basic (₹)^	15.47	8.06	11.00	7.52	5.55
Net asset value per equity share - Diluted (₹)^	14.92	7.73	10.58	7.13	5.44
Total Borrowings	2,681.34	1,978.29	1,874.65	2,675.49	2,256.43

^ Not annualised for period ended 30 June, 2021 and 30 June, 2020.

Notes:

1. *Net asset value per equity share: Equity attributable to equity holders of the parent divided by weighted average numbers of equity shares outstanding during the period / year post share sub-division and bonus issue.*
2. *The above information is based on or derived from the Restated Ind AS Consolidated Financial Statements.*

**** Notes***

Based on the Ind AS 33 – Earning per Share, the EPS of the Company for the three months ended June 30, 2021 and for all the periods presented has been computed / adjusted after considering the bonus issue and share sub-division subsequent to June 30, 2021 and prior to adoption of financial statement for the three months period ended June 30, 2021.

Sub-division of equity shares and issuance of bonus equity shares

The Board of Directors and shareholders in their meeting dated July 15, 2021 and July 16, 2021 respectively approved sub-division of each equity shares of ₹ 10 into ten equity shares of face value of ₹ 1 each and issue of two bonus shares for every one existing fully paid up equity share of face value of ₹ 1 each, accordingly 31,13,57,900 bonus shares were issued (after giving effect to sub-division of equity shares).

Following additional events have occurred subsequent to the three-months period ended June 30, 2021

Pursuant to the resolution of Share Allotment cum Transfer Committee dated July 10, 2021 and dated September 23, 2021, the Company has issued 56,185 equity shares of face value of ₹ 10 each and 2,87,700 equity shares of face value of ₹ 1 each at premium respectively, on exercise of Employee Stock Options under ESOS.

Pursuant to a resolution passed by Board of Directors on July 15, 2021, the company has converted 36,000 OCRPS into equity shares.

Qualifications of the Auditors which have not been given effect to in the Restated Ind AS Consolidated Financial Information

There were no auditor qualifications in audited consolidated financial statements for the three-months period ended June 30, 2021 and June 30, 2020 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Promoter, Directors, Subsidiaries and Group Companies as on the date of this Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	4	0.30
Claims related to direct and indirect taxes#	5	26.64
Other pending material litigation proceedings	1	NIL
Total	**10**	**26.94**
Cases by our Company		
Criminal proceedings	NIL	NIL
Other pending material proceedings	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Subsidiaries		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	9	0.25
Claims related to direct and indirect taxes#	7	83.66
Other pending material litigation proceedings	NIL	NIL
Total	**16**	**83.91**
Cases by our Subsidiaries		
Criminal proceedings	1	NIL
Other pending material proceedings	NIL	NIL
Total	**1**	**NIL**
Cases against our Promoters		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	4	0.09
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	NIL	NIL
Claims related to direct and indirect taxes^	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**4**	**0.09**
Cases by our Promoters		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Directors		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	6	0.16
Direct and indirect taxes^	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**6**	**0.16**
Cases by our Directors		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Group Companies		
Pending litigation which has a material impact on our Company	NIL	NIL
Total	**NIL**	**NIL**
Cases by our Group Companies		
Pending litigation which has a material impact on our Company	NIL	NIL

Type of Proceedings	Number of cases	Amount* (₹ in million)
Total	**NIL**	**NIL**

**To the extent quantifiable, excluding interest and penalty thereon.*

 # There are three material tax proceedings above the materiality threshold of ₹ 6.19 million.

^ There are no material tax proceedings above the materiality threshold of ₹ 6.19 million.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 408.

Risk Factors

Specific attention of the investors is invited to "*Risk Factors*" on page 44 to have an informed view before making an investment decision.

Summary of Contingent Liabilities of our Company

Details of the contingent liabilities (as per Ind AS 37) of our Company as on June 30, 2021 derived from the Restated Ind AS Consolidated Financial Statements are set forth below:

(₹ in million)

Sr. No.	Particulars	Contingent liabilities as at June 30, 2021
1.	Disputed Direct tax matters*	74.37
2.	Disputed Indirect tax matters *	22.25
3.	Bank guarantees**	35.58

**Figures are inclusive of interest up to the date of demand, if any.*

*** Nature of bank guarantee is against vendor liabilities.*

For further details of the contingent liabilities (as per Ind AS 37) of our Company as on June 30, 2021, see "*Restated IND AS Consolidated Financial Statements– Annexure VII - Notes to the Restated Ind AS Consolidated Financial Statements - Note 41B: Contingent liabilities*" on page 346.

Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures, read with the SEBI ICDR Regulations, derived from Restated IND AS Consolidated Financial Statements, is as follows:

(₹ in million)

Nature of transaction	Three months ended June 30, 2021	Three months ended June 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
Commission	**1.20**	**-**	**2.50**	**-**	**-**
Anita Ramachandran	0.40	-	1.00	-	-
Alpana Parida	0.40	-	0.50	-	-
Yogeshkumar Mahansaria	0.40	-	1.00	-	-
Interest expenses on lease liabilities	**3.65**	**1.36**	**7.07**	**7.89**	**9.22**
Rashmi Mehta	0.10	0.16	0.54	0.38	0.21

(₹ in million)

Nature of transaction	Three months ended June 30, 2021	Three months ended June 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
Sealink View Probuild Private Limited	3.38	0.43	4.32	3.11	5.04
Golf Land Developers Private Limited	0.17	0.77	2.21	4.40	3.97
Interest on loan	**-**	**-**	**-**	**-**	**5.27**
Sanjay Nayar	-	-	-	-	5.27
Issuance of OCRPS	**0.14**	**-**	**(1.32)**	**(1.60)**	**-**
Sachin Parikh	-	-	-	(0.10)	-
Arvind Agarwal	-	-	(0.10)	-	-
Anchit Nayar (through family trust)	0.03	-	(0.39)	(0.25)	-
Adwaita Nayar (through family trust)	0.03	-	(0.39)	(0.25)	-
Falguni Nayar (through family trust)	0.08	-	(0.44)	(1.00)	-
Call money @ ₹ 2.5 of OCRPS	**0.70**	**-**	**-**	**-**	**-**
Arvind Agarwal	0.02	-	-	-	-
Anchit Nayar (through family trust)	0.16	-	-	-	-
Adwaita Nayar (through family trust)	0.16	-	-	-	-
Falguni Nayar (through family trust)	0.36	-	-	-	-
Securities premium of OCRPS	**1,520.58**	**-**	**-**	**-**	**-**
Arvind Agarwal	57.45	-	-	-	-
Anchit Nayar (through family trust)	364.36	-	-	-	-
Adwaita Nayar (through family trust)	364.36	-	-	-	-
Falguni Nayar (through family trust)	734.41	-	-	-	-
Lease liabilities	-	**-**	**-**	**(7.09)**	**(56.21)**
Rashmi Mehta	-	-	-	(7.09)	-
Golf Land Developers Private Limited	-	-	-	-	(56.21)
Loan taken	-	**-**	**-**	**-**	**(100.00)**
Sanjay Nayar	-	-	-	-	(100.00)

(₹ in million)

Nature of transaction	Three months ended June 30, 2021	Three months ended June 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
Notional interest income on security deposit	**(0.44)**	**(0.41)**	**(1.69)**	**(1.55)**	**(1.19)**
Rashmi Mehta	(0.01)	(0.01)	(0.04)	(0.04)	(0.05)
Sealink View Probuild Private Limited	(0.13)	(0.13)	(0.53)	(0.51)	(0.45)
Golf Land Developers Private Limited	(0.30)	(0.27)	(1.12)	(1.00)	(0.69)
Remuneration[#]	**32.76**	**16.17**	**171.49**	**63.77**	**53.48**
Falguni Nayar	12.42	5.79	108.44	30.43	27.99
Adwaita Nayar	4.68	2.24	16.97	11.10	9.10
Anchit Nayar	4.68	5.74	18.60	7.48	3.58
Sachin Parikh	-	0.90	1.83	13.83	12.05
Arvind Agarwal	3.96	1.25	19.58	-	-
Kingshuk Basu	1.50	-	-	-	-
Gopal Asthana	2.70	-	-	-	-
Pratik Bhujade	-	0.25	1.11	0.93	0.76
Rajendra Punde	2.81	-	4.96	-	-
Rent & maintenance expenses	**6.55**	**6.56**	**28.44**	**27.06**	**17.68**
Rashmi Mehta	0.69	0.70	2.42	2.43	2.02
Golf Land Developers Private Limited	5.86	5.86	26.02	24.63	15.66
Rent, maintenance, electricity & other expenses	**8.62**	**8.62**	**29.37**	**27.81**	**24.92**
Sealink View Probuild Private Limited	8.62	8.62	29.37	27.81	24.92
Security deposit given	-	**-**	**-**	**0.35**	**7.41**
Rashmi Mehta	-	-	-	0.35	-
Golf Land Developers Private Limited	-	-	-	-	7.41
Share application money received pursuant to ESOP	-	**-**	**-**	**(2.86)**	**(6.50)**
Sachin Parikh	-	-	-	(2.86)	(6.50)
Share based payments	-	**-**	**-**	**1.37**	**4.49**
Sachin Parikh	-	-	-	1.37	4.49
Sitting fees	**3.10**	**0.08**	**1.02**	**0.16**	**-**

(₹ in million)

Nature of transaction	Three months ended June 30, 2021	Three months ended June 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
Anita Ramachandran	1.10	0.04	0.34	0.10	-
Alpana Parida	0.90	0.04	0.34	0.06	-
Yogeshkumar Mahansaria	1.10	-	0.34	-	-

[#] *Remuneration paid does not include the provisions made for gratuity as it is determined on an actuarial basis for the Group as a whole. Similarly, expenses for compensated absences are not included in the above table as the same is also determined on an actuarial basis for the Group as a whole.*

The following are the details of the inter-company transactions (eliminated on consolidation) as per Ind AS 24 read with ICDR Regulations during the three-months period ended June 30, 2021 and June 30, 2020 and for fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019:

(i) FSN E-Commerce Ventures Limited

(₹ in million)

Particulars	Nature of transactions	Three months ended June 30 2021	Three months ended June 30 2020	Year ended March 31 2021	Year ended March 31 2020	Year ended March 31 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
FSN Brands Marketing Private Limited	Loan given / (repaid) (net)	534.25	359.38	655.69	340.10	504.72
	Interest income	(27.78)	(18.71)	(99.36)	(62.39)	(27.01)
	Sales	(42.82)	(3.78)	(187.68)	(448.82)	(108.66)
	Purchases	-	-	9.09	-	-
	Sublease income	(4.58)	-	(4.99)	(0.80)	(1.88)
	Space on hire commercialization expenses	16.49	12.66	97.30	104.77	32.34
	Notional interest income- financial guarantee	(5.02)	(1.85)	(8.23)	(6.23)	(2.90)
	Notional interest income- loan	(20.05)	(7.65)	(45.44)	(78.79)	(30.26)
	Notional interest income- sublease	(1.73)	-	(1.85)	(0.02)	(1.80)
	Recovery (reimbursement) of Expenses	(4.62)	(2.05)	(14.95)	-	-
	Brand usage fees	(2.71)	(1.34)	(11.84)	-	-

(₹ in million)

Particulars	Nature of transactions	Three months ended June 30 2021	Three months ended June 30 2020	Year ended March 31 2021	Year ended March 31 2020	Year ended March 31 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
	Share based payment expense reimbursement	(1.11)	(0.38)	(3.10)	(3.02)	(2.14)
	Investment in subsidiary	11.51	42.45	87.68	54.31	53.58
	Investment in equity shares	1,000.00	-	-	-	-
Nykaa E-Retail Private Limited	Loan given / (repaid)	-	605.14	(77.36)	(16.15)	(255.21)
	Interest income	-	(5.86)	(10.55)	(0.10)	(24.86)
	Purchases	-	-	-	-	0.62
	Sales	(376.71)	(214.93)	(1,117.56)	(1,113.44)	(540.68)
	Banner advertisement expense	43.36	32.41	193.67	158.11	78.31
	Recovery (reimbursement) of Expenses	(157.45)	(33.17)	(399.30)	(208.56)	(44.74)
	Sublease income	-	(6.39)	(18.10)	(5.02)	(9.01)
	Rent expenses	0.15	0.15	0.61	0.61	0.61
	Purchase of property, plant and equipment	-	-	-	0.24	-
	Sale of property, plant and equipment	-	-	(0.18)	-	-
	Interest expenses on lease liabilities	-	0.01	0.02	0.07	0.12
	Notional interest income- sublease	-	(0.43)	(0.81)	(3.27)	(6.18)
	Notional interest income- financial guarantee	(13.99)	(13.33)	(53.30)	(48.05)	(29.55)
	Notional interest income- loan	-	(0.61)	(5.56)	(5.61)	(10.41)
	Share based payment expense reimbursement	(7.04)	(6.75)	(35.60)	(24.96)	(23.44)
	Investment in	7.04	16.15	88.90	85.89	67.74
	Brand usage fees	(71.18)	(28.56)	(212.95)	-	-
Nykaa Fashion Private Limited	Loan given / (repaid)	176.38	75.61	140.09	181.12	7.75
	Interest income	(5.85)	(3.45)	(17.21)	(6.99)	(0.06)
	Recovery (reimbursement) of Expenses	(12.92)	(2.07)	(26.44)	(3.05)	-
	Sales	(0.41)	(0.12)	(0.47)	(0.27)	-

(₹ in million)

Particulars	Nature of transactions	Three months ended June 30 2021	Three months ended June 30 2020	Year ended March 31 2021	Year ended March 31 2020	Year ended March 31 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
	Notional interest income-loan	(0.68)	(0.83)	(3.97)	(5.14)	-
	Sublease income	(4.35)	-	(4.31)	-	-
	Notional interest income- sublease	(1.69)	-	(1.75)	-	-
	Notional commission on financial guarantee	(0.35)	-	(0.70)	-	-
	Share based payment expense reimbursement	(12.45)	(2.17)	(2.39)	(6.44)	(3.55)
	Investment in	10.64	4.39	17.08	26.95	4.25
	Brand usage fees	(8.65)	(0.78)	(14.71)	-	-
	Investment in equity shares	250.00	-	-	-	-
Nykaa-KK Beauty Private Limited	Loan given / (repaid) (net)	0.01	97.34	(23.06)	20.74	0.25
	Interest income	(0.00)*	(1.04)	(5.63)	(2.28)	(0.01)
	Sublease income	(1.14)	(1.09)	(5.17)	(2.17)	-
	Recovery (reimbursement) of Expenses	(2.28)	(1.46)	(13.68)	(5.28)	-
	Sales	-	-	-	(13.85)	-
	Notional interest income- sublease	(0.25)	(0.33)	(1.20)	(0.72)	-
	Notional interest income- financial guarantee	(0.43)	(0.43)	(1.70)	(0.71)	-
	Notional interest income- loan	(0.01)	(1.27)	(2.99)	(3.84)	-
	Share based payment expense reimbursement	0.36	-	(0.36)	-	-
	Investment in subsidiary	(0.36)	-	2.06	8.25	0.02
	Brand usage fees	(4.55)	(2.34)	(23.01)	-	-
FSN International Private Limited	Loan given / (repaid) (net)	15.57	0.08	0.40	2.25	-
	Interest income	(0.15)	(0.03)	(0.15)	(0.02)	-
	Investment in equity shares	50.00	-	-	1.00	-

(₹ in million)

Particulars	Nature of transactions	Three months ended June 30 2021	Three months ended June 30 2020	Year ended March 31 2021	Year ended March 31 2020	Year ended March 31 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
	Investment in subsidiary	1.48	-	0.04	0.25	-
	Notional interest income- loan	(0.00)*	(0.07)	(0.08)	-	-

(ii) Nykaa E-Retail Private Limited

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
FSN E-Commerce Ventures Limited	Sales	-	-	-	-	(0.62)
	Banner advertisement Income	(43.36)	(32.41)	(193.67)	(158.11)	(78.31)
	Purchases	376.71	214.93	1,117.56	1,113.44	540.68
	Reimbursement of expenses	157.45	33.17	399.30	208.56	44.74
	Rent expenses	-	6.39	18.10	5.02	9.01 9.01
	Sale of property, plant and equipment	-	-	-	(0.24)	-
	Purchase of property, plant and equipment	-	-	0.18	-	-
	Rent income	(0.15)	(0.15)	(0.61)	(0.61)	(0.61)
	Brand usage fees	-	28.56	-	-	-
	Royalty charges	71.18	-	212.95	-	-
	Interest expenses	-	5.86	10.55	0.10	24.86
	Interest expenses on lease liabilities	-	0.43	0.81	3.27	6.18
	Notional interest income- sublease	-	(0.01)	(0.02)	(0.07)	(0.12)
	Commission on financial guarantee	13.99	13.33	53.30	48.05	29.55
	Notional interest expense- loan	-	0.61	5.56	5.61	10.41
	Loan (taken) / repaid (net)	-	(605.14)	77.36	16.15	255.21

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
	Share based payment expenses	7.04	6.75	35.60	24.96	23.44
	Equity contribution	(7.04)	(16.15)	(88.90)	(85.89)	(67.74)
Fellow Subsidiaries						
FSN Brands Marketing Private Limited	Sales	(74.73)	84.91	(327.00)	(225.48)	(99.13)
	Omnichannel marketing	19.93	5.22	-	-	-
	Space on hire commercialization expenses	2.68	0.63	91.02	18.70	6.31
	Banner advertisement income	(22.07)	(8.37)	(45.46)	(31.64)	-
	Commission expense (Endless Aisle)	0.56	0.18	2.67	4.08	-
	Hyperlocal commission income	(5.24)	(4.00)	(19.85)	-	-
	Rent income	(1.51)	(1.18)	(6.04)	(2.55)	(0.65)
	Purchases	651.20	45.92	722.49	378.65	250.56
	Recovery (reimbursement) of Expenses	(14.58)	(1.51)	(20.72)	-	-
	Notional interest income- sublease	(0.41)	(0.52)	(1.93)	(0.81)	(0.14)
Nykaa-KK Beauty Private Limited	Purchases	41.36	6.45	162.10	71.89	-
	Recovery (reimbursement) of Expenses	(1.28)	(0.13)	-	(5.99)	-
Nykaa Fashion Private Limited	Recovery (reimbursement) of Expenses	(53.13)	(25.25)	(214.32)	(62.52)	-
	Wellness marketplace commission	(36.39)	(1.24)	(56.21)	-	-
	Listing Fees	-	(2.78)	-	-	-
	Commission on sales (income)	(13.36)	-	(34.15)	-	-
	Sales	-	-	-	(2.93)	-
	Rent income	-	(3.26)	(9.76)	(12.92)	-
	Net investment-sublease	(0.00)*	-	-	-	-
	Notional interest income- sublease	-	(0.16)	(0.23)	(1.45)	-
FSN International	Commission on sales (income)	(0.16)	-	(0.01)	-	-

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
Private Limited						

(iii) FSN Brands Marketing Private Limited

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
FSN E-Commerce Ventures Limited	Interest expenses	27.78	18.71	99.36	62.39	27.01
	Rent expenses	4.58	-	4.99	0.80	1.88
	Space on hire commercialization income	(16.49)	(12.66)	(97.30)	(104.77)	(32.34)
	Loan (taken) / repaid (net)	(534.25)	(359.38)	(655.69)	(340.10)	(504.72)
	Purchases	42.82	3.78	187.68	448.82	108.66
	Sales	-	-	(9.09)	-	-
	Royalty charges	2.71	1.34	11.84	-	-
	Reimbursement of expenses	4.62	2.05	14.95	-	-
	Interest expenses on lease liabilities	1.73	-	1.85	0.02	1.80
	Commission on financial guarantee	5.02	1.85	8.23	6.23	2.90
	Notional interest expense-loan	20.05	7.65	45.44	78.79	30.26
	Share based payment expenses	1.11	0.38	3.10	3.02	2.14
	Equity contribution	(11.51)	(42.45)	(87.68)	(54.31)	(53.58)
	Share application money	(1,000.00)	-	-	-	-
Fellow Subsidiaries						
Nykaa E-Retail Private Limited	Sales	(651.20)	(45.92)	(722.49)	(378.65)	(250.56)
	Banner advertisement expense	22.07	8.37	45.46	31.64	-
	Commission income (Endless Aisle)	(0.56)	(0.18)	(2.67)	(4.08)	-

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
	Commission expenses (Hyper Local)	5.24	4.00	19.85	-	-
	Space on hire commercialization income	(2.68)	(0.63)	(91.02)	(18.70)	(6.31)
	Marketing Expenses Recovery (Ommnichannel)	(19.93)	(5.22)	-	-	-
	Purchases	74.73	(84.91)	327.00	225.48	99.13
	Interest expenses on lease liabilities	0.41	0.52	1.93	0.81	0.14
	Reimbursement of expenses	14.58	1.51	20.72	-	-
	Rent expenses	1.51	1.18	6.04	2.55	0.65
Nykaa-KK Beauty Private Limited	Purchases	7.74	(0.02)	50.34	62.03	-
	Reimbursement of expenses	(0.04)	-	-	-	-
	Space on hire commercialization income	(1.76)	(0.81)	(8.31)	(4.37)	-
Nykaa Fashion Private Limited	Reimbursement of expenses	0.15	-	-	-	-

(iv) Nykaa-KK Beauty Private Limited

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
FSN E-Commerce Ventures Limited	Loan (taken) / repaid (net)	(0.01)	(97.34)	23.06	(20.74)	(0.25)
	Rent expenses	1.14	1.09	5.17	2.17	-
	Reimbursement of expenses	2.28	1.46	13.68	5.28	-
	Purchases	-	-	-	13.85	-
	Interest expenses	0.00*	1.04	5.63	2.28	0.01
	Royalty charges	4.55	2.34	23.01	-	-

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
	Interest expenses on lease liabilities	0.25	0.33	1.20	0.72	-
	Commission on financial guarantee	0.43	0.43	1.70	0.71	-
	Notional interest expense- loan	0.01	1.27	2.99	3.84	-
	Share based payment expenses	(0.36)	-	0.36	-	-
	Equity contribution	0.36	-	(2.06)	(8.25)	(0.02)
Fellow Subsidiaries						
Nykaa E-Retail Private Limited	Sales	(41.36)	(6.45)	(162.10)	(71.89)	-
	Reimbursement of expenses	-	0.13	-	-	-
	Marketing expenses	1.28	-	-	5.99	-
FSN Brands Marketing Private Limited						
	Sales	(7.74)	0.02	(50.34)	(62.03)	-
	Space on hire commercialization expenses	1.76	0.81	8.31	4.37	-
	Reimbursement of expenses	0.04	-	-	-	-
Nykaa Fashion Private Limited	Reimbursement of expenses	0.06	-	-	-	-

(v) Nykaa Fashion Private Limited

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
FSN E-Commerce Ventures Limited	Loan (taken) / repaid (net)	(176.38)	(75.61)	(140.09)	(181.12)	(7.75)
	Reimbursement of expenses	12.92	2.07	26.44	3.05	-
	Purchases	0.41	0.12	0.47	0.27	-
	Interest expenses	5.85	3.45	17.21	6.99	0.06

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
	Notional interest expense- loan	0.68	0.83	3.97	5.14	-
	Share based payment expenses	12.45	2.17	2.39	6.44	3.55
	Equity contribution	(10.64)	(4.39)	(17.08)	(26.95)	(4.25)
	Royalty charges	8.65	0.78	14.71	-	-
	Rent expenses	4.35	-	4.31	-	-
	Interest expenses on lease liabilities	1.69	-	1.75	-	-
	Commission on financial guarantee	0.35	-	0.70	-	-
	Share application money	(250.00)	-	-	-	-
Fellow Subsidiaries						
Nykaa E-Retail Private Limited	Reimbursement of expenses	53.13	25.25	214.32	62.52	-
	Purchases	-	-	-	2.93	-
	Rent expenses	-	3.26	9.76	12.92	-
	Listing fees	-	2.78	-	-	-
	Commission on sales (expense)	13.36	-	34.15	-	-
	Wellness market place commission expense	36.39	1.24	56.21	-	-
	Interest expenses on lease liabilities	0.00*	0.16	0.23	1.45	-
Nykaa-KK Beauty Private Limited	Reimbursement of expenses	(0.06)	-	-	-	-
FSN Brands Marketing Private Limited	Reimbursement of expenses	(0.15)	-	-	-	-

(vi) FSN International Private Limited

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
FSN E-Commerce Ventures Limited	Interest expenses	0.15	0.03	0.15	0.02	-
	Notional interest expense- loan	0.00*	0.07	0.08	-	-
	Equity share capital	-	-	-	(1.00)	-
	Equity contribution	(1.48)	-	(0.04)	(0.25)	-
	Loan (taken) / repaid (net)	(15.57)	(0.08)	(0.40)	(2.25)	-
	Share application money	(50.00)	-	-	-	-
Fellow Subsidiary						
Nykaa E - Retail Private Limited	Commission on sales (expense)	0.16	-	0.01	-	-
Subsidiary						
FSN Global FZE	Recovery (reimbursement) of expenses	-	-	(0.13)	-	-
	Listing fees income	(0.18)	-	-	-	-

(vii) FSN Global FZE

(₹ in million)

Particulars	Nature of transactions	Three months ended 30 June 2021	Three months ended 30 June 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
		(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)	(Income) / Expense Asset / (Liability)
FSN International Private Limited	Reimbursement of expenses	-	-	0.13	-	-
	Listing fees income	0.18	-	-	-	-

* 0.00/(0.00) denotes figures are below the rounding off norms adopted by the Group.

For details of the related party transactions, see "*Other Financial Information – Related Party Transactions Details*" on page 365.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase of any securities of our Company by any other person during a period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Red Herring Prospectus**

The weighted average price at which the Equity Shares have been acquired by our Promoters and the Selling Shareholders, in the one year preceding the date of this Red Herring Prospectus is provided below.

Particulars	Number of Equity Shares acquired	Weighted average price per Equity Share (₹)
Names of Promoters		
Falguni Nayar	Nil	NA
Sanjay Nayar	Nil	NA
Falguni Nayar Family Trust**	71,172,460	12.16
Sanjay Nayar Family Trust**	80,079,280	Nil
Promoter Selling Shareholders		
Sanjay Nayar Family Trust**	80,079,280	Nil
Investor Selling Shareholders		
TPG Growth IV SF Pte. Ltd	10,843,040	Nil
Lighthouse India Fund III, Limited	9,689,240	Nil
Lighthouse India III Employee Trust	103,060	Nil
Yogesh Agencies & Investments Private Limited[1]	3,692,300	Nil
J M Financial and Investment Consultancy Services Private Limited	3,043,740	Nil
Other Selling Shareholders		
Sunil Kant Munjal	14,126,200	Nil
Harindarpal Singh Banga jointly with Indra Banga	27,119,860	Nil
Narotam Sekhsaria	11,390,100	Nil
Rishabh Mariwala[2]	3,714,540	Nil
Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar[3]	1,500,000	Nil
Michael Carlos	899,660	Nil
Samina Hamied	461,700	Nil
Sanjay Maliah	929,800	Nil
Vikram Sud	360,000	Nil
Karan Swani	777,400	Nil

** As certified by V.C. Shah & Co., Chartered Accountants, by way of their certificate dated October 20, 2021.*
***Acting through its trustees, Sanjay Nayar and Falguni Nayar*
1. As certified by Sanjay Rane & Associates, Chartered Accountants.
2. As certified by N A Shah Associates LLP.
3. As certified by Merchant & Co, Chartered Accountants.

Details of pre-Offer Placement

Our Company is not contemplating a pre–IPO placement.

Average cost of acquisition for our Promoters and Selling Shareholders

The average cost of acquisition per Equity Share by our Promoters and the Selling Shareholders, as at the date of this Red Herring Prospectus is:

Name of the Promoters / Selling Shareholders	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Promoters		

Falguni Nayar	Nil	NA
Sanjay Nayar	Nil	NA
Falguni Nayar Family Trust**	104,305,770	8.30
Sanjay Nayar Family Trust**	110,618,920	Nil
Promoter Selling Shareholders		
Sanjay Nayar Family Trust**	110,618,920	Nil
Investor Selling Shareholders		
TPG Growth IV SF Pte. Ltd	16,264,560	117.67
Lighthouse India Fund III, Limited	14,533,860	76.65
Lighthouse India III Employee Trust	154,590	76.65
Yogesh Agencies & Investments Private Limited[1]	5,538,450	21.67
J M Financial and Investment Consultancy Services Private Limited	4,565,610	10.95
Other Selling Shareholders		
Sunil Kant Munjal	21,189,300	56.54
Harindarpal Singh Banga jointly with Indra Banga	40,679,790	7.32
Narotam Sekhsaria	17,085,150	9.86
Rishabh Mariwala[2]	5,571,810	33.56
Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar[3]	2,250,000	6.31
Michael Carlos	1,349,490	15.39
Samina Hamied	692,550	21.67
Sanjay Maliah	1,394,700	6.31
Vikram Sud	540,000	11.93
Karan Swani	1,166,100	29.70

** As certified by V.C. Shah & Co., Chartered Accountants, by way of their certificate dated October 20, 2021.*
***Acting through its trustees, Sanjay Nayar and Falguni Nayar.*
1. As certified by Sanjay Rane & Associates, Chartered Accountants.
2. As certified by N A Shah Associates LLP.
3. As certified by Merchant & Co, Chartered Accountants.

For further details of the average cost of acquisition for our Promoters, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" at page 142.

Issue of Equity Shares for consideration other than cash in the last one year

Except as disclosed in the section, "*Capital Structure*" on page 112, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Red Herring Prospectus.

Split / Consolidation of Equity Shares in the last one year

Except as disclosed in the section, "*Capital Structure*" on page 112, there has been no split or consolidation of the Equity Shares of our Company in the last one year.

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA

Certain Conventions

All references to "India" in this Red Herring Prospectus are to the Republic of India and its territories and possession and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references to the "U.S.", "USA" or "United States" are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Red Herring Prospectus have been derived from the Restated IND AS Consolidated Financial Statement.

Restated consolidated summary statements of our Company together with subsidiaries ("Group"), comprising the restated consolidated financial statement of assets and liabilities as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020, and March 31, 2019 and restated consolidated summary statements of profit and loss (including other comprehensive income), and restated consolidated summary cash flows and restated consolidated summary statement of changes in equity for the three-months period ended June 30, 2021, and June 30, 2020, and for the years ended March 31, 2021, 2020 and 2019, the consolidated summary statement of Significant accounting policies, and other explanatory information of our Group, derived from our audited financial statements as at and for the three-months period ended June 30, 2021 and and June 30, 2020 prepared in accordance with Ind AS 34, and as at and for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with Ind AS and our audited financial statements as at for the year ended March 31, 2019 are prepared in accordance with Indian GAAP and restated by our Group in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as approved by our Board of our Company at their meeting held on September 27, 2021 for the purpose of inclusion in this Red Herring Prospectus.

The audited consolidated financial statements as at and for the years ended March 31, 2020 and March 31, 2019 were audited solely by V. C. Shah & Co., one of the joint auditors.

The financial information for the three months periods ended June 30, 2021 and June 30, 2020 are not indicative of full year results and accordingly, such financial information is not comparable to the financial information for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.

Further, Previous period figures for the three months ended June 30, 2020 are not comparable with those of the three months ended June 30, 2021, because of the difference in magnitude of impact of COVID-19 on both periods.

For further information on our Company's financial information, see "*Financial Statements*" on page 287.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that calendar year. Reference in this Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows*" on page 84.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise requires or indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 44, 190 and 369, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of figures derived from the Restated IND AS Consolidated Financial Statement.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures derived from our Restated IND AS Consolidated Financial Statement in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP measures and other operating matrices like net worth, return on net worth, net asset value per equity share, EBITDA, EBITDA Margin, Operating Profit, Cost of Goods Sold, net tangible assets, Monetary assets, monetary assets as a % of net tangible assets, Total Borrowings to Total equity, Capital Turnover ratio, Restated Profit / (Loss) Margin, ("**Non-GAAP Measures**") presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures and other operating matrices are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the period / year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures and other operating matrices between companies may not be possible. Other companies may calculate the Non-GAAP Measures and other operating matrices differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures and other operating matrices are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

Currency and Units of Presentation

All references to:

"Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of Republic of India; and

"USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America; and

Except otherwise specified, our Company has presented certain numerical information in this Red Herring Prospectus in "lakh", "million", "crores" "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Time

All references to time in this Red Herring Prospectus are to Indian Standard Time.

Exchange Rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)

Currency	As on June 30, 2021	As on June 30, 2020	As on March 31, 2021	As on March 31, 2020	As on March 31, 2019[(1)]
1 USD	74.35	75.53	73.50	75.39	69.17

(Source: www.fbil.org.in)

Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus, including in "*Industry Overview*" and "*Our Business*" on pages 179 and 190, respectively, has been obtained or derived from the report titled India Beauty and Personal Care and Fashion Markets dated October 14, 2021 prepared by Redseer Management Consulting Private Limited ("RedSeer") and publicly available information as well as other industry publications and sources. The Redseer Report, which has been exclusively commissioned and paid for by us in connection with the Offer. For further details in relation to risks involving in this regard, see "*Risk Factors – Certain sections of this Red Herring Prospectus contain information from RedSeer which has been exclusively commissioned and paid for by us. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*" on page 78.

Disclaimer by RedSeer

The market information in this Report is arrived at by employing an integrated research methodology which includes secondary and primary research. Our primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. RedSeer's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. RedSeer's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry. RedSeer shall not be liable for any loss suffered by any person on account of reliance on the information contained in this Report.

While RedSeer has taken due care and caution in preparing this Report based on information obtained from sources generally believed to be reliable, its accuracy, completeness and underlying assumptions are subject to limitations like interpretations of market scenarios across sources, data availability amongst others. Therefore, RedSeer does not guarantee the accuracy or completeness of the underlying data or this Report.

Forecasts, estimates and other forward-looking statements contained in this Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 coronavirus pandemic has significantly affected economic activity in general and the Beauty and Personal Care services sector in particular, and it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in this Report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

This Report is not a recommendation to invest/disinvest in any entity covered in the Report and this Report should not be construed as investment advice within the meaning of any law or regulation.

Without limiting the generality of the foregoing, nothing in this Report should be construed as RedSeer providing or intending to provide any services in jurisdictions where it does not have the necessary permission and/or registration to carry out its business activities in this regard. No part of this Report shall be reproduced or extracted or published in any form without RedSeer's prior written approval.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, adequacy and completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Red Herring Prospectus is reliable, such data has not been independently verified by our Directors, our Promoters, the Selling Shareholders or the Lead Managers or any of their respective affiliates or advisors and none of these parties, jointly or severally, make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 44. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable law of the United States and, unless so registered, may not be offered or

sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") pursuant to Section 4(a) of the U.S. Securities Act and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities, investments, or the industry in which we operate, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations, taxes, changes in competition in the industry in which we operate and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. our inability to manage our growth or execute our strategies effectively;
2. our failure to acquire new consumers or to do so in a cost-effective manner;
3. our dependence on the growth of online commerce industry in India and our inability to effectively respond to changing user behaviour on digital platforms;
4. incurred losses in the past;
5. pending litigations against our Company, Subsidiaries, and certain of our Directors;
6. our business depends upon the user behaviour and continued acceptance of digital platforms;
7. changing regulations in India;
8. any harm to our brand or reputation;
9. if we or our brand relationships and sellers fail to identify and effectively respond to changing consumer preferences and spending patterns or changing beauty and fashion trends in a timely manner; and
10. we have certain contingent liabilities.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 44, 190 and 369, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, our Promoters, the Lead Managers, the Selling Shareholders, the Syndicate Members nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Offer from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with the SEBI requirements, each of the Selling Shareholders, severally and not jointly, shall ensure (through our Company) that the investors are informed of material developments in relation to statements and undertakings specifically confirmed or undertaken by the respective Selling Shareholders in relation to it and the respective portion of the Offered Shares from the date of this Red Herring Prospectus, until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled "Industry Overview", "Our Business", "Key Regulations and Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 179, 190, 219 and 369, respectively, as well as other financial and statistical information contained in this Red Herring Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Ind As Consolidated Financial Statement.

To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" beginning on page 42.

Unless otherwise indicated, industry and market data used in this section has been derived from the RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer, and included herein with respect to any particular period, refers to such information for the relevant period.

INTERNAL RISK FACTORS

1. *If we are unable to manage our growth or execute our strategies effectively, our business plan and expansion may not be successful, and our business and prospects may be adversely affected.*

Since our incorporation in 2012, we have evolved from a beauty retailer to a lifestyle focused technology platform and consumer brand. While we continue to grow our business, we will need to continuously and efficiently invest in our existing and future brand relationships, marketing relationships with delivery companies and other participants in our network to establish and maintain mutually beneficial relationships with them. We will also continue to expand, train, manage and motivate our workforce in India and internationally. To support our expansion plan, we may have to implement a variety of new and upgraded managerial, operating, technology, logistics, financial and human resource systems, procedures and controls, which in turn may lead to higher costs and oversight by management.

Further, it cannot be assured that new business initiatives will be successful, or that we will be able to successfully implement all or some of the managerial, operating, financial and human

resource systems, procedures and control measures listed above. If we are unable to manage our growth through the online platform or the physical retail business model or if we are unable to execute any of our strategies effectively, our business plan and expansion may not be successful, and our business and prospects may be adversely affected.

We may also experience a decline in our revenue growth rate due to factors such as insufficient growth in the number of brands and consumers on our platform, increasing competition from both online and offline companies, a decrease in the growth of our overall market, failure to capitalize on growth opportunities, a slowdown in the Indian economy due to health epidemics such as the ongoing COVID-19 pandemic, which may lead to a decrease in consumer demand for our discretionary nature of our products, and increasing governance and regulatory restrictions, among others, all of which would have an adverse impact on our cash flows, financial condition and results of operations.

From late March 2021, India experienced a surge of COVID-19 cases and a return to lockdowns and curfews by certain regional state governments in India. Despite a recent easing of some restrictions, such lockdowns and curfews may negatively impact India's business and economic outlook in the foreseeable future as well as our business operations, as delivery of non-essential items have been intermittently restricted in several areas of India and is likely to ease in a phased manner.

2. ***If we fail to acquire new consumers or fail to do so in a cost-effective manner, we may not be able to increase revenue or maintain profitability.***

Our business has grown substantially in recent years, with the acquisition of new consumers playing a significant role. Our revenue from operations has grown from ₹11,113.94 million in Financial Year 2019 to ₹17,675.33 million and ₹24,408.96 million in Financial Year 2020 and Financial Year 2021, respectively, and from ₹2,886.39 million for the three months ended June 30, 2020 to ₹8,169.91 million for the three months ended June 30, 2021. The contribution to our GMV sales in Tier 2 and Tier 3 cities collectively has also increased from 56.9% in Financial Year 2019 to 64.0% in Financial Year 2021, and was 62.6% for the five months ended August 31, 2021. However, we cannot assure you that our historical growth rates will be sustainable or achieved at all in the future. If we fail to acquire new consumers, or fail to do so in a cost-effective manner, we may not be able to increase our review or maintain profitability.

Maintaining and improving our marketing strategies involve expenditures which may be disproportionate to the revenue generated and customers acquired. There is risk of increased cost of acquiring new consumers through marketing efforts due to heightened competition for digital traffic. If consumer conversion rates are not commensurate with our expenditure, our expenditure may be disproportionate to our returns on such marketing investments. In Financial Years 2019, 2020 and 2021 and for the three months ended June 30, 2020 and 2021, our marketing and advertisement expense was ₹1,428.27 million, ₹2,022.03 million, ₹1,694.80 million, ₹71.60 million and ₹907.44 million, respectively, aggregating to 12.85%, 11.44%, 6.94%, 2.48% and 11.11%, respectively, as a percentage of revenue from operations.

Our ability to provide an engaging consumer experience is dependant in part on third party websites and search engines driving online consumers to our site which is not entirely within our control. Additionally, we have arrangements with other intermediaries such as digital services providers which provide certain digital services including marketing and search engine optimization services. Our ability to provide an engaging consumer experience is dependant in part on third party websites and search engines driving online consumers to our site which is not entirely within our control. If such sites choose not to send online consumers to us or search engines change their ranking algorithms such that we appear lower down the search list or not at all, our consumer base may not grow and may reduce and as a result, our revenue may decrease, even if we seek to optimize our rankings.

Furthermore, we may have to incur sustained advertising and promotional expenditures or offer more incentives than we anticipate in order to attract consumers to our platform and websites and convert them into purchasing consumers, and such advertising and promotional expenditures may increase in the future. If one or more of our marketing efforts fails to deliver the expected outcome, our business, financial position and results of operations may be

adversely affected.

3. ***Our business depends on the growth of online commerce industry in India and our ability to effectively respond to changing user behaviour on digital platforms.***

Online commerce is still developing in India. Although we operate also through 80 physical stores across 40 cities in India over three different store formats as of August 31, 2021, our revenues depend substantially on the receptiveness of Indian consumers, suppliers, sellers and advertisers to the internet as a way to conduct commerce, purchase goods and services, and carry out financial transactions. For the Financial Years 2019, 2020 and 2021 and the five months ended August 31, 2021, we derived 93.2%, 91.6%, 95.7%, and 96.7%, respectively, of our GMV from online sales.

For online revenue base to grow, consumers, sellers and suppliers must continue to adopt new and alternative ways of conducting commerce, purchase goods and services and exchanging information, such as through the internet and mobile devices, and we must hence effectively respond to changing user behaviour on such digital platforms. As the development of mobile application based e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential consumers are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India which despite recent growth, is still relatively low as compared to certain developed countries. There is no assurance that a more technologically sophisticated and reliable fixed telecommunications network or internet infrastructure will develop that would further facilitate growth of online e-commerce in India. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the of e-commerce sector adversely.

4. ***We have incurred losses in the past, which may adversely impact our business and the value of the Equity Shares.***

We have incurred losses in the past, including during Financial Year 2019 and Financial Year 2020, and we may incur losses in the future. Our ability to operate profitably depends upon a number of factors, some of which are beyond our direct control. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 369. If we continue to incur losses, our business and the value of the Equity Shares could be adversely affected.

5. ***There are pending litigations against our Company, Subsidiaries, and certain of our Directors. Any adverse decision in such proceedings may render us or them liable to liabilities and penalties and may adversely affect our business, results of operations, cash flows and reputation.***

Certain legal proceedings involving our Company, Subsidiaries of our Company, and certain of our Directors are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and adversely affect our reputation.

Additionally, there have been certain discrepancies in relation to statutory filings required to be made by us with the RoC under applicable laws, as well as certain other non-compliances incurred by us under the Companies Act, 2013. For example, in the past, there have been instances of delays in filing forms in relation to allotment of securities and registering the private placement offer letter for one of the allottees in a private placement, and also of erroneous form filings.

Our Company, Nykaa Fashion and Nykaa-KK had filed three applications for compounding with the RoC in relation to the re-appointment of their respective statutory auditors for a period of one year, i.e., FY 2019-20. Our Company and Falguni Nayar had voluntarily filed a compounding application dated May 20, 2021 before The Regional Director, Western Region,

Ministry of Corporate Affairs (the "**Regional Director**") / The National Company Law Tribunal, Mumbai under section 441 of the Companies Act. The Regional Director, by way of its order dated September 6, 2021, compounded the offences committed under Section 139 of the Companies Act and directed our Company and Falguni Nayar to pay compounding fees of ₹ 0.1 million and ₹ 0.02 million, respectively, and accordingly disposed off the compounding application. Our Company and Falguni Nayar have paid the said compounding fees imposed by way of the above order on August 27, 2021 and August 31, 2021, respectively. For further details, please see "*Outstanding Litigation and Material Developments*" on page 408.

A summary of outstanding litigation proceedings involving our Company, its Directors, its Subsidiaries and our Promoters and our Group Companies, as disclosed in "*Outstanding Litigation and Material Developments*" beginning on page 408, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board by way of a resolution dated June 30, 2021, as of the date of this Red Herring Prospectus is provided below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	4	0.30
Claims related to direct and indirect taxes#	5	26.64
Other pending material litigation proceedings	1	NIL
Total	**10**	**26.94**
Cases by our Company		
Criminal proceedings	NIL	NIL
Other pending material proceedings	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Subsidiaries		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	9	0.25
Claims related to direct and indirect taxes#	7	83.66
Other pending material litigation proceedings	NIL	NIL
Total	**16**	**83.91**
Cases by our Subsidiaries		
Criminal proceedings	1	NIL
Other pending material proceedings	NIL	NIL
Total	**1**	**NIL**
Cases against our Promoters		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	4	0.09
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	NIL	NIL
Claims related to direct and indirect taxes^	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**4**	**0.09**
Cases by our Promoters		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**
Cases against our Directors		
Criminal proceedings	NIL	NIL
Actions taken by statutory or regulatory authorities	6	0.16
Direct and indirect taxes^	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**6**	**0.16**
Cases by our Directors		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL

Type of Proceedings	Number of cases	Amount* (₹ in million)
Total	**NIL**	**NIL**
Cases against our Group Companies		
Pending litigation which has a material impact on our Company	NIL	NIL
Total	**NIL**	**NIL**
Cases by our Group Companies		
Pending litigation which has a material impact on our Company	NIL	NIL
Total	**NIL**	**NIL**

**To the extent quantifiable, excluding interest and penalty thereon.*
 # There are three material tax proceedings above the materiality threshold of ₹ 6.19 million.
^ There are no material tax proceedings above the materiality threshold of ₹ 6.19 million.

For further details see "*Outstanding Litigation and Material Developments*" beginning on page 408. We cannot assure you that any of the outstanding litigation matters will be settled in our favor, or that no additional liability will arise out of these proceedings.

In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our services, our technology or intellectual property, our branding or marketing efforts or campaigns or our policies. Actions or claims may also be initiated against us for any problems or other consequences caused by the products offered by our brand relationships, including any ingredients in such products, or on account of any issues faced during delivery. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any regulatory authority against us.

6. *Our business depends upon the user behaviour and continued acceptance of digital platforms.*

Factors applicable to our industry that might prevent potential consumers from purchasing products from e-commerce platforms, including our platform, include:

- concerns about buying products online without a physical storefront, face-to-face interaction with sales personnel and the ability to physically handle and examine products;
- concerns about delayed shipments or the inconvenience and cost of returning or exchanging items purchased online;
- concerns about the security of online transactions and the privacy of personal information; and
- usability, functionality and features of online platforms.

If the online commerce industry in India and in particular the online market for beauty and fashion products does not develop and grow, our business will not grow and our results of operations, financial condition, cash flows and prospects could be adversely affected.

7. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

The regulatory and policy environment in which we operate is continuously evolving and is subject to change. The government of India ("**GoI**") may implement new laws or other regulations and policies that could affect the manufacturing, retail and e-commerce industries in general, which could lead to new compliance requirements. For example, in June 2021, the Department of Consumer Affairs proposed certain amendments to the Consumer Protection (E-Commerce) Rules, 2020 in relation to, amongst other things, registration requirements for

online retailers, restrictions on conducting "flash sales", restrictions on usage of the brands associated with the e-commerce entity for promotion or offer for sale of goods/services, introduction of a "fallback liability" on the e-commerce entities, expanding the scope of the definition of "e-commerce entity" to include related parties, requirement to disclose sponsored listing, search ranking parameters, restrictions on cross selling, sales through related-parties, etc. The proposed amendments also require every e-commerce entity to appoint a chief compliance officer, nodal contact persons and resident grievance officers for redressal of grievances, and generally expand the scope of duties and liabilities of marketplace and inventory e-commerce entities. There is no assurance that the final proposal will be similar to this or have other changes which maybe challenging for us to implement. Such and other new compliance requirements could substantially increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations, require significant changes in technology solutions and could also adversely affect our operations.

Further, the introduction of national goods and service tax ("**GST**") in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India. Similarly, supplies on an e-commerce platform for marketplace transactions and B2B transactions are subject to deduction of tax collected at source ("**TCS**") at the rate of 1% under applicable laws in case of supplies made by seller through e-commerce platform and the consideration is collected by the e-commerce operator. Further, GST regulations has mandated QR codes for the customer B2C sales. Certain changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have an adverse effect on our business, financial condition and results of operations. Further, in order for us to utilize input credit under GST, the entire value chain has to be GST-compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our relevant counterparties will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business, cash flows and results of operations.

Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. A new provision was also introduced to the Finance Act, 2020 to put an obligation on every e-commerce company to deduct tax at source on all supplies through the platform, irrespective of consideration received or otherwise, based on the tax rate determined dependent on the validation of PAN details of the platform suppliers. These provisions were made effective from October 1, 2020 and create an additional compliance burden on us. Any failure in such deduction could lead to costs being incurred to correct the tax defect or non-compliance.

Further Cosmetic Rules, 2020, introduce registration requirements for cosmetics as well as introduce new requirements in relation to declaration of ingredients, testing and voluntary recall for manufactured and imported cosmetics brands. For further details, see "*Key Regulations and Policies*" beginning on page 219.

In addition to the above, as a result of amendments made to the Legal Metrology (Packaged Commodities) Rules, 2011, e-commerce entities are now required to display "country of origin" on all imported products along with other details like address of importer and date of expiry on the online platform and have to ensure that labelling information is declared as prescribed. Due to the large scale listing of products, there is a risk of potential gaps in the required disclosure caused by incomplete / incorrect information from vendors/ sellers or on account of interim technical glitch. Further, as Nykaa uploads the product information or the promotional content on its platform on the basis of information received from brands, vendors, influencers, etc., this

may dilute the protection as an intermediary under the IT Act.

There are several proposals seeking to introduce further regulatory compliances, additional conditions to be met to receive benefits under existing regimes being introduced, upon any such proposals being notified, we may also become subject to, among others, additional compliances and increased associated costs. For example, under the Finance Act, 2021, with effect from July 1, 2021, higher TDS rates may become applicable in the event of failure of certain compliances, including of linking Aadhar with permanent account numbers, or onerous conditions being proposed including to display QR codes on B2C transactions which could pose operational and implementation challenges given the large number of orders in invoices.

Additionally, the GoI has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work- arrangements (including on online and digital platform such as ours), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits, old age protection, under schemes framed under the Social Security Code from time to time. Further, the Social Security Code provides that such schemes may inter alia, be partly funded by contributions from platform such as ours. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

Further, we depend on the declaration provided by vendor for the Micro, Small & Medium Enterprises ("**MSME**") classification. Vendor payments are paid on the due dates based on reports from our financial enterprise resource planning system. In case of any failure to pay to the MSME supplier by the due date, for any reason, we may become liable to pay compound interest at three times of the bank rate notified by the RBI as required under section 15 of the MSMED Act.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence or ambiguity, or a limited body, of administrative or judicial precedent maybe time consuming, as well as, costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Clarifications on ambiguous aspects may not be received in time which may affect the manner in which we conduct our business. Additionally, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance and our results of operations may be adversely affected.

8. ***Any harm to our brand or reputation may adversely affect our business, financial condition, cash flows and results of operations.***

We believe that the recognition and reputation of "Nykaa" as our brand, of our sub-brands such as Nykaa Cosmetics, and of our platforms such as Nykaa.com and Nykaafashion.com, among our consumers, sellers, suppliers, and our workforce has contributed to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our brand is critical to our future business success and competitiveness.

We may suffer brand damage in a many ways and to varying degrees. For example, public

perception may deteriorate if we or our sellers offer counterfeit, spurious, or damaged or defective goods on our e-commerce platform mobile applications or that we or our sellers do not provide satisfactory consumer service. For instance, in November 2019, beauty products in our Mumbai warehouse were discovered by the Indian Food & Drug Administration and identified to be illegally manufactured by Bellezza Italia ("Bellezza"), a manufacturer which had, at the time of manufacturing, already surrendered their manufacturing license. Bellezza, in an agreement for supply of goods with our Company, represented that (a) it was in compliance with the applicable provisions of law including those related to maintaining a valid manufacturing license and (b) it shall at all times comply with applicable provisions of law, including licensing requirements. The said goods were properly stored by our Company and remained in the same state, as at the time of the acquisition. On being informed that Bellezza did not have a valid license, our Company immediately discontinued the sale of Bellezza products and quarantined all Bellezza inventory in stock. We have not received any response from the authorities to our aforesaid submissions, and therefore do not perceive any risk of penalty or allegation of non-compliance with these provisions. Based on the facts and proceedings on the matter, we do not perceive any such risk. However, such incidents may result in heighted public reputation risk for us along with possibility of legal and regulatory claims. Further, as per the provisions of the Drugs and Cosmetics Act, 1940, ("**Act**") the contravention of the Act, shall be punishable with imprisonment for a term which may extend to one year, or with fine which shall not be less than twenty thousand rupees or with both.

Further, public perception that we are not adequately addressing environmental concerns related to our industry such as the overuse of plastics, or if our consumer data is breached and illegally shared as a result of cybercrime, even if factually incorrect or based on isolated incidents with us or our sellers, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new consumers or retain our current consumers.

In addition, heightened regulatory and public concerns over labor and employment conditions, consumer protection and consumer safety issues, among other issues, may subject us to additional legal and reputational risks and increased scrutiny. Changes in our services or policies may also result in objections by members of the public, social network operators, suppliers, and sellers or others. From time to time, these objections or allegations, regardless of their veracity, may result in consumer complaints or litigation, which could result in government inquiries or substantial harm to our brand, reputation, and prospects.

Adverse media coverage for any reason can also damage our reputation and business. For example, in July 2020, adverse claims were made against us relating to our workplace culture through an anonymous Instagram account. Such claims, even when untrue, could damage our reputation, business, and results of operations. Further, social media influencers and celebrities who we may, or may not be, directly associated with can shape public perception of us and our products, or they themselves may face adverse impacts to their personal reputation and public standing for any number of reasons, all of which could hurt our reputation and brand name. We are also very active through social media channels as part of our "content to commerce" marketing strategy and as such are vulnerable to reputational damage through posts on our websites and others, or through marketing emails and text messages and through various other channels from disgruntled consumers, employees (current and former), competitors.

If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our mobile applications, websites, products, and services, as well as products sold by sellers through our platform, it may be difficult to maintain and grow our consumer base, and our business operations, financial condition, cash flows and results of operations may be adversely affected.

9. ***If we or our brand relationships and sellers fail to identify and effectively respond to changing consumer preferences and spending patterns or changing beauty and fashion trends in a timely manner, the demand for products could decrease, causing our revenue and results of operations to decline.***

Our revenue depends on the continued demand for the types of beauty and personal care and fashion products that our brand relationships, sellers and suppliers offer on our platforms,

alongside demand and expansion of our owned brand products. The popularity and demand of beauty, personal care and fashion products may vary over time due to changing consumer preferences, including those relating to sustainability factors such as recycling plastic and recycling fashion items, or methods of product ingredients and testing, support for cruelty-free and eco-friendly products, as well as social considerations of redefining beauty and concerns such as whitening and brightening. Decline in the demand for some of the products without a corresponding increase in demand for alternative products sold through our platforms could negatively impact our revenue temporarily or permanently. These trends may also cause fluctuations in our results of operations between different periods.

The products merchandised on our platforms such as Nykaa.com, Nykaafashion.com, Nykaaman.com and others, including the products of our owned brands are subject to rapidly changing beauty and fashion trends and constantly evolving consumer tastes and demands. Our success is also dependent on the ability of our sellers and brand relationships selling products through our marketplace to anticipate, identify and respond to the latest beauty and fashion trends and consumer demands and to translate such trends and demands into product offerings in a timely manner, adapt to customer preferences, and our ability to continue upgrading our platforms in a manner so as to cater to evolving consumer preferences.

Similarly, our inventory management needs to adapt quickly to evolving trends. The failure to anticipate, identify or react swiftly and appropriately to new and changing styles, trends or desired consumer preferences, to accurately anticipate and forecast demand for certain product offerings or to provide relevant and timely product offerings to list on our platforms may lead to lower sales of merchandise on our platforms, which could cause, among other things, declines in GMV sold through our platforms, surge near expiry and expired products, and affect our relationship with consumers. In such circumstances, we may lose consumers and market share, be required to discount certain products, all of which could have an adverse effect on our business, results of operations, financial condition, cash flows and prospects.

Further, we offer our consumers our owned brand products. The success of our owned brand products depends on consumer acceptance and our ability to recognise and adapt to consumer preferences. If we fail to recognise and adapt to such acceptance and preference, our revenue will be reduced, which could negatively affect our business, financial condition, cash flows and results of operations.

10. *We have certain contingent liabilities, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.*

The following table sets forth certain information relating to our contingent liabilities as per Ind-AS 37, as of June 30, 2021:

Particulars	As at June 30, 2021 (Amount in ₹ million)
Disputed Direct tax matters*	74.37
Disputed Indirect tax matters*	22.25
Bank guarantees**	35.58

** Figures are inclusive of interest up to the date of demand, if any.*
*** Nature of bank guarantee is against vendor liabilities.*

Any or all of these contingent liabilities may become actual liabilities.

In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

11. ***We derive a significant portion of our GMV from our top three categories, and our business may be adversely affected if products in these categories do not perform as well as expected.***

Although contribution of our top three categories in our offering decreased from 84.9% of total GMV in Financial Year 2019 to 71.3% of total GMV in Financial Year 2021, and 60.3% of total GMV for the five months ended August 31, 2021, sale of products in these categories accounted for a significant portion of our total GMV in the last three Financial Years. In case of increased competition, pricing pressures, fluctuation in the demand or supply of products within our top three categories or other factors, our revenue from these products may decline in the future. Any adverse developments with respect to the sale of products within our top three categories could adversely affect our revenue.

12. ***Certain brand vendors account for a significant portion of our total GMV of our online sales and accordingly, any adverse changes to our relationships with such brand vendors which may be out of our control can adversely affect our business, financial condition, cash flows and results of operations.***

We have longstanding relationships with many of our key brand vendors such as Elca Cosmetics Pvt Ltd, Hindustan Unilever Limited, Honasa Consumer Products Pvt Ltd, Huda Beauty FZ LLC and L'Oreal India Private Ltd. in Financial Year 2019, Financial Year 2020, Financial Year 2021 and the five months ended August 31, 2021, GMV from these top five vendors (that accounted for the highest contribution to our total GMV for each of such periods) accounted for 38.1%, 30.8%, 27.9% and 21.5% of our total GMV, respectively. These relationships took a significant time to develop. In addition, a large part of our success is dependent on our ability to offer certain key brands to our consumers and operate with such brand relationships.

However, our dependency on some popular brands may make our business vulnerable to these brand relationships changing their sales strategy, shifting focus to some other channel or multi-brand retailer, and any deterioration in our relationships with these brand relationships may lead to loss of sales or consumers and may also adversely impact our reputation, results of operations and business.

We expect that our brand relationships will continue to be a significant source of our revenue going forward. However, these relationships may be affected by a number of factors that are beyond our control, such as a changing macro environment, reshaping commercial or project teams, or departures of key staff, and consequently there can be no assurance that such relationships will be maintained to the same extent in the future. Where our business relationships are negatively impacted, our reputation, ability to extend existing contracts and win new contracts and our results of operations and business operations could also be adversely affected. Consequently, our cash flows, results of operations and business operations are dependent on the ongoing business relationships with these brand relationships, their operations and the contractual performance of these companies under our contracts with them.

13. ***If we fail to retain existing consumers or fail to maintain AOV levels, we may not be able to sustain our revenue base and margins, which would have a material adverse effect on our business and results of operations.***

Our consumer base is highly diverse, spanning different age groups, gender and consumer profiles. As a result, their needs and preferences also vary. Consumers can be discount-driven, value sensitive, have different preferences and personal requirements, fashion styles or possess a strong preference for luxury high-end products.

Our inability to continuously generate and maintain new, relevant and engaging content, including user-generated content, to cater to our diverse consumer base may result in a failure to meaningfully engage and provide a satisfying experience for each consumer, which could result in our inability to retain our consumers and consequently affect our business.

In addition, there are important elements of the consumer engagement and purchasing process

that are unique to the usage of a digital platform and such elements also differs for each consumer. Our ability to meaningfully engage with our customers will depend on our ability to deliver these elements and to present a seamless and easy to use interface. Some of which include:

- ease of trend discovery and product discovery;
- comparison of product value, utility and benefits;
- relevance of recommendations for other products and brands and sale and promotional activity;
- engagement of high profile brand ambassadors or celebrities as a marketing strategy;
- convenience of consumer support, product returns, exchanges and refunds;
- guidance on product use and application; and
- our ability to meaningfully engage with our customers will depend on our ability to deliver each of the elements listed above (among others) and to present a seamless and easy to use interface.

Our marketing strategies focus on creating awareness of our platform and brand, building platform loyalty and fostering strong word of mouth reviews. Our strategies include engaging beauty creators, influencers and celebrities, maintaining a presence on social media platforms and within the peer-to-peer multimedia community. As of August 31, 2021, we had a network of 3,055 influencers, including Generation Z trend setters, beauty, fashion and lifestyle bloggers, makeup artists and celebrities. As such, any deterioration in our relationship with our influencer network and their satisfaction with our products, brand, online platforms, consumer experience and reputation or any damage to the reputation of such influencers or celebrities may in turn adversely affect our business and demand for our services.

Should we fail to retain our existing consumers, in particular our high value consumers, or they reduce their spend on our platform, then our AOV and revenue may reduce which would adversely affect our operating margins.

14. ***Reliance on social media and influencers as part of our marketing strategy may adversely affect our business and demand for our services.***

Our marketing strategies focus on creating awareness of our platform and brand and building platform loyalty and fostering word of mouth reviews. Our strategies include engaging beauty creators, influencers and celebrities, maintaining a presence on social media platforms and within the peer-to-peer multimedia community. As of August 31, 2021, we had engaged 3,055 influencers, including Generation Z trend setters, beauty, fashion and lifestyle bloggers, makeup artists and celebrities, on whom we rely upon for our marketing and endorsement. The risks of engaging with influencers and celebrities includes:

- any deterioration in our relationship with our influencer network or damage to the reputation of such influencers or celebrities; our relationships with influencers may not always include contractual commitments to continue to be supportive of our brands or products, and there can be no assurance that they will continue to do so; for example, changes in beauty and fashion trends, consumer sentiment or public perceptions of brands could adversely impact our relationships with influencers;
- any negative publicity created by a influencer or participant in a sponsorship initiative who we formerly engaged or who is no longer supportive of our brands;
- celebrities or influencers (including their ecosystem) could engage in behavior damaging the reputation of such influencers or celebrities;

- if we were held responsible for the content of post by influencers or their actions, and such posts were found to be illegal or inappropriate, we could be fined or forced to alter our practices, even when we may not always prescribe what our influencers post or act or promote;

- influencers may use their platforms to communicate directly with our consumers without our knowledge in a manner that reflects poorly on our brands and may be attributed to us; and

- any drop in influencers' satisfaction to endorse our products, brand, our platform, or consumer experience.

As social media platforms continue to rapidly evolve and new platforms continue to develop, we must continue to maintain a strong presence on these platforms and establish presences and stay relevant on new or emerging trends on popular social media platforms. Further, any negative commentary on social media platforms by any third party, vendors, employees or anyone else, regarding us, our products or influencers who promote our brands and other third parties who are affiliated with us may also be posted on social media platforms and may be adverse to our reputation or business. Employee's personal posts or post unapproved or not in line with the our policy may get perceived as public statement, which may adversely impact our reputation. Our target consumers often value and believe readily available information and any negative commentary could drive large-scale social media campaigns and posts against us, our products or brands, whether motivated or otherwise, and result in consumer boycotts, without further investigation and without regard to accuracy of facts. It is not possible for us to prevent or moderate such behavior, and the precautions we take to detect or restrict this activity may not be effective in all cases. The harm may be immediate and may be long-lasting, without affording us an opportunity for redress or correction. Impersonated or fake e-commerce platforms or websites, and fake social media pages and accounts, fake customer service calls impersonating themselves as associated with our brand or business or selling our brand of products may lead to fraud and dissatisfied consumers.

Furthermore, as laws, regulations, policies governing digital platforms and public opinion rapidly evolve to govern the use of these platforms, the failure by us, our employees, our network of influencers or any third parties acting at our direction to abide by applicable laws, regulations, policies and guidelines (such as Advertising Standards Council of India guidelines) in the use of these platforms or in the process of content creation for us or otherwise could subject us to regulatory investigations, liability, fines or other penalties and have an adverse effect on our business, financial condition and results of operations. In addition, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and content. Also, it increases the risk that such materials could contain product restricted by local regulations, or otherwise, or marketing claims in violation of applicable regulations.

Also, the costs to enter into relationships with influencers or engage in sponsorship initiatives may also increase over time, which may also negatively impact our margins and results of operations. Also if we are unable to cost-effectively use social media platforms as marketing tools or if the social media platforms we use change their policies or algorithms, we may not be able to fully optimize such platforms, and our ability to maintain and acquire customers and our financial condition might get impacted.

15. ***If we fail to retain our relationships with brands, manufacturers, distributors and sellers, or attract new relationships, our business, financial condition, cash flows and operations will be adversely affected.***

We earn a substantial portion of revenue from commission or margins on the sale of products of our brand relationships. Accordingly, we depend on our ability to attract and retain domestic and global brands that offer a range of products, to our consumers. We experience attrition in our relationships with brands, manufacturers, distributors, and sellers in the ordinary course of business due to such relationships ceasing operations, temporarily or permanently, or facing financial distress or other business disruptions, contractual disputed, all of which could decrease the merchandise available to our consumers. In addition, a large part of our success

is dependent on our ability to offer certain key brands within certain categories to our consumers and operate with such brand relationships. If we experience significant relationship attrition with brands, manufacturers, distributors or sellers, and fail to attract new relationships, the quantity and variety of products that are offered through our platforms may decline, consumers may use our platform less frequently or not at all, and our revenue and results of operations may be adversely affected.

We do not contractually require such parties to sell exclusively on our platform and accordingly they may choose to offer products through other channels at any time. In addition, from time to time we may have disputes with brands, manufacturers, distributors or sellers about their compliance with our quality control or other policies, which may cause them to cease doing business with us.

Brands have and may prefer to adopt a direct-to-consumer business model as opposed to using our e-commerce platforms, while others may also prefer to achieve brand proliferation through their own digital platforms with a direct-to-consumer model. Some of our brand relationships and sellers may limit or cease distribution of their products through external e-commerce platforms like ours, including as a result of us offering our owned brands portfolio that are the same or similar to those of our sellers and brand relationships. Key brands may be acquired by our competitors and therefore may restrict our ability to list such brands on our platform. Any of these may adversely affect our business, financial condition, cash flows and results of operations.

16. ***The sale of our owned brand products subjects us to unique risks and heightens certain other risks.***

We outsource the manufacture of our owned brand products to third party manufacturers under loan and license arrangements or contract manufacturing. Sale of our owned brand products, including the products governed under the Drugs and Cosmetic Act, subjects us to unique risks and heightens certain other risks, including:

- dependency on commercial relationships with the third party manufacturers whom we engage to manufacture our owned brand products;
- dependency on international suppliers for certain raw materials or intermediates to be used in the manufacturing process due to a lack of know-how and facilities of Indian third party manufacturers;
- challenges during import registrations of ingredients/intermediaries in the process of manufacturing;
- dependency and risk of potential deterioration in the relationships with our existing suppliers;
- potential liability for incidents, including injuries to our third party manufacturers' employees, at manufacturing sites that we do not control;
- potential product liability towards consumer risks for any production defects for products manufactured at third parties, which may also impact the reputation of "Nykaa" brand;
- protecting our intellectual property rights;
- potential infringement risk, or be accused of infringing, intellectual property rights of third parties that may lead to a litigation or reputational risk;
- ongoing brand monitoring risk or risk of counterfeit products that may impact sale of our own brand genuine products; and risk of parallel imports also impacts imported brands where we perform the role of are the importer and distributor of such brands;

- ability to get the registration of our brands in Indian and international jurisdictions for future expansion plans and product that may impact our ability to introduce brands;

- failure to comply with various product-related regulations and laws, including those related to the product registration, product ingredients, health and safety, importing, customs clearance, manufacturing standards, labelling declaration standards, environmental and waste management including plastic generation and management, public disclosure, product testing and storage. Risk of operating though small or mid-sized third party manufacturers also add to risk of non-compliance; overseas manufacturing and supply partners may expose us to regulatory risks;

- such regulations also impact our imported brands, where we are importer on record and the distributors in India or any labour compliance liabilities as a principal employer;

- limitations regarding the return of imported cosmetics due to operational and regulatory challenges and changing import regime;

- sale of owned brands on third party platforms by unauthorized sellers may impact our reputation and sales;

- dependency on relationship across multiple channels of sales for our owned brands; and

- the regulatory and policy environment in which we operate is continuously evolving and is subject to change. In June 2021, the Department of Consumer Affairs proposed certain amendments to the Consumer Protection (E-Commerce) Rules, 2020 in relation to, amongst other things, restrictions on usage of the brands associated with the e-commerce entity for promotion or offer for sale of goods/services, expanding the scope of the definition of "e-commerce entity" to include related parties, requirement to disclose sponsored listing, search ranking parameters, etc. For further details in this regard, please see "— *Changing regulations in India could lead to new compliance requirements that are uncertain*".

In Financial Years 2019, 2020 and 2021 and the five months ended August 31 2021, our total GMV contribution of owned brands was 6.64%, 9.69%, 8.12%, and 7.49%, respectively. If any such risks eventuate, our business, financial condition, cash flows and results of operations could be adversely affected.

17. *One of our objects of the issue is to undertake expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands. The manner in which such expenditure will be incurred, or the outcome of such expenditure, are not ascertainable at this stage.*

We propose to utilise Rs. 2,340.00 million of the Net Proceeds to undertake expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands. The marketing, branding and promotional activities undertaken by us to acquire and retain customers, and the consequent expenditure incurred by us towards such activities, evolve from time to time depending on the growth of our business and expansion of our customer base with deeper penetration into Tier 2 and Tier 3 geographies. Maintaining and improving our marketing strategies involve expenditures which may be disproportionate to the revenue generated or customers acquired or retained. If consumer conversion rates are not commensurate with our expenditure in this regard, our expenditure may be disproportionate to our returns on such marketing investments. In Financial Years 2019, 2020 and 2021 and for the three months ended June 30, 2020 and 2021, our marketing and advertisement expense was ₹1,428.27 million, ₹2,022.03 million, ₹1,694.80 million, ₹71.60 million and ₹907.44 million, respectively, aggregating to 12.85%, 11.44%, 6.94%, 2.48% and 11.11%, respectively, as a percentage of revenue from operations. Our modes of marketing and advertising include general advertising, marketing and branding initiatives on digital and online platforms. While we propose to continue our marketing and advertising efforts through the modes we have utilized historically, we may also be required to expand our marketing presence to capture shifts in consumers' media

consumption habits. The modes we shall utilize to undertake this expenditure is not specific or identified at this stage. Further, the outcome of this expenditure is not ascertainable or quantifiable at this stage. For details, see "*Objects of the Offer*" at page 149.

18. *We operate in a highly competitive industry and our failure to compete effectively could have a negative impact on the success of our business and/or impact our margins*

Our industry is highly competitive and we expect that competition will continue to increase. Our competitors include a number of online marketplaces, retailers with physical stores, and brands that take a direct-to-consumer approach, effectively removing us from the distribution and sales process. The internet and mobile networks provide new, rapidly evolving and competitive channels for the sale of all types of goods and services. Consumers who purchase goods and services through us have other alternatives, and sellers have other channels to reach consumers. We expect competition to continue to intensify.

Online and offline competitors may offer goods and services that we do not offer and which may be more attractive and devote more resources to marketing and promotional campaigns. In addition, competitors may innovate faster and more efficiently, and new technologies may increase competitive pressures by enabling competitors to offer more efficient or lower-cost services or offer products direct to the consumer. If we are unable to change our offerings in ways that reflect the changing demands of offline and online sellers and marketplaces or compete effectively with and adapt to such changes, our business, financial condition, cash flows and results of operations would be adversely affected.

Some of our competitors have competitive advantages such as longer operating histories, more experience in implementing their business plan and strategy, better brand recognition, popular offline locations, greater negotiating leverage, established supply relationships and greater financial, marketing and other resources. In addition, the markets in which we compete have attracted significant investments from a wide range of funding sources, and our competitors can be highly capitalized, which allows them to lower their prices and fees, or increase the incentives, discounts and promotions they offer.

In addition, some of our competitors control other products and services that are important to our success, including credit card interchange, internet search, and mobile operating systems. Such competitors could utilize complementary aspects of their businesses in order to provide a better shopping experience or make it difficult for consumers to utilize our mobile applications or websites, or change pricing, availability, or the terms or operation of service related to their products and services in a manner that impacts our competitive offerings. Our inability to adequately address these and other operational changes and competitive pressures may have an adverse effect on our business, financial condition, cash flows and results of operations.

19. *Health epidemics, including the ongoing COVID-19 pandemic, have had, and could in the future have, an adverse effect on our business, operations and the markets and communities in which we and our consumers, suppliers, sellers and advertisers operate.*

Our business and operations could be adversely affected by health epidemics, including the ongoing COVID-19 pandemic, that affect the markets and communities in which we and our consumers, suppliers, sellers and advertisers operate.

The outbreak of COVID-19 was recognized as a pandemic by the World Health Organization on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, had taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses were temporarily closed on a voluntary basis as well. India had also experienced a surge of COVID-19 cases between March 2021 and June 2021, with infections climbing at a faster rate than other major countries during such period. The resulting lockdowns and curfews imposed by regional state governments in India may negatively impact India's business and economic outlook in the foreseeable future as well as our business operations, as delivery of non-essential items have been and continue to be intermittently restricted in several areas of India. Such lockdowns have also become more localized, affecting

our delivery logistics in and around such areas. We are unable to predict the duration and severity of the recent health crisis in India and whether such events would recur. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. The successive waves of COVID-19 pandemic has and may continue to disrupt our operations, including our manufacturing operations warehouses and delivery infrastructure, and office attendance, result in supply chain and inventory management risks and disruptions to us, reduce our ability to fulfil orders in a timely manner, disrupt the efficient operation of our warehouses, affect the ability of our delivery companies to make deliveries or of our sellers to initiate the delivery due to various restrictive measures imposed by governmental authorities, or increase costs and harm our reputation and ultimately our business, financial condition, cash flows and results of operations. The COVID-19 pandemic and related restrictions could result in certain of our consumers, suppliers, sellers, contract manufacturers, and advertisers experiencing downturns or uncertainty in their own business operations or revenue, including closure of their operations temporarily, and in some cases permanently, which in turn may cause reductions or delays in their spending, cost pressure on corporates, and may result in decreased revenue for us. As an example, our revenue from operations, total income and restated profit/(loss) for the year ended March 31, 2021 and the three months ended June 30, 2021 were adversely affected by a reduction in our business due to the "first wave" and "second wave" of the COVID-19 pandemic, respectively. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations – Number of Orders, AOV and GMV*" on page 372 for the decrease in orders and GMV between Q4FY2020 (quarter ended March 31, 2020) and Q1FY2021 (quarter ended June 30, 2020).

In response to the COVID-19 pandemic, we have modified our operations and shipping policies, and adjusted our services and technology. For example, our fulfilment and delivery operations now require social distancing measures to be in place and system-wide use of personal protective equipment is mandated, which due to the size, scope and geographically dispersed nature of our operations, has increased the expenses we incur to protect the health and safety of our consumers and employees. We have also temporarily closed our corporate offices and requested our employees work remotely in accordance with public health orders. However, such health and safety measures may not be sufficient to prevent the spread of COVID-19 among employees in our offices and warehouses. There is also a risk that key suppliers/service providers may invoke force majeure as they fail to operate or meet the service level agreements and that may adversely impact the continuity of business operations and cause heavy losses, where compensation cannot be enforced.

Our profitability also depends on the ability and willingness of consumers to visit physical stores, including our retail stores. Government measures related to the COVID-19 pandemic include restrictions on travel and business operations and advising or requiring individuals to limit their time and movement outside of their homes, which resulted in a decrease in the number of consumers visiting our physical stores. Consumer footfall in our retail stores in Financial Year 2021 was approximately 55% to 60% lower than our consumer footfall in Financial Year 2020, which significantly contributed to a decrease in our revenue from physical stores over the same period while we continue to incur the ongoing fixed costs for operating and maintaining our physical stores. As such, some physical stores may become unviable or the recovery of investments in the physical stores may be deferred. Further, we have deferred implementing our physical store expansion strategy due to the slowdown in consumer footfall and have at times experienced slower logistics activity within our supply chain as a result of manufacturing shutdowns or slowdowns. Even if the governmental restrictions are relaxed, it is unclear whether the risk of infection will continue to affect the willingness of consumers to visit our stores, and when normal footfalls and sales levels will resume. The COVID-19 restrictions on the sales levels of our physical stores has and could continue to adversely affect our business, cash flows, financial condition and results of operations.

While we have observed an increase in demand for our products through our online platform during this COVID-19 pandemic, such online demand may moderate over time as some consumers return to physical retail stores as governmental restrictions are lifted. Accordingly, as the effects of the pandemic begin to taper, we may not maintain the current level of demand for our products through our online platform, or retain any of our new suppliers, sellers or advertisers that we have attracted during this period. Further, restrictions implemented during

the COVID-19 pandemic have impacted our manufacturing operations, including distribution, supply chain and imports, as well as our inventory management. Additionally, our suppliers could face similar challenges affecting supply chain adversely, resulting in loss of sales or consumers.

We have taken into account all the possible impact of COVID-19 including but not limited to our assessment of liquidity and going concern assumption, recoverable values of our financial and non-financial assets, impact on revenue recognition and impact on leases. We have carried out this assessment based on available internal and external sources of information and we believe that the impact of COVID-19 is not material to us and expect to recover the carrying amount of our assets. The impact of COVID-19 on our actual results may differ from that estimated owing to the nature and duration of COVID-19.

The COVID-19 pandemic continues to evolve, and we are monitoring the situation and the effects on our business and operations closely as well as any material changes to future economic conditions. The effects of the COVID-19 pandemic could also adversely impact our ability to incur or service any future debt obligations and comply with the covenants in our future credit facilities and other financing agreements and could result in events of default and the acceleration of indebtedness. Given the uncertainty, we cannot reasonably estimate the impact on our future results of operations, cash flows, financial condition or our ability to make borrowings. To the extent the COVID-19 pandemic adversely affects our business and financial condition, it may also have the effect of heightening many of the other risks described in this section. Any of the foregoing factors, or other effects of the pandemic or any other epidemic that are not currently foreseeable, could adversely affect our business and results of operations.

20. ***Our technology infrastructure and the technology infrastructure of our third-party providers are susceptible to security breaches and cyber-attacks. This could potentially result in damage to our operations, employees, consumers, third-party providers, our reputation and adversely affect our financial condition, cash flows and results of operations.***

Our business generates, stores and processes a large quantity of personal, transaction, demographic and behavioral information and data and as such we may experience disruptions, failures or breaches of our technology platforms. We also face risks inherent in handling large volumes of data and in protecting the security of such data, such as protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees; addressing concerns related to privacy and sharing, safety, security and other factors; and complying with applicable laws, rules and regulations relating to the collection, use, disclosure, transfer or security of personal information, including any requests from regulatory and government authorities relating to such data. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy and data protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others, which could have an adverse effect on our results of operations, cash flows and business.

Although we have employed resources to develop security measures against breaches, such measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, ransomware attacks, phishing attacks, social engineering, fraudulent emails and related payments scams, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, unforeseen disclosure or transfer of data, deletion or modification of consumer information, or a denial of service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against, these attacks. For example, in May 2020, fraudsters impersonating our vendor in Italy and with the use of fake email addresses, engaged with employees and were successful in having payment for goods manufactured remitted to them, rather than to the genuine vendor. In the Financial Year 2021, the total sum fraudulently appropriated was ₹5.87 million, of which we incurred a

loss of ₹0.65 million, with the balance reimbursed by our insurance policy.

We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. Cyber-attacks may target us, the participants on our platform, or the communication infrastructure on which we depend. We have in the past and are likely again in the future to be exposed to vulnerabilities in our systems and to cyberattacks. For example, in 2019, a potential Application Programming Interface ("**API**") flaw was reported in our database through our Vulnerability Disclosure and Bug Bounty Program and fixed. While this incident did not result in any data loss, such a vulnerability could have potentially risked the detail of our consumers, including order details, mail identities, names, phone numbers and email addresses. While we constantly strive to improve our cybersecurity measures, our inability to avert all potential attacks and security breaches could subject us to legal and financial liability, harm our reputation and cause us to sustain substantial revenue loss from lost sales and consumer dissatisfaction. Actual or anticipated attacks and risks may cause us to incur higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants.

We are also subject to domestic and international laws relating to the collection, use, retention, security, disclosure and/or transfer of personally identifiable information ("**PI**") and sensitive personal data or information ("**SPDI**") with respect to our consumers and employees. For example, as part of our operations, we are required to comply with the Information Technology Act, 2000, the Information Technology (Reasonable Security Practices & Procedure and Sensitive Personal Data or Information), Rules 2000 and other ancillary rules, which provide for civil and criminal liability including paying compensation by way of damages (which may not be subject to any specific limits) to the affected persons, penalties and imprisonment for various cyber related offenses, including fines and damages for unauthorized disclosure or transfer of confidential information and failure to protect sensitive personal data or information. In addition, the proposed enactment of the Personal Data Protection Bill, 2019 ("**PDP Bill**"), and the ongoing discussions in India regarding the regulation and governance regime for non-personal data, will lead to potential additional compliance requirements in relation to obtaining consents, putting in place privacy policies and aligning data collection practices which comply with the 'privacy by design' principle, data protection impact assessments, registration requirements for a significant data fiduciary, reporting requirements for data breaches, data localization requirements etc. For further details, see "*Key Regulations and Policies*" beginning on page 219.

21. ***Our business depends on our ability to maintain and scale our technology. Any interruptions or delays in service on our mobile applications or websites or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of consumers, suppliers or sellers.***

A key element of our strategy is to generate a high volume of traffic on the digital platforms we offer. Our reputation and ability to attract, retain and serve our consumers depend upon the reliable performance of our mobile applications and websites and the underlying network infrastructure. We have experienced interruptions in these systems in the past, including server failures that temporarily slowed down or interfered with the performance of our mobile applications and websites, and we may experience interruptions in the future. For example, in April 2021, we experienced an unplanned event that resulted in our platform being partially down for approximately 30 minutes and during that period our order volume reduced by approximately 50%. In the course of the Financial Years 2019, 2020 and 2021, the total down time suffered by us was 141 minutes (average downtime of 0.01% over the same period) in beauty and personal care vertical and 581 minutes (average downtime of 0.05% over the same period) for fashion vertical. For the five months ended August 31, 2021, we did not experience any downtime in our beauty and personal care vertical, but we experienced 50 hours (average of downtime of 0.02% over the same period) of downtime for our fashion vertical.

In Financial Year 2019, Financial Year 2020, Financial Year 2021 and the five months ended August 31, 2021, we hosted approximately 378.0 million, 574.7 million, 658.9 million, and 369.6 million Visits on our beauty and personal care websites and mobile applications, respectively. As our consumer base and the amount of information shared on our mobile applications and websites continue to grow, we will need an increasing amount of network

capacity and computing power. We have spent and expect to continue to spend substantial amounts on our technology infrastructure to handle the traffic on our mobile applications and websites. In Financial Year 2019, 2020 and 2021 and the three months ended June 30, 2020 and 2021, our Other expenses – Web and technology expenses were ₹274.67 million, ₹345.57 million, ₹401.16 million, ₹73.36 million and ₹131.84 million, respectively. The operation of these systems is complex and could result in operational failures. If the volume of traffic of our consumers exceeds the capacity of our technology infrastructure or if our consumer base or the amount of traffic on our mobile applications and websites grows more quickly than anticipated, we may be required to incur additional costs to enhance our underlying technology infrastructure.

The volume of traffic and activity on our ecosystem of e-commerce platforms spikes on certain days, such as during our sales periods, and any such interruption would be particularly problematic if it were to occur at a time of high volume. If sustained or repeated, these performance issues could reduce the attractiveness of our products and services and platforms. In addition, the costs and complexities involved in expanding and upgrading our systems may prevent us from doing so in a timely manner and may prevent us from adequately meeting the demand placed on our systems. Any interruption or inadequacy that causes performance issues or interruptions in the availability of our mobile applications or websites could reduce consumer satisfaction and result in a reduction in the number of consumers purchasing our products and services, adversely affecting our business and financial position.

22. ***The successful operation of our business depends on the uninterrupted performance, reliability and security of network and mobile infrastructure.***

We depend on the maintenance of reliable internet and mobile infrastructure with the necessary speed, data capacity and security, as well as timely development of complementary products, for providing reliable internet and mobile access. Failures by our telecommunications providers may interrupt our ability to provide continuous internet and phone support to our consumers and distributed denial-of-service attacks directed at our telecommunication service providers could prevent consumers from accessing our mobile applications or websites. If any such event occurs, our business, financial condition, cash flows and results of operations may be adversely affected.

23. ***We rely upon the services of third-party data centre hosting facilities and other third-party providers for our business and operations.***

We also rely on services from other third parties, such as our telecommunications services, credit card processors, disaster recovery services, payment gateways, supply chain and courier counterparties, SMS service providers and online map providers, and those services may be subject to outages and interruptions that are not within our control. In addition, we may experience down periods when our third-party credit card or gift cards or payment mobile applications processors are unable to process the online payments of our consumers, disrupting our ability to receive consumer orders.

We also rely on cloud infrastructure service providers and systems maintained by third-party service providers. Our operations depend on the virtual cloud infrastructure and its configuration, architecture and interconnection specifications, as well as the information stored in these virtual data centers. We have no physical access or control over our virtual cloud infrastructure services and we cannot quickly or easily switch our operations to another third-party cloud infrastructure service provider. Termination or suspension of our key agreements with our technology vendors would interrupt our business by affecting our ability to access our data and infrastructure.

With respect to our marketing channels, we rely heavily on relationships with providers of online services, search engines, social media, digital marketing companies, directories and other websites and ecommerce businesses to provide content, advertising banners and other links that direct consumers to our websites. We rely on these relationships to provide significant sources of traffic to our website. In particular, we rely on search engines and major mobile application stores, as important marketing channels. Search engine companies change their natural search engine algorithms periodically, and our ranking in natural searches may be

adversely affected by those changes, as has occurred from time to time. If search engines change their algorithms, terms of service, display and featuring of search results, or if competition increases for advertisements, we may be unable to cost-effectively drive consumers to our mobile applications and websites.

We also rely on e-mail service providers, bandwidth providers, internet service providers, and mobile networks to deliver e-mail and "push" communications to consumers and to allow consumers to access our mobile applications and websites. If the systems of these third parties fail, we could lose consumer data and miss order fulfillment deadlines, which could result in decreased sales, increased overhead costs and product shortages. In addition, the third parties on which we rely could face financial difficulties, including bankruptcy, which may negatively affect our business.

In addition, our technology infrastructure and the technology infrastructure of our third-party providers are vulnerable to damage or interruption as a result of software or hardware malfunctions, system implementations or upgrades, computer viruses, third-party security breaches, employee error, misuse, war, natural calamities, power loss, telecommunications failures, cyber-attacks, human error, and other similar events could lead to extended interruptions of our operations, a corresponding loss of revenue and profits, cause breaches of data security, loss of intellectual property or critical data, or the release and misappropriation of sensitive information, or otherwise impair our operations. While we have limited disaster recovery arrangements, our disaster recovery and data redundancy plans may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur. If any such event were to occur, our business, financial condition, cash flows and results of operations may be adversely affected.

24. ***If we are unable to successfully integrate businesses, technologies, services and products that we acquire or invest in, our business, results of operations, cash flows and financial condition could be adversely affected.***

We have acquired and invested in businesses, technologies, services and products in recent years, such as the acquisitions of Twenty Dresses in 2019 as well as Pipa Bella and Dot & Key in 2021 to expand and augment our owned brands portfolio. We expect to continue to evaluate and consider a wide array of strategic alliances, investments and acquisitions in line with our overall business strategy. These transactions involve challenges and risks, including but not limited to: (i) difficulties in identifying suitable acquisition targets and competition from other potential acquirers; (ii) need for payment of purchase consideration, in form of securities or cash; (iii) exposure to unanticipated contingent liabilities of acquired businesses, including but not limited to taxation, litigation, intellectual property rights or compliance under FEMA, the Companies Act, 2013 or any other regulations; (iv) obtaining requisite governmental, statutory and other regulatory approvals for the acquisition; (v) risks and cost associated with the litigation; (vi) not realizing the benefits, expected return on investment and/or synergies from such transactions; and (vii) diverting management's attention, particularly in circumstances of an unsuccessful venture. While we conduct financial and legal due diligence on target entities before making investments, we cannot assure you that we will be able to identify all material risks and liabilities associated with the relevant target entity. Following acquisitions of target entities, we may also have to assume their liabilities and be exposed to unanticipated risks associated with them, including the past non-compliances under applicable laws. For instance, in the past, there have been certain non-compliances with labour laws by Dot & Key, including delay in making contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948, and failure to set up an internal complaints committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, Dot & Key had, in the past, advanced a loan of ₹ 0.3 million to one of its directors in violation of section 185 of the Companies Act, 2013, which was subsequently repaid, and undertaken certain related transactions of nominal value which were not on an arm's length basis. Following its acquisition by our Company, Dot & Key is in the process of rectifying these non-compliances and we cannot assure you that no adverse action will be taken by the concerned authorities against Dot & Key or its management in connection to these non-compliances, or whether such non-compliances will result in any unanticipated liabilities.

Furthermore, integration of newly acquired businesses may be costly and time-consuming, and each acquisition could present us with risks and difficulties in integration, including alignment of people culture.

The occurrence of any of the foregoing risks could have an adverse effect on our business, results of operations, cash flows and financial condition.

25. *Our expansion into new product categories and business verticals and a substantial increase in the number of products offered may expose us to new challenges and more risks.*

In recent years, we have expanded the product categories which are available across our platforms and websites, including by introducing online platforms such as Nykaa Fashion and Nykaa Man. Such new product categories (including in connection with our owned brand products) require us to understand or make informed judgements as to consumer demands, trends and preferences. We may misjudge consumer demands, trends and preferences for new products offered by suppliers, sellers and brand relationships on our platforms and face challenges in inspecting and controlling quality, third party manufacturers, regulatory requirements, handling, storage and delivery of such new products. We may also need to price aggressively in new categories to obtain traction with consumers improve brand awareness, which may not be possible in instances where a product manufacturer imposes restrictions on our ability to offer such products at a discount and which would adversely affect our gross margins.

We may also make substantial investments in launching such new products or business verticals on our platform Also, we expect to obtain new products as a result of acquisition activity, which may require greater investment. Expansion of our offerings or business verticals may also strain our management and operational resources. It may also be difficult for us to achieve profitability with new product categories and business verticals, and as a result, our profit margins may be lower than we anticipate, which would adversely affect our results of operations. We cannot assure you that we will be able to recover our investments in introducing any new products (including any new owned brand products) or that any such new products will be successful by any measure.

In addition, we may risk diluting or losing our brand positions as a premium beauty destination as we expand our business model and offerings to include mass brands, non-luxury items or adjacent categories that may detach some high value consumers.

26. *Any international expansion efforts may expose us to complex management, legal, tax and economic risks, which could adversely affect our business, financial condition, cash flows and results of operations.*

As we grow our consumer base in India, we will also aim to selectively explore and evaluate expansion into international markets. For further details, see "*Our Business – Our Growth Strategy*" beginning on page 209. Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our stakeholders could have an adverse effect on our business, results of operations, cash flows and financial condition. Further, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. Any international expansion may also be loss-making in the initial years or beyond due to a lack of scale or higher operating costs. There could also be legal and regulatory requirements for new products and new geographies generally, including relating to intellectual property usage and registration, registration of products under the local FDA regulations, data protection including GDPR, money-laundering and tax, which we may not have adequately anticipated and considered, which could impact the project timelines, launch dates or our ability to offer such products. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support our future operations, or establish or develop business relationships beneficial to our future operations. Failure to manage growth effectively could

have an adverse effect on our business, results of operations, cash flows and financial condition.

27. ***If we are unable to continue to innovate or if we fail to adapt to changes in our industry, our business, financial condition, cash flows and results of operations would be adversely affected.***

Our industry is characterized by rapidly changing technology, new mobile applications and protocols, new products and services, new media and entertainment content – including user-generated content – and changing consumer engagement methods, demand and trends. Particularly in respect of our Nykaa Beauty and Nykaa Fashion platforms, consumer demand can quickly change depending on many factors, including the behavior of both online and physical retail store competitors, promotional activities of competitors, rapidly changing tastes and preferences, frequent introductions of new products, advances in technology and the internet and macroeconomic factors, many of which are beyond our control. With this constantly changing environment, our future business strategies, practices and results may not meet expectations or respond quickly enough to consumer demand, and we may face operational difficulties in adjusting to any changes. Furthermore, our competitors are continuously developing innovations in personalized search and recommendation, online and offline shopping and marketing, communications, social networking, entertainment, logistics and other services to enhance the consumer experience.

As a result, we may have to invest significant resources in our technology, infrastructure, research and development, and other areas in order to enhance our business and operations, as well as to explore new growth strategies and introduce new brands and products. Our ability to monetize these technologies and other product offerings in a timely manner and operate them profitably depends on a number of factors, many of which are beyond our control, including:

- our ability to manage the operational aspects of developing and launching new technology;
- our ability to manage the financial of developing and launching new technology, including making appropriate investments in our software systems, information technologies and operational infrastructure;
- the availability or non-performance of third-party providers;
- our competitors (including our existing sellers and brands who may launch competing technologies) developing and implementing similar or better technology;
- our ability to counter the emergence the direct-to-consumer approach by offering a valuable, relevant and meaningful consumer experience across our platforms and to provide the same to our sellers, suppliers and brands relationships; and
- our ability to effectively manage any third-party challenges to the intellectual property behind our technology.

If our platform offers new products, whether third-party brands or our own brands, that are not accepted by our consumers, our revenue may fall short of expectations, our brand and reputation could be adversely affected, and we may incur expenses that are not offset by revenue. We may also face greater competition in specific categories from e-commerce and traditional retailers that are more focused on such products. It may also be difficult for consumers to differentiate our offering from other competitors as we progressively offer additional products, and our consumers may have additional considerations in deciding whether or not to purchase these additional offerings.

Our investments in innovations and new technologies may not increase our competitiveness or generate financial returns in the short term, or at all, and we may not be successful in adopting and implementing new technologies or may be hindered by regulatory changes, scrutiny and limitations, such as those being proposed in connection with the prevention of cookies and

other tracking technology. Even if we timely innovate and adopt changes in our strategies and plans, we may nevertheless fail to realize the intended benefits of these changes or even experience reduced revenue as a result. Any failure to innovate and adapt to these changes and developments would have an adverse effect on our business, financial condition, cash flows and results of operations.

28. ***We purchase inventory in anticipation of sales, and if we fail to manage our inventory effectively, our business and results of operations could be adversely affected.***

We purchase inventory from multiple vendors, distributors and manufacturers based on our projected sales and as such, if we fail to manage our inventory effectively, our business and results of operations may be adversely affected. For example, excess inventory procurement may lead to interest costs and also liquidation cost or loss of sales, markdowns or write-offs, where products sold under the key business verticals are subject to expiry. Further, any damage or destruction to our merchandising at fulfilment facilities or retail stores may impact our operating results.

29. ***The seasonality of our business affects our quarterly results and places an increased strain on our operations.***

We have historically experience seasonal fluctuations in our sales, with higher sales volumes associated with the festive sale period in the third quarter of each Financial Year, which encompasses holidays such as Diwali, Christmas and annual sales events such as Pink Friday. We expect to continue to experience seasonal trends in our business, making results of operations variable from quarter to quarter. This variability can make it difficult to predict sales and can result in fluctuations in our revenue or profitability between periods. Any failure by the sellers, or brand relationships, or by us, to stock or restock popular products in sufficient quantity or to develop sufficient fulfillment and delivery capacity to meet consumer demand during periods of seasonal or peak demand, could adversely affect consumer experience and our results of operations.

We may also experience an increase in our fulfillment and logistics costs due to split-shipments, air-shipments, changes to our fulfillment and logistics network, and other arrangements necessary to ensure timely delivery during times of high order volume.

In addition, during times of increased seasonal or peak demand, it is possible that too many consumers may attempt to access our mobile applications or websites within a short period of time, which may cause us to experience system interruptions that result in our mobile applications or websites temporarily being unavailable or prevent us from efficiently fulfilling orders. In addition, we may be unable to adequately staff our fulfillment and delivery network, including our customer service centers during these peak periods, which may impact our ability to satisfy seasonal or peak demand.

30. ***There may be infringement of our intellectual property rights from time to time.***

The protection of our intellectual property rights may require the expenditure of financial, managerial, and operational resources. We rely on a combination of trademark law, copyright law, confidential information, and contractual restrictions to protect our intellectual property. For further details, see "*Our Business – Intellectual Property*" on page 218. Despite our efforts to protect and enforce our proprietary rights, unauthorized parties have used, and may in the future use, our trademarks or similar trademarks, copy aspects of our website images, features, compilation and functionality or obtain and use information that we consider as proprietary, such as the technology used to operate our website or our content. For example, there have been several brands that have infringed our intellectual property rights through the use of our logo, designing their websites to appear like ours, and the use of similar titles and colors on their websites. In addition, the tools and training content which we have developed on our websites to guide consumers in the usage of our products have in the past been appropriated by our competitors, thereby undermining our position within the e-commerce beauty market.

We do not have comprehensive registered protection for all of our brands in all jurisdictions in which we operate or plan to operate. There is no guarantee that our pending trademark

applications, including the application in international jurisdictions such as those in the United States, the United Kingdom and the United Arab Emirates, for any brand will proceed to registration, and even those trademarks that are registered in India or international geographies where we plan to expand, could be challenged by a third party including by way of revocation or invalidity actions. Our competitors have adopted, and other competitors may adopt, service names similar to ours, thereby impeding our ability to build brand identity and possibly diluting our brand and leading to brand dilution or consumer confusion. In addition, there could be potential trade name or trademark ownership or infringement claims brought by owners of other rights, including registered trademarks, in our marks or marks similar to ours. Any such claims, brand dilution or consumer confusion related to our brands (including our trademarks) could damage our reputation and brand identity and substantially harm our business and results of operations.

Any of our current or future trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. As of October 12, 2021, 33 of our pending trademark applications were facing opposition from third parties. For instance, DKNY has opposed the registration of our NYKD mark in India and we are concurrently working towards a settlement of this dispute, the success of which cannot be assured. Additionally, the process of obtaining intellectual property protection is expensive and time-consuming, and the amount of compensation for damages can be limited in certain jurisdictions. Further, we may not be able to prosecute or otherwise obtain all necessary or desirable patent or trademark applications at a reasonable cost or in a timely manner. Even if issued, these patents or trademarks may not adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent, trademark and other intellectual property rights are applied on a case-by-case basis and it is generally difficult to predict the results of any litigation relating to such matters. Additionally, others may independently develop or otherwise acquire equivalent, “design-around” or superior technology or intellectual property rights. We may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights and other proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, financial condition, cash flows and results of operations.

In addition, our intellectual property rights may not be fully protected under the contracts we have entered into in connection with the production of content such that our rights may be limited to the use of such content in certain geographies only or for certain limited period. This may limit our ability to extensively use the content created.

Domain names generally are regulated by internet regulatory bodies, and the regulation of domain names is subject to change. Regulatory bodies have and may continue to establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As of the date of this Red Herring Prospectus, we have various domain names which are registered under our name, including “NYKAA.COM”, “Nykaafashion.com” and “nykaaman.com”. We may not be able to, or it may not be cost effective to, acquire or maintain all domain names that utilize the name “Nykaa” or our other business brands in all of the jurisdictions in which we currently conduct or intend to conduct business. If we lose the ability to use a domain name, or similar domain names are set up for fraudulent purposes, or fail to renew the domains registered on a timely basis, we could incur additional expenses and hardship to market our products, including the development of new branding or poor customer experience. This could substantially harm our business, results of operations, financial condition, cash flows and prospects.

We rely on multiple software programmers (as employees or independent consultants) to design our proprietary technologies and photographers (as employees or independent consultants) to capture the products sold on our ecosystem of e-commerce platforms. We cannot guarantee that we own or are properly licensed to use all of the intellectual property in such software or images. If we do not have, or lose our ability to use, such software or images, we could incur additional expense to remove such assets from our ecosystem of e-commerce platforms or re-engineer a portion of our technologies. For example, in May 2021, Apple Inc. forwarded a patent assertion notice issued by an alleged inventor, Yogesh Rathod, claiming that Nykaa had infringed a patent relating to Mini Apps / Mini Programs / Progressive Web App

(PWA) technology. We have engaged in correspondence with Mr Rathod, Apple Inc. and Google on this matter and the matter is currently ongoing. In addition, we had filed a trademark application in the United States under Class 3 and Class 35 in March 2021 on the basis of Intent to Use. Chemco Corp. ("Chemco"), a manufacturer of professional skin and body care products based in the United States, has a registered trademark "NIKA" under Class 3 in the United States since March 2018. Pursuant to a letter dated April, 2, 2021, Chemco called upon us to withdraw our trademark application for "Nykaa", citing their registered mark "NIKA" in Class 3. We have provided our initial reply on this matter and the matter is currently pending. We are also exploring settlement with Chemco. The trademark applications filed by us are still with the registry and has not yet been published due to a delay in the process arising from the COVID-19 pandemic.

31. *We may be accused of infringing or misappropriating intellectual property rights or confidential know how of third parties.*

Although our contracts prohibit the sale of counterfeit items or any items infringing upon third parties' intellectual property rights in our platform and we have implemented measures to exclude goods that have been determined to violate our terms, we may not be able to detect and remove every item that may infringe on the intellectual property rights of third parties. As a result, we have received in the past, and may receive in the future, complaints alleging that certain items, including in connection with our own brands, listed or sold on our mobile applications or websites infringe upon the intellectual property rights of third parties, which could lead to actual disputes and lawsuits relating to intellectual property infringement.

Besides product design and product packaging infringement, we may also be accused of copyright and trademark infringement for our marketing content. For example, in November 2019, L'Oréal SA filed a civil suit in Delhi High Court alleging similarity in certain packaging leading to an alleged infringement of IP rights and obtained a restraining order, which restrained our use of the packaging on our own brands. The legal costs involved in this litigation, to the extent currently quantifiable, are approximately ₹ 2.87 million. For details, see *"Outstanding Litigation and Material Developments"* on page 408. We upload vendor/ seller content to our platform, mobile applications and websites, while in the case of Nykaa Social pages (e.g., Nykaa network), marketing content is uploaded directly by influencers, Customers may also update comments or posts on Nykaa social platforms. In particular, our mobile application features a vast amount of detailed and engaging content on our sellers and brand relationships. However, such content or comment posted on our mobile applications and websites may expose us to allegations by third parties of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of third-party rights. For example, there have been past occasions where the use of certain images on our online platform have been challenged by the registered owner of such images and where it was alleged that the concept of our television commercial was copied by the production house under our control.

We are currently party to litigation or disputes related to intellectual property rights (such as their trademarks, copyrights, confidential know how, trade secrets, patents or other intellectual property rights) of third parties, and we expect we will continue to be subject to such litigation, disputes, and investigations in the future, some of which may be material. Any intellectual property litigation or investigations to which we might become a party, or for which we are required to provide indemnification, may require us to, among other things, (i) cease selling certain products, (ii) make substantial payments for legal fees, settlement payments, or other costs or damages, (iii) change our processes or technology, obtain license(s), which may not be available on reasonable terms or at all, to use the relevant technology or process, or (iv) redesign the allegedly infringing processes to avoid infringement, misappropriation or violation.

We cannot predict whether any such assertions or claims arising from such assertions will substantially harm our business and results of operations, whether or not they are successful. Further, we may be held liable for information or content displayed on to our platforms. If we are forced to defend against any infringement or other claims relating to the trademarks, copyright, confidential know how, trade secrets, patents or other intellectual property rights of third parties, whether they are with or without merit or are determined in our favor, we may face costly litigation or diversion of technical and management personnel.

32. ***Our online marketing listings or reviews may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.***

Indian and international advertising laws, rules and regulations require advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they prepare or distribute is fair and accurate, is not false or misleading and is in compliance with applicable law. Violation of these laws, rules or regulations may result in, amongst other things, penalties and/or fines for issuing misleading advertisements, including fines, confiscation of advertising costs, orders to cease dissemination of the advertisements and orders to issue a corrective advertisement to neutralize the effect of a misleading advertisement. Complying with these requirements and any penalties or fines for any failure to comply may significantly reduce the attractiveness of our platform and increase our costs and could have an adverse effect on our business, financial condition, cash flows and results of operations.

In addition, for advertising content related to specific types of products and services, advertisers, advertising operators and advertising distributors must confirm that the advertisers have obtained the requisite government approvals, including the advertiser's operating qualifications, proof of quality inspection of the advertised products and services, and, with respect to certain industries, government approval of the content of the advertisement and filing with the local authorities. In certain cases, applicable guidelines (such as the Guidelines for Influencer Advertising on Digital Media, 2021) require that content created by influencers should carry a disclosure label identifying their posts as advertisements. We must also ensure we have obtained the requisite rights of use or reuse of certain video or audio content in accordance with our contractual obligations, which have to be continuously renewed and monitored, as any failures to so may lead to infringement of intellectual property rights such as copyrights. Pursuant to the internet laws in India, we are required to take steps to moderate the content displayed on our platform, such as reviews and images posted by consumers or influencers. This requires considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations. The costs associated with complying with these laws, rules and regulations, including any penalties or fines, could have an adverse effect on our business, financial condition, cash flows and results of operations. Any further change in the classification of our online marketing services by the Indian government may also significantly disrupt our operations and adversely affect our business and prospects.

33. ***Failure by our suppliers or sellers to comply with product safety and other related laws may subject us to liability, damage our reputation and brand, and harm our business.***

Much of the merchandise we sell through our offline stores, on our mobile applications and websites are subject to regulation by Indian laws or administrative agencies. As a platform that hosts third-party products and posts marketing content on our digital websites, we may be subject to legal risks associated to product liability of our third-party sellers. Additionally, failure of our suppliers to provide merchandise or content that complies with all applicable laws, including, without limitation, product safety (such as the Drugs and Cosmetics Act 1940 and Cosmetics Rules, 2020), 'country of origin' requirements and disclosure and compliance requirements under applicable legal metrology laws, as well as the rules and regulations promulgated by the Food Safety and Standards Authority of India, could result in liability in the case of our private brands, damage to our reputation and brand, increased enforcement activity or litigation, and increased legal costs.

Certain merchandise in the past has been, and could in the future be, subject to recalls and other remedial actions. Such recalls and voluntary removal of merchandise could result in, among other things, lost sales, reduced revenue, diverted resources, potential harm to our reputation, and increased consumer service costs and legal expenses, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

Regardless of the validity of any claims made against us, we may incur significant costs and efforts to defend against or settle them and such claims could lead to negative publicity and damage to our reputation. Successful claims by third-party rights owners could require us, among other things, to pay substantial damages or refrain from permitting any further listing of the relevant items. These types of claims could force us to modify our business practices, which

could lower our revenue, increase our costs or make our platform less user friendly and may damage our reputation.

34. ***Failure by our suppliers or sellers to comply with intellectual property laws may subject us to liability, damage our reputation and brand, and harm our business.***

We have received in the past, and we may receive in the future, communications alleging that certain items provided by suppliers or listed by sellers on our mobile applications or websites infringe upon third-party copyrights, trademarks, and trade names or other intellectual property rights of others. Although we have sought to prevent and eliminate the listings of such goods, they may be listed on our mobile applications or websites in the future and we may be held liable to those parties claiming an infringement of their intellectual property rights. Although we have a dedicated team that is responsible for monitoring reports of listing, display, and sales of pirated, counterfeited, prohibited or regulated merchandise and services, such items may nevertheless be listed, displayed, or sold on our mobile applications or websites and may subject us to potential lawsuits, sanctions, fines, or other penalties, which could adversely affect our business. For more, see "—*We may be accused of infringing or misappropriating intellectual property rights or confidential knowhow of third parties*" on page 68.

Regardless of the validity of any claims made against us, we may incur significant costs and efforts to defend against or settle them and such claims could lead to negative publicity and damage to our reputation. If a governmental authority determines that we have aided and abetted the infringement or sale of counterfeit goods, we could face regulatory, civil or criminal penalties. Successful claims by third-party rights owners could require us, among other things, to pay substantial damages or refrain from permitting any further listing of the relevant items. These types of claims could force us to modify our business practices, which could lower our revenue, increase our costs or make our platform less user friendly and may damage our reputation. Moreover, public perception that counterfeit or other unauthorized items are common on platform, even if factually incorrect, could result in negative publicity and damage to our reputation.

35. ***We depend on the performance of management and other highly-qualified and skilled personnel, and if we are unable to attract, retain, and motivate these and other well-qualified employees, our business could be harmed.***

Our success and growth depends upon consistent and continued performance of our employees with direction and leadership from senior management. From time to time, there may be changes in our executive management team or other key employees to enhance the skills of our teams or as a result of attrition. The loss of one or more of our executive officers or other key employees could adversely affect our functions and business operations. We also do not maintain key man life insurance with respect to any members of management or other employees.

In addition, our success depends largely upon the continued services of our Promoter and CEO, Falguni Nayar. She has deep industry knowledge and, along with other key individuals in our business, plays a strategic role in developing and building relations with our key stakeholders, including investors, board members, sellers, suppliers and other strategic business relationships on a regular basis. Falguni Nayar has played, and is expected to continue to play, a significant role in building and maintaining strong relationships with critical stakeholders into the future. If Falguni Nayar were to step down from her leadership position in our Company and Subsidiaries, our reputation could deteriorate and our business could be adversely affected.

As part of our growth, we are continually reviewing and hiring experienced and qualified professionals. Our success depends on our ability to recruit, develop and retain qualified and skilled personnel, for all our lines of business in Beauty, Fashion and Lifestyle. We compete in the market to attract and retain skilled personnel, in areas such as engineering, product and design tech, sales, digital marketing and brand management, omni-channel retailing and consumer service, supply chain and operations, as well as enabling corporate functions. To sustain our growth, we have increased our senior management depth in the last few years and have been able to successfully attract key talent from Fortune 500 companies and key players in the market. Retention of critical and key talent is an ongoing focus to enable business

continuity and performance.

Since our industry faces high demand and intense competition for talent, we may fail to timely attract or retain qualified or highly-skilled employees that we will need to achieve our strategic objectives. In addition to hiring new employees, we must continue to focus on developing, motivating and retaining our best employees, many of whom are at-will employees who may terminate their employment relationship with us at any time for alternate career opportunities. During the Financial Years 2019, 2020 and 2021 and the five months ended August 31, 2021, we suffered attrition of 26.30%, 26.40%, 17.39%, and 10.46% of employees, respectively, with breakdown as follows:

Category	Financial Year 2019	Financial Year 2020	Financial Year 2021	Five Months ended August 31, 2021
	Annual Attrition* %			Year to Date Attrition* %
Management team including KMPs	16.55%	20.49%	13.18%	7.28%
Other permanent employees	29.09%	27.82%	18.51%	11.43%
Overall	26.30%	26.40%	17.39%	10.46%

**Attrition excludes terminations*.

If we fail to identify, recruit and integrate strategic personnel, our business, financial condition, cash flows and results of operations could be adversely affected. Any loss of members of our senior management team or key personnel could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and consumer relationships. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. If the perceived value of our equity awards declines, experiences significant volatility, such that prospective employees believe there is limited upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees. If we are not able to retain and motivate our current personnel or effectively integrate and retain employees, our ability to achieve our strategic objectives, and our business, financial condition, cash flows and results of operations will be adversely affected.

36. ***Our culture and values have been critical to our success and if we cannot maintain this culture and our values as we grow, our business and reputation could be adversely affected.***

We believe that our culture and values have been critical to our success. We may face a number of challenges that may affect our ability to sustain our corporate culture and values, including a potential failure to attract and retain employees who embrace and further our culture and values, any expansion into additional markets and competitive pressures that may divert us from our priorities, vision and integration of new personnel.

While we aim to build a fair, admired, compliant and performing culture with regular education and training to employees, including zero tolerance of any violations around our code of conduct (including on the prevention of sexual harassment), there could be violations which could affect our reputation and impact our cultural fabric.

Any unethical or illegal employee actions and behavior may harm our reputation and possibly expose us to sanctions or penalties. Employee misconduct, fraud or error could harm us by impairing our ability to attract and retain consumers and we may be subject to significant legal liability and reputational harm.

If we are not able to maintain our culture and values as we continue to grow, our business, financial condition, cash flows and results of operations could be adversely affected.

37. ***We may require additional capital through financing in the future and our operations***

could be curtailed if we are unable to obtain required capital and financing on favourable terms when needed.

Our business requires working capital expenditures to meet our day to day business requirements. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business or our expansion plans. We intend to continue to make investments to support the capital expenditure for expansion of physical retail stores, development of new own brands and new businesses, our various mobile applications and websites and expansion of our commercial offerings, and will require additional funds for such development and expansion. We may need additional funding for marketing expenses and to develop and expand our retail store offering and sales resources, develop new features or enhance our platform or other offerings, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we might need or may want to engage in future equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to expand physical stores, set up additional fulfillment centres, develop our mobile applications and websites, support our business growth and respond to business challenges could be significantly impaired, and our business, financial condition, cash flows and results of operations may be adversely affected.

In addition, management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. The terms of any additional debt we may incur in the future could restrict our ability to effectively conduct our operations. As our decisions to raise additional capital will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future debt or equity financings, or terms on which any such financings may be completed. Our ability to make repayments and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. For details of our outstanding debt and inter-corporate loans sanctioned by the Company to its subsidiaries as on the date of this Red Herring Prospectus, see "*Financial Indebtedness*" beginning on page 404.

38. ***Sellers and brands set their own prices for products they make available on our marketplace, which could affect our ability to respond to consumer preferences and trends.***

In relation to our marketplace, while we attract and host brands that cater to consumers with differing spending power, such as value, premium and luxury brands, the sales prices or Maximum Retail Price ("**MRP**") are not within our control, which may affect our ability to respond to consumer preferences and trends. We do not control the pricing strategies of our sellers and brands and typically contract on a non-exclusive basis, which could affect our revenue and our ability to effectively compete on price with the other distribution channels used by our brands and sellers, including e-commerce retailers and physical retail stores. In addition, sellers and brands may determine, based on the vast selection of products and brands that we offer on our platform, that they can more competitively price their products through other distribution channels and may choose such other channels instead of listing all or any of their products on our platform.

39. ***We do not have full control over the quality of the products offered by seller and brands but may be subject to legal liabilities and reputational harm as a result of product defects, poor quality control or authenticity issues.***

Although we strive to ensure quality and authenticity in the products offered on our platform by only purchasing directly from manufacturers or authorised distributors, we do not have full control over the quality of products that consumers receive from ordering on our platform or purchasing from our retail outlets. Although we guarantee the authenticity of the products, we do not check every product that is ordered on our platform and we cannot guarantee the consistency of the quality for consumers. Accordingly, we may be subject to claims under

consumer protection laws, health and safety claims, product liability claims or other legal liabilities if property or people are harmed by the products and services offered through our platforms. Additionally, consumer complaints, if made public, may harm our brand (including our owned brands) and reputation or that of our sellers, suppliers and brands, which can have an adverse effect on our business and results of operations. For example, in November 2019, beauty products in our Mumbai warehouse were discovered by the Indian Food & Drug Administration and identified to be illegally manufactured by Bellezza Italia, a manufacturer which had, at the time, already surrendered their manufacturing license. The Drugs Inspector (Thane), Food and Drugs Administration had issued a notice dated November 15, 2019 to Nykaa E-Retail in this regard, but no fines or penalties were levied on us. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 408.

40. *Failure to deal effectively with fraudulent activities on our mobile applications or websites would increase our fraud losses and harm our business and could severely diminish seller and consumer confidence in and use of our services.*

We face risks with respect to fraudulent activities on our mobile applications or websites and periodically receive complaints from consumers who assert they have not received the goods they purchased, that goods they received were fraudulent or that they were contacted by fraudsters to make payments for free gifts, from sellers who may not have received payment for goods that were purchased, or from manufacturers or others who assert that their intellectual property is being infringed.

Although we have implemented measures to detect and reduce the occurrence of fraudulent activities, scams, combat bad consumer experiences, and increase consumer satisfaction, including encouraging reporting of concerns, gating and monitoring higher-risk activities, evaluating sellers on the basis of their transaction history, and restricting or suspending some sellers and making police complaints against unknown fraudsters, we cannot assure you that these measures will be effective in combating fraudulent transactions or improving overall satisfaction among sellers and consumers. For example, we are aware of instances of fraudulent advertisements on third party websites such as LinkedIn, purporting to sell equity shares in our business or luring customers with offers, prizes or lotteries through fake websites or phone calls and asking them to pay tax amount/courier amount and thus defrauding them, and there have also been instances where sellers have repackaged and passed off products as their own brands on our websites without informing us, or sold certain products that may infringe the intellectual property rights of other brands. We will need to evolve to combat fraudulent activities as they develop. Any failure to evolve could result in loss of consumer trust. At the same time, the implementation of additional measures to address fraud could negatively affect the attractiveness of our offerings to consumers and sellers, or create friction in our consumers' experience or increase our costs.

41. *We rely on third-party couriers to provide reliable, timely and satisfactory delivery of orders for consumers.*

We rely on third-party couriers, such as Aramex, Blue Dart, Delhivery, Ecom Express, ExpressBees and Shadowfax to deliver orders from our warehouses to consumers. To the extent they are unable to provide satisfactory services to consumers, which may be due to events that are beyond our or their control, such as inclement weather or transportation disruptions, poor financial condition, additional compliance costs as a result of COVID-19, we may suffer reputational damage, and our business, financial condition, cash flows and results of operations may be adversely affected.

The third-party couriers that we rely on may also subject us to additional risks. For example, traffic accidents caused by such couriers in performing their services on our behalf may cause negative publicity in the local community and may negatively affect our brand image and reputation. In addition, as our third-party couriers interact directly with our consumers, we may suffer harm, including substantial reputational harm from any misconduct, illegal actions or crimes committed by them, such as in relation to the misappropriation of cash due for "cash-on-delivery" orders which may go undetected or remain uncollectable. If we are unable to effectively address these risks, our brand image, reputation, cash flows and financial performance may be adversely affected.

42. ***We are subject to payment-related risks, including risks associated with cash on delivery and payment processing risks.***

We accept payments using a variety of methods, including credit and debit cards, digital wallets, UPI, money transfers, and cash on delivery. Cash on delivery is a preferred method of payment for online purchases in India. Although the share of the prepaid orders on Nykaa.com platforms has increased from 42.3% in Financial Year 2019 to 57.3% in Financial Year 2021 (primarily due to the "first wave" of the COVID-19 pandemic in India) and to 52.2% for the five months ended August 31, 2021, due to improving digitisation, we are still subject to the risk that cash collected from consumers may be misappropriated or that a consumer may not plan appropriately for payment and the purchase will have to be returned. Returned purchases do not contribute to our revenue and we absorb the costs of return shipping fees, which would increase our operating costs and adversely affect our business, financial condition, cash flows and results of operations. We are subject to the risk of fraudulent activity associated with cash on delivery, such as payment of purchases with counterfeit currency or fake identity. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees. These fees may increase over time, which would increase our operating costs and adversely affect our results of operations. We use various third parties and payment gateways to provide payment processing services, including the processing of credit and debit cards. Our business may be disrupted for an extended period of time if any of these companies becomes unwilling or unable to provide these services to us.

We are required to comply with payment card network operating rules, which are set and interpreted by the payment card networks for the third-party payment processors. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules, as revised by regulatory bodies such as RBI from time to time, in ways that might prohibit us from providing certain services to some consumers, be costly to implement, or difficult to follow. If we fail to comply with these rules or requirements on service providers including in connection with nodal accounts, we may be subject to fines or indemnities or higher transaction fees or lose our ability to accept credit and debit card payments from consumers or facilitate other types of online payments, and our business could be harmed. Moreover, although the payment gateways we use are contractually obligated to indemnify us with respect to liability arising from fraudulent payment transactions, if such fraudulent transactions are related to credit card transactions, including international credit card transactions, and become excessive, they could potentially result in our losing the right to accept credit cards for payment. If any of these events were to occur, our business, financial condition, cash flows and results of operations could be adversely affected.

43. ***Failure to renew our current leases or licenses or locate desirable alternatives for our facilities or increasing lease rentals could adversely affect our business.***

We either lease or enter into lease and license arrangements for properties in relation to our retail stores, offices (including our registered and corporate office), warehouses, and operating locations, which include our warehouses and retail stores in malls and shopping centers.

We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in relocation expenses, which could adversely affect our business, financial condition, cash flows and results of operations. In addition, we may not be able to locate desirable alternative sites for our operations as our business continues to grow or our leases near their end, and failure in relocating our affected operations could adversely affect our business and operations. Further there are risks associated with the disputes of the property that may also lead to business disruptions.

In addition, we compete with other businesses for premises at certain retail locations or of desirable sizes. As a result, even though we could extend or renew our leases, our rental payments may increase because of the high demand for the leased properties. Further, in certain case where we must commit to lock-in periods our ability to exit the property may be limited.

Further, any unanticipated or steep increase in the regulatory costs on account of stamp duty,

municipal taxes or any other local duties, taxes, levies may adversely impact our ability to sustain or expand retail stores or warehouses in an affordable manner.

44. ***Increases in operational costs could adversely affect our results of operations.***

Factors such as inflation, increased labor and employee benefit costs (by regulation or otherwise), increased rental costs, and increased energy costs may increase our operating costs and those of our sellers, manufacturers, suppliers, freight and delivery companies, and independent contractors. Further, to maintain our operational costs and margins, it is imperative to optimize the expansion of capacity of our fulfillment centers.

Many of the factors affecting sellers, manufacturers, suppliers and independent contractors are beyond the control of these parties. In many cases, these increased costs may cause sellers, manufacturers, suppliers, freight and delivery companies, and independent contractors to spend less time providing services to our consumers or to seek alternative sources of income. Likewise, these increased costs may cause sellers, manufacturers, suppliers, freight and delivery companies, and independent contractors to pass costs on to us and our consumers by increasing prices, which would likely cause order volume to decline, and may cause sellers, manufacturers, suppliers or independent contractors to cease operations altogether.

45. ***High merchandise returns or interruption in our shipping operations could negatively impact our business***

Cost of merchandise returns in an e-commerce business is mainly absorbed by the business. This includes cost of delivery, freight and risk of fraud returns that may lead to additional cost and risk exposure with the product sold. In some cases, the returned inventory is not suitable for resale which further impacts our overall margins. Further, any changes in our shipping arrangements for reverse logistics or any interruptions in shipping could adversely affect our business, financial condition, cash flows and results of operations.

46. ***We do not have insurance policies to cover all possible events, and our current insurance policies may be insufficient to cover all future costs and losses the incurrence or magnitude of which are unforeseen or unpredictable and could result in an adverse effect on our business operations and results of operations.***

We have obtained insurance to cover certain potential risks and liabilities, such as property damage (including stock assets and fixed assets); damage to stock in transit; customary director and officer liability; general liability and product liability, including product recall costs; commercial crime; and business interruption due to cyber-attacks (including ransomware). Accordingly, we do not have insurance policies to cover all possible events. As of June 30, 2021, our net book value of property, plant and equipment and inventory was ₹791.05 million and ₹5,909.91 million, respectively, and the insurance coverage on such assets and inventory was ₹1,007.30 million and ₹ 7,412.60 million, respectively, or 127.34% and 125.43%, respectively. For details, see "*Our Business – Insurance*" on page 218.

Insurance companies in India offer limited business insurance products and as a result, we may not be able to acquire any insurance for certain types of risks such as business liability or service disruption insurance for our operations, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. We do not maintain business interruption insurance that covers loss as a result of property damage to any of our locations. For more details, see "*— Health epidemics, including the ongoing COVID-19 pandemic, have had, and could in the future have, an adverse effect on our business, operations and he markets and communities in which we and our consumers, suppliers, sellers and advertiser operate."* and "*— Our business could be affected and disrupted by other kinds of catastrophic occurrences and similar events.*" on pages 58 and 81, respectively. Should the aforementioned risks actualise, our business operations and revenue may be adversely affected as we are uninsured for losses related to business interruptions that do not involve property damage. Any business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources.

We also cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss or our claims are rejected for any reason, our business, financial condition, cash flows and results of operations could be adversely affected.

47. ***We have incurred indebtedness towards working capital and our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.***

As of August 31, 2021, we had total working capital borrowings of ₹313.67 million. Certain of our financing agreements include conditions and restrictive covenants, including the requirement that we obtain consent from or intimate our respective lenders prior to carrying out certain activities and entering into certain transactions including, among others, declaring or paying dividends, effecting any change in our Company's capital structure, carrying out or entering into any amalgamation, consolidation, demerger, merger, restructuring, reorganization, corporate reconstruction by our Company or by any Subsidiary, amending our Company's or any Subsidiary's memorandum of association or articles of association, effecting any change in management of the Company or any Subsidiary and investing by way of share capital or lending or advancing funds to or placing deposits with any other concerns except in normal course of our business. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. For the purpose of the Offer, we have sought and obtained consents from all the lenders of the Company and the Subsidiaries from whom such consents are required, as on the date of this Red Herring Prospectus.

Further, a breach of any of the covenants, or a failure to pay interest or indebtedness when due, under this or any of our other financing arrangements, could result in a variety of adverse consequences, including the termination of one or more of our credit facilities, levy of penal interest, the enforcement of any security provided, acceleration of all amounts due under such facilities, right to appoint nominee on our Board and cross-defaults under certain of our other financing agreements, any of which may adversely affect our business, results of operations, cash flows and financial condition.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios, total outside liabilities to tangible net worth and minimum net worth. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. We cannot assure you that we will comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any non-compliance in a timely manner or at all. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. For further information on the working capital facilities currently availed of by us, see "*Financial Indebtedness*" beginning on page 404.

48. ***Our ability to raise foreign capital may be constrained by Indian law.***

Foreign investments into Indian companies are regulated by the Government of India and the Reserve Bank of India ("**RBI**"). For example, under its consolidated foreign direct investment policy (effective from October 15, 2020) ("**FDI Policy**"), Foreign Exchange Management Act, 1999 and the rules and regulations thereunder, each as amended ("**FEMA**"), the Government of India has specific prescribed requirements and conditionalities with respect to the level of foreign investment permitted in certain business sectors both without prior regulatory approval (the "**Automatic Route**") and with prior regulatory approval (the "**Approval Route**").

Our Company is in the manufacturing business (including through contract manufacturing in

India), where 100% foreign direct investment is permitted under the Automatic Route. However, some of our Subsidiaries are engaged in business sectors which fall under the Approval Route, or where foreign investment is subject to sectoral conditionalities. Presently, our Company is owned (with shareholding of non-residents being less than 50%) and controlled by resident Indian citizens, and accordingly any foreign investment in our Company is not considered to be 'indirect' or 'downstream' foreign investment in our Subsidiaries. However, since certain of our Subsidiaries undertake businesses that are under the Approval Route or where FDI is not permitted, the total foreign investment in our Company cannot equate to 50% or more of our Company's share capital, and foreign investors cannot be deemed to own and control our Company. This may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and resident are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investmentsunder the foreign direct investment route by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approvalof the GoI. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entityin India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction or purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term "beneficialowner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involvescertain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

49. ***If we or third parties on whom we rely do not obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our or their business, as the case may be, it could have an adverse effect on our business.***

As part of our business and operations, we are required to obtain and maintain various approvals, licenses, registrations, clearances and permits, including, without limitation, trade licenses, shops and establishment registrations, and fire No Objection Certificates ("**NOCs**") for our premises, such as offices, stores and warehouses. For example, we are required to have registration under the Drugs and Cosmetics Act, Food Safety and Standards Authority of India, and the Shops and Establishment Act Some of these approvals, licenses, registrations and permits may expire in the ordinary course of business and we accordingly apply to obtain the approval or its renewal in accordance with applicable procedures and requirements.

We are required, and will continue to be required, to obtain and hold relevant licenses, approvals, consents and permits at the local, state and central government levels for undertaking our business. In addition, there may be certain licenses and approvals that may be required to be obtained by the owners of the properties leased by us, in respect of such properties such as for warehouse or fulfillment centres, physical stores, manufacturing locations, studios and other premises used for office or non-office activities. We cannot assure that the owners of these properties will apply for all such licenses and approvals in a timely manner or at all.

We also may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business. We cannot assure you that we will be able to timely apply for all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. In addition, there are certain approvals such as fire NOCs that are in the process of being renewed or applied for, or are yet to be obtained. There is no assurance that new regulations may be introduced which will require us to obtain approvals and licenses from the government or impose onerous requirements and conditions on our operations, nor any assurance that the approvals, licenses, registrations, consents and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are in the process of making applications to relevant authorities for updating the name of our Company in current registrations and approvals, pursuant to the conversion of our Company into a public company. Such applications include, employee state insurance registrations, employee provident fund registrations, shops and establishment registrations, professional tax registration and labour welfare fund registrations. Any delay in receipt or the non-receipt of approvals, licenses, registrations, permits or their renewals could affect our related operations.

In the event we are not able to obtain such approvals, licenses and registrations, our business and growth strategy may be adversely impacted. Failure by us or third parties on whom we rely, to comply with the terms and conditions of the relevant licenses, approvals, permits or registrations, or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in cost and time overrun, imposition of penalties, interruption of our operations and may have an adverse effect on our business, cash flows financial condition and results of operations.

50. ***We track certain operational and key business metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation.***

We track certain operational and key business metrics, such as Number of Visits, Annual Unique Transacting Consumers, Orders, GMV from Existing Consumers, Average Order Value and Gross Merchandise Value, with internal systems and tools and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. Further, these are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these, are not standardised terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate these measures differently from us, limiting its usefulness as a comparative measure. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition, cash flows and results of operations would be adversely affected. See "*Our Business*" beginning on page 190 for more details.

51. ***Certain sections of this Red Herring Prospectus contain information from RedSeer which has been exclusively commissioned and paid for by us. There can be no assurance that such third-party statistical, financial and other industry information is***

either complete or accurate, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

Pursuant to being engaged by us, RedSeer prepared a report on the Indian retail, beauty and personal care and fashion industries titled "Report on India Beauty and Personal Care and Fashion Markets" dated October 14, 2021. Certain sections of this Red Herring Prospectus include information based on, or derived from, the RedSeer Report or extracts of the RedSeer Report. We commissioned and paid RedSeer for this report for the purpose of confirming our understanding of the industry in connection with the Offer. We commissioned RedSeer as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the RedSeer Report that we commissioned. All such information in this Red Herring Prospectus indicates the RedSeer Report as its source. Accordingly, any information in this Red Herring Prospectus derived from, or based on, the RedSeer Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data, and there are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. The RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer, is not a recommendation to invest or disinvest in any company covered in the RedSeer Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Red Herring Prospectus based on, or derived from, the RedSeer Report. You should consult your own advisors and undertake an independent assessment of information in this Red Herring Prospectus based on, or derived from, the RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer before making any investment decision regarding the Offer. See "*Industry Overview*" beginning on page 179. For the disclaimers associated with the RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Disclaimer of RedSeer*" on page 39.

52. ***Our Promoters, certain of our Directors and Key Management Personnel are interested in us in addition to their normal remuneration or benefits and reimbursement of expenses incurred.***

Our Promoters are interested in us to the extent of being our Promoter, their shareholding and the shareholding of their relatives, the entities in which they are interested, trusts in which they are interested as trustees or beneficiaries, and the dividends payable to them, if any, and other distributions in addition to regular remuneration or benefits and reimbursement of expenses received by them in their capacity as our directors and key managerial personnel, as applicable. For further details, see "*Capital Structure*", "*Our Management*", "*Our Promoters and Promoter Group*" and "*Offer Document Summary – Summary of Related Party Transactions*" beginning on pages 112, 246, 277 and 22, respectively.

Further, our Directors and Key Management Personnel may be regarded as interested to the extent of, among other things, remuneration, loans availed, sitting fees and perquisites including stock options, as applicable, for which they may be entitled to as part of their services rendered to us as an officer or an employee. Certain of our Key Management Personnel and our employees have also pledged their shares in favour of third parties.

53. ***One of our Promoters, Falguni Nayar Family Trust, has pledged certain of its Equity Shares in favour of a systemically important NBFC, Infina Finance Private Limited. Any exercise of such pledge by the lender or enforcement of such pledge could dilute the***

shareholding of our Promoters, which may adversely affect our business and future prospects.

One of our Promoters, Falguni Nayar Family Trust has pledged 20,311,800 Equity Shares in favour of a systemically important NBFC, Infina Finance Private Limited ("**Infina Finance**"), aggregating to 4.35 % of our Company's pre-Offer Equity Share capital. This pledge is against a total loan of ₹ 1,873.20 million availed by Falguni Nayar Family Trust, Anchit Nayar Family Trust and Adwaita Nayar Family Trust. Pursuant to the terms of the sanction letters and other loan documents, Infina Finance has temporarily released their pledge on these Equity Shares on the day prior to the filing of this Red Herring Prospectus with the RoC with a condition to re-pledge the 20,311,800 Equity Shares to Infina Finance within 01 (one), business day from the date of the lock-in being marked by the Depository and in any case before the listing of the Equity Shares, time being the essence of the contract.

Any default under the arrangement pursuant to which such Equity Shares have been pledged will entitle Infina Finance to enforce a pledge over these Equity Shares. If this happens, the shareholding of our Promoters may be diluted and we may face certain impediments in taking decisions on certain key, strategic matters involving our Company. As a result, we may not be able to conduct our business or implement our strategies as currently planned, which may adversely affect our business and financial condition. Further, any rapid sale of Equity Shares by such third parties may adversely affect the price of the Equity Shares.

54. ***Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price and grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, reduce our profitability and financial condition.***

We have in the preceding one year prior to filing this Red Herring Prospectus, issued Equity Shares pursuant to (i) the ESOS 2012 and ESOS 2017, (ii) conversion of the OCRPS and (iii) the bonus issue of 311,357,900 Equity Shares, which may be less than the Offer Price. The price at which the Equity Shares have been issued by our Company in the preceding one year is not indicative of the Offer Price, or the price at which the Equity Shares will be traded going forward. Further, our Company may, in the future, continue to issue Equity Shares, including under the ESOS Scheme(s), at prices that may be lower than the Offer Price, subject to compliance with applicable law. Grants of stock options result in a charge to our statement of profit and loss and reduce, to that extent, our reported profits in future periods. Any issuances of Equity Shares by our Company, including through exercise of employee stock options pursuant to the ESOS scheme(s) that we may implement in the future, may dilute your shareholding in the Company, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities. For details, please see "*Capital Structure*" on page 112 of this Red Herring Prospectus.

55. ***Our Promoters and Promoter Group shall have certain rights post the listing of the Equity Shares.***

The Articles of Association of the Company comprises two parts, Part A and Part B. Part A includes the provisions of the Restated Shareholders Agreement, including the special rights thereunder. Part A stands automatically terminated upon receipt of listing and trading approvals from the Stock Exchanges for the Offer, without the requirement of any further action by the Company or its Shareholders.

In terms of Part B of our Articles of Association, with effect from the date of listing of our Equity Shares on the Stock Exchanges pursuant to the Offer, our Promoters, collectively, shall have the rights to: (a) nominate up to 50% of the number of Directors to the Board, subject to compliance with applicable law and our Promoters and Promoter Group holding at least in excess of 25% of the paid-up equity share capital of the Company; (b) nominate up to one-third of the number of Directors to the Board, subject to compliance with applicable law and as long as any of Falguni Nayar, Sanjay Nayar, Falguni Nayar Family Trust and Sanjay Nayar Family Trust continue to be classified as promoters of the Company; and (c) nominate the Chairperson of the Board (which Chairperson shall not have a casting vote), as long as any of Falguni Nayar,

Sanjay Nayar, Falguni Nayar Family Trust and Sanjay Nayar Family Trust continue to be classified as promoters of the Company. These rights shall be subject to the approval of the Shareholders by way of a special resolution passed in the first general meeting held after the date of listing of our Equity Shares on the Stock Exchanges pursuant to the Offer.

For further information in relation to such rights, see "*History and Certain Corporate Matters" and "Description of Equity Shares and Terms of Articles of Association"* beginning on pages 230 and 480, respectively.

56. *Our Company will not receive any proceeds from the Offer for Sale portion, and the Selling Shareholders shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.*

The Offer includes an offer for sale of such number of Equity Shares aggregating up to 41,972,660 by the Selling Shareholders, which includes the Promoter Selling Shareholders. The Promoter Selling Shareholders are, therefore, interested in the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale. The entire proceeds (net of offer expenses) from the Offer for Sale will be paid to the Selling Shareholders in proportion to their respective portions of the Offered Shares transferred pursuant to the Offer for Sale, and our Company will not receive any such proceeds. See "*Capital Structure*" and "*Objects of the Offer*" beginning on pages 112 and 149, respectively.

57. *We engage in related party transactions with shareholders, subsidiaries and certain of our KMPs, which may potentially involve conflicts of interest.*

We currently engage in, and expect to continue to engage in, a variety of activities and transactions with our subsidiaries, being FSN Brands Marketing Private Limited, Nykaa E-Retail Private Limited, Nykaa-KK Beauty Private Limited, Nykaa Fashion Private Limited and FSN International Private Limited, and certain of our KMPs, being Falguni Nayar, Sachin Parikh (ceased to be a KMP from May 15, 2020), Arvind Agarwal, Pratik Bhujade (ceased to be a KMP from November 5, 2020), Rajendra Punde and certain relatives of KMPs. For a summary of our related party transactions in the last three Financial Years, see "*Offer Document Summary – Summary of Related Party Transactions*" beginning on page 22.

Although we intend that all future related party transactions that we may enter into continue to be on arm's length commercial terms, or subject to board or shareholders' approval, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Such future related party transactions, individually or in the aggregate, may also potentially involve conflicts of interest. In addition, such other entities are not restricted from competing with us. While none of those entities currently compete directly with us, there is no assurance that they will not compete with us in the future.

For further information, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interests of Directors*" and "*Our Management – Interests of Key Managerial Personnel*" on pages 256 and 274, respectively.

EXTERNAL RISK FACTORS

Risks Related to India

58. *Our business could be affected and disrupted by other kinds of catastrophic occurrences and similar events.*

Natural disasters (such as cyclones, flooding and earthquakes), epidemics, pandemics, acts of war, civil unrest, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, financial condition, cash flow and results of operations.

Our operations may be adversely affected by fires, floods, natural disasters and severe

weather, which can result in damage to our property or inventory or that of our consumers and suppliers, and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. For more details, see "*—Health epidemics, including the ongoing COVID-19 pandemic, have had, and could in the future have, an adverse effect on our business, operations and the markets and communities in which we and our consumers, suppliers, sellers and advertisers operate."* on page 58. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of any current outbreaks or future outbreaks of avian or swine influenza or a similar contagious disease could adversely affect the Indian, Asian or Global economy and economic activity and in turn have an adverse effect on our business and the trading price of the Equity Shares.

59. ***A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's, and from BBB- with a "stable" outlook to BBB- with a "negative" outlook (Fitch) in June 2020; and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS in May 2021. India's sovereign ratings from S&P is BBB- with a "stable" outlook in May 2021. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

60. ***We face foreign exchange risks that could adversely affect our results of operations.***

We are exposed to foreign exchange risks since some of our business is dependent on imports entailing foreign exchange transactions, in currencies including the Indian Rupee, Euro and U.S. Dollar. In addition, our future capital expenditures may be denominated in foreign currencies. Although we closely follow our exposure to foreign currencies and since Financial Year 2022, have started hedging our foreign currency payables, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. In addition, as we expand geographically, we may experience economic loss and a negative impact on our results of operations as a result of foreign currency exchange rate fluctuations. In the future, we may utilize derivative instruments to manage the risk of fluctuations in foreign currency exchange rates that could potentially impact our future earnings and forecasted cash flows. Any changes in foreign currency rates could adversely affect our results of operations.

61. ***Almost all of our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond or control.***

Almost all of our business and our personnel are located in India, and we intend to continue to develop and expand our business within India. Consequently, our financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Our business results depend on a number of general macroeconomic and demographic factors

in India which are beyond our control. In particular, our revenue and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending for beauty and fashion products and lead to a decline in our sales and earnings. Political instability could also delay the reform of the Indian economy and could have an adverse effect on the market. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, financial condition, cash flows, results of operations and prospects. Anti-import sentiments amongst the population and a rapidly evolving consumer demographic may also have grave impact on our revenue and results of operations.

Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- epidemic, pandemic (including the current COVID-19 pandemic) or any other public health in India or in countries in the region or globally, including in India's various neighboring and key trading countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and

- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

62. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies or significant changes in crude prices may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

These developments, or the perception that any of them could occur, have had and may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares.

63. ***If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial

condition, results of operations and cash flows.

64. ***Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

Our Restated Ind As Consolidated Financial Statement for Financial Year 2019, Financial Year 2020, Financial Year 2021 and the three months ended June 30, 2020 and 2021 included in this Red Herring Prospectus are derived from the Audited Financial Statements prepared under Ind AS (in respect of Financial Year 2020 and Financial Year 2021), in accordance with Ind AS 34 (in respect of the three months ended June 30, 2020 and 2021) and under Indian GAAP (in respect of Financial Year 2019), in each case restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Restated Ind As Consolidated Financial Statement included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Red Herring Prospectus.

65. ***Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.***

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners, i.e. entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence.

RISKS RELATED TO THE OFFER

66. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilise the Net Proceeds of the Offer as set forth in "*Objects of the Offer*" beginning on page 149. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our organic growth and expansion plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

67. ***We cannot assure payment of dividends on the Equity Shares in the future.***

We have a formal dividend policy as on the date of this Red Herring Prospectus. Further, we have not declared dividends on the Equity Shares during the current Financial Year and the last three Financial Years. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to dividend declared by us in the past, see "*Dividend Policy*" on page 285.

68. ***Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

69. ***The determination of the Price Band is based on various factors and assumptions and***

the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Lead Managers is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by us in consultation with the Selling Shareholders Committee and the Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by us in consultation with the Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 165 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Lead Managers*" on page 433. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, our financial performance and results post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

70. ***Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non-Resident / FII under section 115E and 115AD.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The

stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

71. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

72. ***There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

73. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;

- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

74. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

The Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our assets and the assets of our Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely

that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

75. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution.

However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

76. ***Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

77. ***A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

78. ***Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and

liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III : INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares(1)	Up to [●] Equity Shares, aggregating up to ₹ [●] million
***of which*:**	
Fresh Issue (1)	Up to [●] Equity Shares, aggregating up to ₹ 6,300 million
Offer for Sale (2)	Up to 41,972,660 Equity Shares, aggregating up to ₹ [●] million
of which	
Employee Reservation Portion(3)	Up to 250,000 Equity Shares
Net Offer	Up to [●] Equity Shares, aggregating up to ₹ [●] million
The Net Offer comprises of:	
A) QIB Portion(4)(5)	Not less than [●] Equity Shares
***of which*:**	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not more than [●] Equity Shares
C) Retail Portion (6)	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Red Herring Prospectus)	467,324,550 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 149 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorized by resolutions of our Board meetings dated July 15, 2021, July 30, 2021 and September 18, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated July 16, 2021 and September 30, 2021.

(2) Each of the Selling Shareholders (severally and not jointly) has specifically confirmed that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and is eligible for being offered for sale as part of the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholders has confirmed and approved its participation in the Offer for Sale as set out below

S. No.	Name of the Selling Shareholder	Offered Shares	Date of Selling Shareholder's consent letter	Date of corporate authorization/board resolution
Promoter Selling Shareholders				
	Sanjay Nayar Family Trust*	Up to 4,800,000	August 1, 2021	July 20, 2021
Investor Selling Shareholders				
	TPG Growth IV SF Pte. Ltd	Up to 5,421,510	August 1, 2021	July 21, 2021
	Lighthouse India Fund III, Limited	Up to 4,844,620	August 1, 2021	July 29, 2021

S. No.	Name of the Selling Shareholder	Offered Shares	Date of Selling Shareholder's consent letter	Date of corporate authorization/board resolution
	Lighthouse India III Employee Trust	Up to 51,530	August 1, 2021	July 29, 2021
	Yogesh Agencies & Investments Private Limited	Up to 2,538,450	August 1, 2021	July 8, 2021
	J M Financial and Investment Consultancy Services Private Limited	Up to 914,000	August 1, 2021	July 27, 2021
Other Selling Shareholders				
	Sunil Kant Munjal	Up to 7,050,000	August 1, 2021	N.A
	Harindarpal Singh Banga jointly with Indra Banga	Up to 10,200,000	August 1, 2021	N.A
	Narotam Sekhsaria	Up to 2,340,000	August 1, 2021	N.A
	Rishabh Mariwala	Up to 1,599,000	August 1, 2021	N.A
	Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar	Up to 900,000	August 1, 2021	N.A
	Michael Carlos	Up to 450,000	August 1, 2021	N.A
	Samina Hamied	Up to 230,850	August 1, 2021	N.A
	Sanjay Maliah	Up to 344,700	August 1, 2021	N.A
	Vikram Sud	Up to 180,000	August 1, 2021	N.A
	Karan Swani	Up to 108,000	August 1, 2021	N.A.

** Acting through its trustees, Sanjay Nayar and Falguni Nayar*

(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer.

(4) Our Company shall, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 457.

(5) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange, subject to applicable law. In the event of an under-subscription in the Offer, the Equity Shares will be Allotted in the following order, (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed; (ii) post (i), the remaining 10% of the Fresh Issue, and the Offered Shares shall be Allotted to the Allottees on a proportionate basis.

(6) Allocation to Bidders in all categories, except Anchor Investors, if any, and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, see "Offer Procedure" on page 457.

For further details, including in relation to grounds for rejection of Bids, refer to "*Offer Procedure*" on page 457. For further details of the terms of the Offer, see "*Terms of the Offer*" on page 446.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Ind AS Consolidated Financial Statements as of and for the three-month period ended June 30, 2021 and June 30, 2020 and for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019.

Summary of Restated IND AS Consolidated Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	As at June 30, 2021	As at June 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets					
Non-current assets					
Property, plant and equipment	791.05	664.51	686.52	701.49	429.05
Right of use assets	1,541.56	1,335.06	1,389.34	1,439.94	859.31
Capital work in progress	20.94	8.06	19.69	7.78	3.20
Goodwill	5.43	1.43	5.43	1.43	1.43
Other Intangible assets	207.75	110.61	230.34	127.45	106.03
Intangible assets under development	19.31	35.42	3.88	12.45	-
Financial assets					
Investments	0.27	38.03	13.19	38.03	32.30
Other financial assets	166.25	230.74	161.79	105.84	56.31
Deferred tax assets (net)	917.07	623.54	780.41	506.11	501.48
Non-current tax assets	106.04	120.02	85.63	110.45	110.46
Other non-current assets	54.01	22.90	13.53	38.91	16.73
Total non-current assets	**3,829.68**	**3,190.32**	**3,389.75**	**3,089.88**	**2,116.30**
Current assets					
Inventories	5,909.91	3,350.31	4,980.92	4,453.36	2,445.96
Financial assets					
Investments	-	-	-	-	1,350.40
Trade receivables	756.57	637.46	766.35	984.32	579.24
Cash and cash equivalents	2,818.36	1,098.10	835.82	1,011.91	114.10
Bank balance other than cash and cash equivalents	1,038.73	709.90	1,640.88	744.28	5.34
Other financial assets	789.86	508.17	574.38	333.10	515.02
Other current assets	1,171.71	577.58	831.80	627.97	630.21
Total current assets	**12,485.14**	**6,881.52**	**9,630.15**	**8,154.94**	**5,640.27**
Total assets	**16,314.82**	**10,071.84**	**13,019.90**	**11,244.82**	**7,756.57**
Equity and liabilities					
Equity					
Equity share capital	154.77	147.01	150.58	145.50	142.43
Other equity	6,834.15	3,393.05	4,748.81	3,075.99	2,163.15
Equity attributable to equity holders of the parent	**6,988.92**	**3,540.06**	**4,899.39**	**3,221.49**	**2,305.58**
Non-controlling interest	9.43	3.77	8.36	7.38	4.69
Total equity	**6,998.35**	**3,543.83**	**4,907.75**	**3,228.87**	**2,310.27**
Non-current liabilities					
Financial liabilities					
Borrowings	16.60	18.64	16.60	1.50	1.28

(₹ in million)

Particulars	As at June 30, 2021	As at June 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Lease liabilities	1,165.98	976.42	1,073.90	1,302.58	763.61
Long-term provisions	72.23	52.39	73.45	52.61	24.46
Total non-current liabilities	**1,254.81**	**1,047.45**	**1,163.95**	**1,356.69**	**789.35**
Current liabilities					
Financial liabilities					
Borrowings	2,664.74	1,959.65	1,858.05	2,673.99	2,255.15
Lease liabilities	447.87	390.39	378.16	147.44	84.63
Trade payables					
Total outstanding dues of Micro and small enterprises	96.34	19.53	90.75	104.60	12.77
Total outstanding dues of creditors other than Micro and small enterprises	3,009.53	1,930.22	3,071.37	3,028.05	1,804.89
Other financial liabilities	1,295.47	897.37	850.14	469.80	274.77
Short-term provisions	115.54	51.20	108.47	0.67	0.37
Contract liabilities	195.37	143.11	169.15	148.70	101.91
Current tax liabilities	111.96	45.37	246.94	2.69	-
Other current liabilities	124.84	43.72	175.17	83.32	122.46
Total current liabilities	**8,061.66**	**5,480.56**	**6,948.20**	**6,659.26**	**4,656.95**
Total liabilities	**9,316.47**	**6,528.01**	**8,112.15**	**8,015.95**	**5,446.30**
Total equity and liabilities	**16,314.82**	**10,071.84**	**13,019.90**	**11,244.82**	**7,756.57**

Summary of Restated Ind AS Consolidated Statement of profit and loss

(₹ in million, except per share data*)*

Particulars	Three months ended June 30, 2021	Three months ended June 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Income					
Revenue from operations	8,169.91	2,886.39	24,408.96	17,675.33	11,113.94
Other income	47.23	24.07	117.41	103.17	49.88
Total income	**8,217.14**	**2,910.46**	**24,526.37**	**17,778.50**	**11,163.82**
Expenses					
Cost of material consumed	229.37	35.08	382.41	173.43	2.41
Purchase of traded goods	5,509.42	1,042.55	14,956.06	11,787.46	7,852.43
Changes in finished goods and stock-in-trade	(885.47)	1,075.45	(460.22)	(1,818.84)	(1,252.07)
Employee benefits expense	884.67	558.74	2,836.47	1,956.13	1,172.96
Finance costs	90.14	87.20	307.01	442.93	263.42
Depreciation and amortisation expense	194.97	145.71	671.28	595.09	308.76
Other expenses	2,162.55	628.01	5,079.98	4,766.60	3,133.11
Total expenses	**8,185.65**	**3,572.74**	**23,772.99**	**17,902.80**	**11,481.02**
Restated profit / (loss) before tax	**31.49**	**(662.28)**	**753.38**	**(124.30)**	**(317.20)**
Tax expense / (income):					
Current tax	133.63	-	400.78	45.37	-
Deferred tax	(137.36)	(117.21)	(266.85)	(6.27)	(71.81)
Total tax expense / (income)	**(3.73)**	**(117.21)**	**133.93**	**39.10**	**(71.81)**
Restated profit / (loss) for the period/year	**35.22**	**(545.07)**	**619.45**	**(163.40)**	**(245.39)**
Restated profit / (loss) for the period/year attributable to					
Equity shareholders of parent	**34.15**	**(541.45)**	**618.48**	**(166.09)**	**(245.18)**
Non controlling interests	**1.07**	**(3.62)**	**0.97**	**2.69**	**(0.21)**
	35.22	**(545.07)**	**619.45**	**(163.40)**	**(245.39)**
Other Comprehensive Income ("OCI")					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liability	15.72	(1.81)	(4.41)	(3.00)	0.14
Income tax effect on above	(3.96)	0.22	1.11	0.76	(0.04)
Fair valuation of investments measured through OCI	(12.92)	-	(24.84)	5.73	3.80
Income tax effect on above	3.25	-	6.34	(2.40)	(1.39)
Restated total other comprehensive income / (loss) for the period/year, net of tax	**2.10**	**(1.59)**	**(21.80)**	**1.09**	**2.51**
Restated other comprehensive income / (loss) for the period/year attributable to					
Equity shareholders of parent	2.10	(1.59)	(21.81)	1.09	2.51

(₹ in million, except per share data*)*

Particulars	Three months ended June 30, 2021	Three months ended June 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Non controlling interests	0.00	-	0.01	(0.00)	(0.00)
	2.10	**(1.59)**	**(21.80)**	**1.09**	**2.51**
Restated total comprehensive income / (loss) for the period/year	**37.32**	**(546.66)**	**597.65**	**(162.31)**	**(242.88)**
Restated total comprehensive income / (loss) for the period/year attributable to					
Equity shareholders of parent	36.25	(543.04)	596.67	(165.00)	(242.67)
Non controlling interests	1.07	(3.62)	0.98	2.69	(0.21)
	37.32	**(546.66)**	**597.65**	**(162.31)**	**(242.88)**
Restated earnings / (loss) per share of face value ₹ 1/- each attributable to equity holders of the parent ***(not annualised for period ended June 30, 2021 and June 30, 2020)***					
Basic, computed on the basis of profit/(loss) attributable to equity holders (₹)	**0.08**	**(1.23)**	**1.39**	**(0.39)**	**(0.59)**
Diluted, computed on the basis of profit/(loss) attributable to equity holders (₹)	**0.07**	**(1.23)**	**1.34**	**(0.39)**	**(0.59)**

Summary of Restated IND AS Consolidated Statement of Cash Flow

(₹ in million)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating activities					
Restated profit/ (loss) before tax	**31.49**	**(662.28)**	**753.38**	**(124.30)**	**(317.20)**
Adjustments to reconcile restated profit / (loss) before tax to net cash flows					
Depreciation and amortisation	194.97	145.71	671.28	595.09	308.76
Finance costs	90.14	87.20	307.01	442.93	263.42
Realised gain from sale of investments	-	-	-	(74.41)	-
Unrealised gain on fair valuation of investments	-	-	-	-	(15.28)
Interest income	(29.49)	(21.17)	(102.92)	(18.86)	(8.28)
Provision for gratuity	4.52	7.75	38.02	25.45	12.36
Provision for compensated absence expenses	22.80	43.13	102.81	-	-
Provision for share based payment expenses	20.04	7.72	52.60	43.61	42.10
Allowance for expected credit loss	1.78	23.73	66.67	0.35	0.67
Gain on closure of ROU	(14.71)	-	(3.44)	-	-
Loss on sale of property, plant and equipment	-	-	17.76	0.22	-
Operating profit before working capital changes	**321.54**	**(368.21)**	**1,903.17**	**890.08**	**286.55**
Working capital Adjustments:					
Decrease/ (Increase) in trade receivables	7.98	292.97	152.49	(404.76)	66.59
Decrease/ (Increase) in inventories	(928.98)	1,103.12	(521.31)	(2,007.45)	(1,256.67)
Decrease/ (Increase) in current financial asset	(202.95)	(176.01)	(222.28)	197.80	(501.89)
(Increase) in non-current financial assets	(4.53)	(146.44)	(108.73)	(49.53)	(22.33)
Decrease/ (Increase) in non-current assets	40.48	(16.01)	25.38	(22.18)	239.07
Decrease/ (Increase) in other current assets	(380.38)	80.03	(157.04)	8.07	(575.89)
(Decrease)/ Increase in trade payables	(58.17)	(1,186.64)	21.18	1,314.99	568.80
(Decrease)/ Increase in non-current provisions	(11.49)	(51.09)	(124.39)	28.15	(0.18)
Increase in current other financial liabilities	408.90	467.60	462.02	187.85	104.90
(Decrease)/ Increase in other current liabilities	(50.33)	(39.60)	91.85	(39.14)	93.59
Increase in current provisions	7.06	50.51	107.80	0.30	0.18
Cash generated from / (used in) operations	**(850.87)**	**10.23**	**1,630.14**	**104.18**	**(997.28)**
(Payment) / Refund of taxes (net)	(289.02)	33.11	(131.71)	(42.67)	-
Net cash flow from / (used in) operating activities (A)	**(1,139.89)**	**43.34**	**1,498.43**	**61.51**	**(997.28)**

(₹ in million)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Investing activities					
Purchase of property, plant and equipment, intangible assets including movement in CWIP and capital creditors (net of proceeds from sales)	(160.18)	(39.91)	(420.71)	(457.04)	(349.13)
(Investment in) / redemption of fixed deposits	602.15	34.37	(896.60)	(738.94)	(2.31)
Payments towards purchase of undertaking on slump sale	-	-	(16.15)	-	(0.43)
Proceeds from / (payments on) sale / (purchase) of investments	-	-	-	1,344.67	(1,268.45)
Interest received	18.73	5.07	36.02	0.54	0.78
Net cash flows from / (used in) investing activities (B)	**460.70**	**(0.47)**	**(1,297.44)**	**149.23**	**(1,619.54)**
Financing activities					
Proceeds from issue of equity shares	1.04	1.27	6.06	5.13	6.87
Proceeds from securities premium (net)	2,027.66	854.79	1,022.56	1,031.94	1,332.87
Proceeds from share application money pending allotment	6.21	-	-	0.23	-
Proceeds from / (repayment) of non-current borrowings (net)	-	17.15	15.10	0.22	(1.61)
Proceeds from / (repayment) of current borrowings (net)	806.75	(713.66)	(815.21)	418.78	1,427.35
Principal payment of lease liabilities	(92.65)	(66.56)	(299.50)	(330.96)	(146.09)
Interest expenses on lease liabilities	(30.64)	(21.61)	(129.69)	(140.43)	(65.38)
Interest paid	(58.56)	(30.16)	(176.55)	(297.70)	(197.10)
Net cash flows from / (used in) financing activities (C)	**2,659.81**	**41.22**	**(377.23)**	**687.21**	**2,356.91**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,980.62**	**84.09**	**(176.24)**	**897.95**	**(259.91)**
Cash and cash equivalents at the beginning of the period/year	835.82	1,011.91	1,011.91	114.10	373.90
Net foreign exchange differences	1.92	2.10	0.15	(0.14)	0.11
Cash and cash equivalents at the period/year end	**2,818.36**	**1,098.10**	**835.82**	**1,011.91**	**114.10**

GENERAL INFORMATION

Our Company was incorporated on April 24, 2012 as 'FSN E-Commerce Ventures Private Limited' under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 24, 2012 issued by the RoC. Subsequently, our Company was converted into a public limited company and pursuant to a resolution of our Board dated July 15, 2021 and a resolution of our Shareholders dated July 16, 2021, our name was changed from 'FSN E-Commerce Ventures Private Limited' to 'FSN E-Commerce Ventures Limited' and a fresh certificate of incorporation under the Companies Act, 2013 was issued upon a change in name by the RoC on July 28, 2021.

Registered Office

FSN E-Commerce Ventures Limited
104, Vasan Udyog Bhavan
Sun Mill Compound, Tulsi Pipe Road
Lower Parel, Mumbai 400 013, Maharashtra

Corporate Office

FSN E-Commerce Ventures Limited
A2, 4th Floor, Cnergy IT Park
Appasaheb Marathe Marg, Opposite Tata Motors
Prabhadevi, Mumbai 400 025, Maharashtra

Corporate identity number and registration number

Corporate Identity Number: U52600MH2012PLC230136
Registration Number: 230136

Address of the RoC

Registrar of Companies
Maharashtra at Mumbai
100, Everest,
Marine Drive
Mumbai 400 002

Our Board

Our Board comprises the following Directors as on the date of filing of this Red Herring Prospectus:

Name	Designation	DIN	Address
Falguni Nayar	Executive Chairperson, Managing Director and Chief Executive Officer	00003633	9 Rushilla Building, 17C Carmichael Road, Malabar Hill, Cumballa Hill, Mumbai 400026
Sanjay Nayar(1)	Non-Executive Director	00002615	Rushilla, Flat no.9, 17/C Carmichael Road, Mumbai 400026
Adwaita Nayar(2)	Executive Director	07931382	9 Rushilla, Carmichael Road, Cumballa Hill, Mumbai 400026
Anchit Nayar(2)	Executive Director	08351358	9 Rushilla Building, 17C Carmichael Road, Malabar Hill, Cumballa Hill, Mumbai 400026
Anita Ramachandran(3)	Independent Director	00118188	2401-2402, Raheja Atlantis, G.K. Marg, Lower Parel, Mumbai 400013
Milan Khakhar	Non-Executive Director	00394065	A/7, Anand Darshan CHS, 4th Floor, Peddar Road, Mumbai 400026

Name	Designation	DIN	Address
Alpana Parida[3]	Independent Director	06796621	2nd Floor, Anand Kamal Mahal Compound, 17 Carmichael Road, Cumballa Hill, Mumbai 400026
Pradeep Parameswaran	Independent Director	07206780	A2-602 World Spa East, Sector 30, Gurgaon, Haryana 122001
Seshashayee Sridhara	Independent Director	09247644	94 Distillery Warf, Parrs Way, Hammermsith, W6 9GD West London, United Kingdom
Milind Sarwate	Independent Director	00109854	E/ 201/202, Sita Vihar, Near Damani Estate, LBS Marg, Near Hotel Shubha, Naupada, Thane West, Thane 400602

(1) Pursuant to the resolution passed by our Board on April 9, 2021, Sanjay Nayar was appointed as an additional non-executive director. Subsequently, pursuant to the resolution passed by our Shareholders on September 29,2021, he has been appointed as a non-executive director.

(2) Pursuant to resolution passed by our Board on July 15, 2021 and the resolution passed by our Shareholders on July 16, 2021, Adwaita Nayar and Anchit Nayar were designated as Executive Directors of our Company.

(3) Pursuant to the resolution passed by our Board on July 15, 2021 and the resolution passed by our Shareholders on July 16, 2021, Anita Ramachandran and Alpana Parida were designated as Independent Directors of our Company.

For further details of our Directors, see "*Our Management*" on page 246.

Company Secretary and Compliance Officer

Rajendra Punde
A2, 4th Floor, Cnergy IT Park
Appasaheb Marathe Marg
Opposite Tata Motors
Prabhadevi, Mumbai 400 025
Maharashtra, India
Telephone: + (91) 022-66149696
E-mail: nykaacompanysecretary@nykaa.com

Investor Grievances

Investors can contact our Company Secretary and Compliance Officer, the Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form

and the name and address of the Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

Lead Managers

Global Co-ordinators and Book Running Lead Managers

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor, Plot No. C – 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400051
Maharashtra, India.
Telephone: +91 (22) 4336 0000
Email: nykaa.ipo@kotak.com
Website: http://investmentbank.kotak.com
Investor Grievance ID:
kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Morgan Stanley India Company Private Limited
18th Floor, Tower 2
One World Centre
Plot -841, Jupiter Textile Mill Compound, Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Telephone: +91 22 6118 1000
E-mail: nykaaipo@morganstanley.com
Website: www.morganstanley.com
Investor Grievance ID:
investors_india@morganstanley.com
Contact Person: Aditya Dixit
SEBI Registration No.: INM000011203

Book Running Lead Managers

BofA Securities India Limited
Ground Floor, "A" Wing, One BKC, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Telephone: +91 (22) 6632 8000
E-mail: dg.Nykaa_ipo@bofa.com
Website: www.ml-india.com
Investor Grievance ID:
dg.india_merchantbanking@bofa.com
Contact Person: Samya Mittal
SEBI Registration No.: INM000011625

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Centre
G-Block, C54 & 55, Bandra Kurla Complex
Bandra (East), Mumbai 400 098
Telephone: +91 (22) 6175 9999
E-mail: nykaaipo@citi.com
Website:www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Investor Grievance E-mail:
investors.cgmib@citi.com
Contact Person: Siddharth Prabhu
SEBI Registration No.: INM000010718

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai - 400 025, Maharashtra
Telephone: + 91 (22) -6807 7100
Email: nykaa.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance ID:
customercare@icicisecurities.com
Contact Person: Sumit Singh / Shekher Asnani
SEBI Registration No.: INM000011179

JM Financial Limited*
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai – 400 025
Telephone: +91 (22) 6630 3030
E-mail: nykaa.ipo@jmfl.com
Website: www.jmfl.com
Investor Grievance ID: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration number: INM000010361

**In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, JM Financial will be involved only in marketing of the Offer. JM Financial has signed the due diligence certificate and has been disclosed as a BRLM to the Offer.*

Legal Counsel to our Company and Promoter Selling Shareholder as to Indian law

AZB & Partners
AZB House,

Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Telephone: +91 (22) 6639 6880

Legal Counsel to Lead Managers as to Indian law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Mumbai 400 013
Telephone: + 91 (22) 2496 4455

Legal Counsel to Investor Selling Shareholders and Other Selling Shareholders as to Indian law

Trilegal
Peninsula Business Park
17th Floor, Tower B,
Ganpat Rao Kadam Marg,
Lower Parel (West),
Mumbai 400 013
Telephone: +(91) 22 4079 1000

International Legal Counsel to the Lead Managers

Sidley Austin LLP
Level 31
Six Battery Road
Singapore 049909
Telephone: + (65) 6230 3900

Auditors to our Company

V. C. Shah & Co.
205-206, Regent Chambers
2nd Floor, Jamnalal Bajaj Road
208, Nariman Point, Mumbai – 400 021
Maharashtra, India
Email: vcshahco@vcshah.com
Telephone: + 91 (22) 4344 0123
Firm registration number: 109818W
Peer review number: 013298

S.R. Batliboi & Associates, LLP
12th Floor, The Ruby,
29 Senpati Bapat Marg,
Dadar (West), Mumbai – 400028
Maharashtra, India
Email: srba@srb.in
Telephone: + 91 (22) 6819 8000
Firm registration number: 101049W/E300004
Peer review number: 013325

Changes in the auditors

Other than as disclosed below, there has been no change in our Statutory Auditors during the three years immediately preceding the date of this Red Herring Prospectus:

Particulars	Date of Change	Reason for Change
S. R. Batliboi & Associates LLP, Chartered Accountants 12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400028 Maharashtra, India **Email**: srba@srb.in **Telephone**: + 91 (22) 6819 8000	March 8, 2021.	S.R. Batliboi & Associates LLP, Chartered Accountants were appointed as joint statutory auditors along with V. C. Shah & Co.

Firm registration number: 101049W/E300004 **Peer review number:** 013325		

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Telephone: +91 (22) 4918 6200
E-mail: nykaa.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: nykaa.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Syndicate Members

Kotak Securities Limited
4th Floor, 12BKC,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai 400 051
Telephone: +91 (22) 6218 5470
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Umesh Gupta
SEBI Registration No: INZ000200137

JM Financial Services Limited
Ground Floor, 2, 3 and 4
Kamanwala Chambers, Sir P M Road
Fort, Mumbai 400 001
Maharashtra, India
Telephone: +91 22 6136 3400
Email: tn.kumar@jmfl.com / sona.verghese@jmfl.com
Website: www.jmflfinancialservices.in
Contact Person: T N Kumar / Sona Verghese
SEBI Registration No: INZ000195834

Public Offer Bank, Refund Bank and Sponsor Bank

ICICI Bank Limited
Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vaccha Road
Backbay Reclamation
Churchgate, Mumbai 400 020
Telephone: 022-66818911/23/24
Email: sagar.welekar@icicibank.com
Website: www.icicibank.com
Contact Person: Sagar Welekar
SEBI Registration No: INBI00000004

Monitoring Agency
ICICI Bank Limited
Capital Market Division,1st Floor,

122, Mistry Bhavan, Dinshaw Vaccha Road,
Backbay Reclamation,
Churchgate, Mumbai 400 020
Telephone: +91 (22) 6681 8911/23/24
Email: sagar.welekar@icicibank.com
Website: www.icicibank.com
Contact Person: Sagar Welekar
SEBI Registration No: INBI00000004

Bankers to our Company

Kotak Mahindra Bank Limited
8th Floor, 12BKC, Plot No C 12,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai 400051
Telephone: +91 98190 66248
Email: agrawal.rohit@kotak.com

HDFC Bank Limited
HDFC Bank House,, Senapati Bapat Marg
Lower Parel, Mumbai – 400 013
Telephone: +91 (22) 3395 8036
Email: Shashank.duggad@hdfcbank.com

CITI BANK N.A.
14th Floor, First International Finance Centre,
G Block, Bandra Kurla Complex
Bandra East, Mumbai 400 098
Maharashtra, India
Telephone: +91 (22) 6175 6121
Email: nayan.panchal@citi.com

IDFC FIRST Bank Limited
KRM Tower, 7th Floor, No.1 Harrington Road,
Chetpet, Chennai – 600 031
Tamil Nadu, India
Telephone: +91 (44) 456 44000
Email: secretarial@idfcfirstbank.com

ICICI Bank Limited
ICICI Bank, Nyloc House,
Worli, Mumbai – 400 030
Telephone: +91 (22) 3366 7777
Email: megha.priya@icicibank.com

Axis Bank Limited
Bengal Chemical Bhavan, Ground floor,
Veer Savarkar Marg, Prabhadevi,
Mumbai – 400 025
Telephone: +91 (22) 6158 6978
Email: worli.operationshead@axisbank.com; worli.branchhead@axisbank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the

respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any other website prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any other website prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated October 20, 2021 from S.R.Batliboi & Associates LLP, Chartered Accountants and from V.C. Shah & Co, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this RHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our joint Statutory Auditors, and in respect of their (i) examination report dated September 27, 2021 on our Restated Financial Statements; and (ii) their report dated July 31, 2021 on the Statement of Special Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act. Further, V.C. Shah & Co, has provided their report dated July 31, 2021 on the Statement of Special Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Monitoring Agency

Our Company has appointed a monitoring agency, i.e., ICICI Bank Limited, to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of this Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 149.

Statement of Responsibility of the Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the GCBRLMs and the BRLMs:

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, this Red Herring Prospectus, Prospectus, abridged prospectus and application form. The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	Kotak, Morgan Stanley, BofA, Citi and I-Sec	Kotak
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	Kotak, Morgan Stanley, BofA, Citi and I-Sec	Kotak
3.	Drafting and approval of all statutory advertisement	Kotak, Morgan Stanley, BofA, Citi and I-Sec	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	Kotak, Morgan Stanley, BofA, Citi and I-Sec	Citi
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Kotak, Morgan Stanley, BofA, Citi and I-Sec	BofA
6.	Preparation of road show presentation and frequently asked questions	Kotak, Morgan Stanley, BofA, Citi,I-Sec and JM Financial*	Morgan Stanley
7.	International institutional marketing of the Offer, which will cover, *inter alia*: marketing strategy; Finalizing the list and division of investors for one-to-one meetings; and Finalizing road show and investor meeting schedule	Kotak, Morgan Stanley, BofA, Citi,I-Sec and JM Financial*	Morgan Stanley
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: marketing strategy; Finalizing the list and division of investors for one-to-one meetings; and Finalizing road show and investor meeting schedule	Kotak, Morgan Stanley, BofA, Citi,I-Sec and JM Financial*	Kotak
9.	Non-institutional marketing of the Offer, which will cover, *inter alia*, Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; Finalising centres for holding conferences for brokers, etc.; Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and Finalising collection centres	Kotak, Morgan Stanley, BofA, Citi,I-Sec and JM Financial*	JM Financial*
10.	Retail marketing of the Offer, which will cover, *inter alia*, Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; Finalising centres for holding conferences for brokers, etc.; Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and Finalising collection centres	Kotak, Morgan Stanley, BofA, Citi,I-Sec and JM Financial*	I-Sec
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	Kotak, Morgan Stanley, BofA, Citi and I-Sec	Citi
12.	Managing the book and finalization of pricing in consultation with the Company and Selling Shareholder	Kotak, Morgan Stanley, BofA, Citi and I-Sec	Morgan Stanley
13.	Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat	Kotak, Morgan Stanley, BofA, Citi and I-Sec	I-Sec

S. No.	Activity	Responsibility	Coordinator
	credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer.		

* *In compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, JM Financial will be involved only in marketing of the Offer. JM Financial has signed the due diligence certificate and has been disclosed as a BRLM to the Offer.*

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing

A copy of the Draft Red Herring Prospectus has been filed through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD."

A copy of this Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Maharashtra at Mumbai, and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company, in consultation with the Selling Shareholders Committee and the Lead Managers, and will be advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta and Marathi national daily newspaper Navshakti (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the Lead Managers after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 457.

All Bidders, except RIBs and Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs

may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 451 and 457, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Terms of the Offer*" and "*Offer Procedure"* on pages 446 and 457, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Red Herring Prospectus is set forth below:

(in ₹, except share data)

	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**(1)		
	2,750,000,000 Equity Shares of face value of ₹ 1 each	2,750,000,000	
	500,000,000 preference shares of face value of ₹ 1 each	500,000,000	
	TOTAL	**3,250,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	467,324,550 Equity Shares of face value of ₹ 1 each	467,324,550	
C	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares (2)(3)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares (2)	[●]	[●]
	Offer for Sale of up to 41,972,660 Equity Shares (3)	[●]	[●]
	which includes:		
	Employee Reservation Portion of 250,000 Equity Shares#	250,000	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares*	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		7,894,384,029
	After the Offer*		[●]

**To be updated upon finalization of the Offer Price.*

(1) For details in relation to the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters- Amendments to the Memorandum of Association in the last 10 years" on page 230.

(2) The Offer has been authorized by our Board pursuant to resolutions passed at its meetings held on July 15, 2021, July 30, 2021 and September 18, 2021 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed on July 16, 2021 and September 30, 2021.

(3) Each of the Selling Shareholders, severally and not jointly, confirms that their respective portion of the Offered Shares have been held by such Selling Shareholder for a period of at least one year prior to filing of the Draft Red Herring Prospectus and are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations. Our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution at its meeting held on August 1, 2021. For details on the confirmation and authorization of each of the Selling Shareholders for their participation in the Offer for Sale, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 424.

 # Our Company in consultation with the Lead Managers, may offer an Employee Discount of ₹ [●] per Equity Share, which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.

Notes to the Capital Structure

1. ***Share capital history of our Company***

(a) Equity Share capital:

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Form of consideration	Cumulative number of equity shares
May 8, 2012	10,000	10.00	10.00	Initial subscription to the MoA(1)	Cash	10,000

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Form of consideration	Cumulative number of equity shares
July 2, 2012	409,998	10.00	10.00	Further Issue (2)	Cash	419,998
December 19, 2012	2	10.00	10.00	Further Issue (3)	Cash	420,000
October 1, 2013	1,580,000	10.00	10.00	Rights Issue (4)	Cash	2,000,000
March 27, 2014	6,000,000	10.00	10.00	Rights Issue (5)	Cash	8,000,000
April 1, 2014	106,666	10.00	10.00	Exercise of options granted under ESOS 2012 (6)	Cash	8,106,666
May 2, 2014	106,667	10.00	10.00	Exercise of options granted under ESOS 2012 (7)	Cash	8,213,333
July 3, 2014	2,053,334	10.00	97.40	Private placement (8)	Cash	10,266,667
July 31, 2015	772,325	10.00	357.95	Private placement (9)	Cash	11,038,992
October 3, 2015	893,981	10.00	357.95	Private placement (10)	Cash	11,932,973
February 5, 2016	990	10.00	100.00	Exercise of options granted under ESOS 2012 (11)	Cash	11,933,963
May 18, 2016	1,320	10.00	100.00	Exercise of options granted under ESOS 2012 (12)	Cash	11,935,283
September 30, 2016	1,194,851#	10.00	650.00	Private placement (13)	Cash	13,130,134
October 7, 2016	73,656	10.00	650.00	Private placement (14)	Cash	13,203,790
December 8, 2016	336,658	10.00	650.00	Private placement (15)	Cash	13,540,448
February 3, 2017	7,590	10.00	100.00	Exercise of options granted under ESOS 2012 (16)	Cash	13,548,038
	666	10.00	357.95	Exercise of options granted under ESOS 2012 (17)	Cash	13,548,704
March 30, 2017	1,333	10.00	357.95	Exercise of options granted under ESOS 2012 (18)	Cash	13,550,037
	1,320	10.00	100.00	Exercise of options granted under ESOS 2012 (19)	Cash	13,551,357
August 3, 2017	1,320	10.00	100.00	Exercise of options granted under ESOS 2012 (20)	Cash	13,552,677
January 22, 2018	1,334	10.00	357.95	Exercise of options granted under ESOS 2012 (21)	Cash	13,554,011
	1,670	10.00	100.00	Exercise of options granted under ESOS 2012 (22)	Cash	13,555,681
May 10, 2018	309,504	10.00	2,213.25	Private placement (23)	Cash	13,865,185
August 9, 2018	8,000	10.00	357.95	Exercise of options granted under ESOS 2012 (24)	Cash	13,873,185
	3,980	10.00	100.00	Exercise of options granted under ESOS 2012 (25)	Cash	13,877,165

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Form of consideration	Cumulative number of equity shares
	12,500	10.00	97.40	Exercise of options granted under ESOS 2012 (26)	Cash	13,889,665
November 2, 2018	2,340	10.00	100.00	Exercise of options granted under ESOS 2012 (27)	Cash	13,892,005
February 6, 2019	440	10.00	650.00	Exercise of options granted under ESOS 2012 (28)	Cash	13,892,445
	340	10.00	100.00	Exercise of options granted under ESOS 2012 (29)	Cash	13,892,785
	370	10.00	650.00	Exercise of options granted under ESOS 2017 (30)	Cash	13,893,155
March 20, 2019	50,487	10.00	357.95	Exercise of options granted under ESOS 2012 (31)	Cash	13,943,642
	5,360	10.00	100.00	Exercise of options granted under ESOS 2012 (32)	Cash	13,949,002
	10,220	10.00	97.40	Exercise of options granted under ESOS 2012 (33)	Cash	13,959,222
March 28, 2019	283,287	10.00	3,530.00	Private placement (34)	Cash	14,242,509
April 16, 2019	4,965	10.00	100.00	Exercise of options granted under ESOS 2012 (35)	Cash	14,247,474
	4,027	10.00	357.95	Exercise of options granted under ESOS 2012 (36)	Cash	14,251,501
	1,750	10.00	650.00	Exercise of options granted under ESOS 2012 (37)	Cash	14,253,251
June 14, 2019	330	10.00	100.00	Exercise of options granted under ESOS 2012 (38)	Cash	14,253,581
October 18, 2019	1,360	10.00	100.00	Exercise of options granted under ESOS 2012 (39)	Cash	14,254,941
	4,000	10.00	357.95	Exercise of options granted under ESOS 2012 (40)	Cash	14,258,941
	1,340	10.00	650.00	Exercise of options granted under ESOS 2012 (41)	Cash	14,260,281
	660	10.00	650.00	Exercise of options granted under ESOS 2017 (42)	Cash	14,260,941
	375	10.00	650.00	Exercise of options granted under ESOS 2017 (43)	Cash	14,261,316
January 23, 2020	1,670	10.00	100	Exercise of options granted under ESOS 2012 (44)	Cash	14,262,986
	3,762	10.00	357.95	Exercise of options granted under ESOS 2012 (45)	Cash	14,266,748
	110	10.00	650.00	Exercise of options granted under ESOS 2017 (46)	Cash	14,266,858

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Form of consideration	Cumulative number of equity shares
February 5, 2020	91,175	10.00	357.95	Exercise of options granted under ESOS 2012 (47)	Cash	14,358,033
	7,570	10.00	650.00	Exercise of options granted under ESOS 2012 (48)	Cash	14,365,603
	13,625	10.00	97.40	Exercise of options granted under ESOS 2012 (49)	Cash	14,379,228
	3,050	10.00	2,213.23	Exercise of options granted under ESOS 2017 (50)	Cash	14,382,278
	1,770	10.00	650.00	Exercise of options granted under ESOS 2017 (51)	Cash	14,384,048
March 31, 2020	165,029	10.00	6,059.56	Private placement (52)	Cash	14,549,077
April 28, 2020	109,986	10.00	6,059.56	Private placement (53)	Cash	14,659,063
	2,448	10.00	100.00	Exercise of options granted under ESOS 2012 (54)	Cash	14,661,511
	1,263	10.00	357.95	Exercise of options granted under ESOS 2012 (55)	Cash	14,662,774
	840	10.00	650.00	Exercise of options granted under ESOS 2012 (56)	Cash	14,663,614
	3,225	10.00	650.00	Exercise of options granted under ESOS 2017 (57)	Cash	14,666,839
	500	10.00	1,382.00	Exercise of options granted under ESOS 2017 (58)	Cash	14,667,339
May 26, 2020	32,350	10.00	6,059.56	Private placement (59)	Cash	14,699,689
July 21, 2020	3,202	10.00	100.00	Exercise of options granted under ESOS 2012 (60)	Cash	14,702,891
	3,352	10.00	357.95	Exercise of options granted under ESOS 2012 (61)	Cash	14,706,243
	4,046	10.00	650.00	Exercise of options granted under ESOS 2012 (62)	Cash	14,710,289
	3,310	10.00	650.00	Exercise of options granted under ESOS 2017 (63)	Cash	14,713,599
August 16, 2020	1,333	10.00	100.00	Exercise of options granted under ESOS 2012 (64)	Cash	14,714,932
	2,633	10.00	357.95	Exercise of options granted under ESOS 2012 (65)	Cash	14,717,565
	333	10.00	650.00	Exercise of options granted under ESOS 2012 (66)	Cash	14,717,898
	5,634	10.00	650.00	Exercise of options granted under ESOS 2017 (67)	Cash	14,723,532
	1,000	10.00	1,382.00	Exercise of options granted under ESOS 2017 (68)	Cash	14,724,532

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Form of consideration	Cumulative number of equity shares
	8,565	10.00	2,213.23	Exercise of options granted under ESOS 2017 (69)	Cash	14,733,097
October 1, 2020	13,655	10.00	97.40	Exercise of options granted under ESOS 2012 (70)	Cash	14,746,752
	184,386	10.00	357.95	Exercise of options granted under ESOS 2012 (71)	Cash	14,931,138
	23,344	10.00	650.00	Exercise of options granted under ESOS 2012 (72)	Cash	14,954,482
	8,980	10.00	650.00	Exercise of options granted under ESOS 2017 (73)	Cash	14,963,462
	2,320	10.00	2,213.23	Exercise of options granted under ESOS 2017 (74)	Cash	14,965,782
	330	10.00	3,530.00	Exercise of options granted under ESOS 2017 (75)	Cash	14,966,112
December 28, 2020	74,480	10.00	357.95	Exercise of options granted under ESOS 2012 (76)	Cash	15,040,592
	5,990	10.00	650.00	Exercise of options granted under ESOS 2017 (77)	Cash	15,046,582
	130	10.00	3,862.61	Exercise of options granted under ESOS 2017 (78)	Cash	15,046,712
February 11, 2021	1,000	10.00	357.95	Exercise of options granted under ESOS 2012 (79)	Cash	15,047,712
	1,375	10.00	650.00	Exercise of options granted under ESOS 2017 (80)	Cash	15,049,087
	2,320	10.00	2,213.23	Exercise of options granted under ESOS 2017 (81)	Cash	15,051,407
	160	10.00	3,862.61	Exercise of options granted under ESOS 2017 (82)	Cash	15,051,567
March 22, 2021	2,030	10.00	650.00	Exercise of options granted under ESOS 2017 (83)	Cash	15,053,597
	3,540	10.00	2,213.23	Exercise of options granted under ESOS 2017 (84)	Cash	15,057,137
	100	10.00	3,862.61	Exercise of options granted under ESOS 2017 (85)	Cash	15,057,237
May 24, 2021	925	10.00	357.95	Exercise of options granted under ESOS 2012 (86)	Cash	15,058,162
	1,480	10.00	650.00	Exercise of options granted under ESOS 2017 (87)	Cash	15,059,642
	880	10.00	2,213.23	Exercise of options granted under ESOS 2017 (88)	Cash	15,060,522
	660	10.00	3,862.61	Exercise of options granted under ESOS 2017 (89)	Cash	15,061,182

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Form of consideration	Cumulative number of equity shares
June 30, 2021	414,528	10.00	N.A.	Conversion of 414,528 OCRPS (90)	N.A.	15,475,710
July 10, 2021	442	10.00	100.00	Exercise of options granted under ESOS 2012 (91)	Cash	15,476,152
	10,177	10.00	357.95	Exercise of options granted under ESOS 2012 (92)	Cash	15,486,329
	5,660	10.00	650.00	Exercise of options granted under ESOS 2012 (93)	Cash	15,491,989
July 10, 2021	19,536	10.00	650.00	Exercise of options granted under ESOS 2017 (94)	Cash	15,511,525
	1,500	10.00	1,382.00	Exercise of options granted under ESOS 2017 (95)	Cash	15,513,025
	12,210	10.00	2,213.23	Exercise of options granted under ESOS 2017 (96)	Cash	15,525,235
	930	10.00	3,530.00	Exercise of options granted under ESOS 2017 (97)	Cash	15,526,165
	1,360	10.00	3,676.34	Exercise of options granted under ESOS 2017 (98)	Cash	15,527,525
	3,370	10.00	3,862.61	Exercise of options granted under ESOS 2017 (99)	Cash	15,530,895
	1,000	10.00	6,059.56	Exercise of options granted under ESOS 2017 (100)	Cash	15,531,895
July 15, 2021	36,000	10.00	N.A.	Conversion of 36,000 OCRPS (101)	N.A.	15,567,895
Pursuant to our board resolution dated July 15, 2021 and shareholders' resolution dated July 16, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 1 each. Consequently, the issued and subscribed share capital of our Company comprising 15,567,895 equity shares of face value of ₹ 10 each was sub-divided into 155,678,950 equity shares of face value of ₹ 1 each.						
July 22, 2021	311,357,900	1.00	-	Issue of 2 bonus shares for every 1 Equity Share held (102)	N.A.	467,036,850
September 23, 2021	87,000	1.00	21.67	Exercise of options granted under ESOS 2017 (103)	Cash	467,123,850
	1,78,500	1.00	73.77	Exercise of options granted under ESOS 2017 (104)	Cash	467,302,350
	10,800	1.00	122.54	Exercise of options granted under ESOS 2017 (105)	Cash	467,313,150
	11,400	1.00	128.75	Exercise of options granted under ESOS 2017 (106)	Cash	467,324,550

 # Our Company had filed an adjudication application dated May 20, 2021 in e-Form GNL-1 on June 2, 2021, with the RoC in relation to omission to include a list of allottees in the certified true extract of the shareholders' resolution dated September 14, 2016 attached to the e-form MGT-14 for a preferential allotment undertaken by the Company. Pursuant to discussions with the office of RoC, the Company has been advised that a non compliance has not been committed since the list of allottees was attached to the e-Form MGT-14 by way of a disclosure in the explanatory statement in the notice of the AGM held on September 22, 2016 and the requisite e-Forms MGT-14 and PAS-3 have been filed for the impugned preferential allotment. Accordingly, the Company has vide a letter dated September 23, 2021 has applied for withdrawal of the application for adjudication and the same has been acknowledged by the Registrar of Companies,

Maharashtra at Mumbai.

(1) *Allotment of 9,998 equity shares to Falguni Nayar and one equity share each to Om Prakash Nayar and Rashmi Mehta pursuant to their subscription to the MoA.*
(2) *Allotment of 209,998 equity shares to Sanjay Nayar and 200,000 equity shares to Falguni Nayar.*
(3) *Allotment of one equity share each to Om Prakash Nayar and Rashmi Mehta.*
(4) *Allotment of 790,000 equity shares each to Falguni Nayar and Sanjay Nayar.*
(5) *Allotment of 3,000,000 equity shares each to Falguni Nayar and Sanjay Nayar. These equity shares were partly paid up as on the date of allotment, and were subsequently made fully paid up.*
(6) *Allotment of 106,666 equity shares to Vijay K. Gaddamanugu.*
(7) *Allotment of 106,667 equity shares to Vijay K. Gaddamanugu.*
(8) *Allotment of 924,000 equity shares to Harindarpal Singh Banga jointly with Indra Banga, 410,667 equity shares to Narotam Sekhsaria, 308,000 equity shares to Mala Gaonkar, 102,667 equity shares to each Zia Mody jointly with Jaydev Mody, Arunkumar Gandhi jointly with Reetu Gandhi and J M Financial and Investment Consultancy Services Private Limited and 51,333 equity shares to each Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar and Sanjay Maliah.*
(9) *Allotment of 249,741 equity shares to Harindarpal Singh Banga jointly with Indra Banga, 139,685 equity shares to Techpro Ventures LLP, 86,605 equity shares to Mala Gaonkar, 58,830 equity shares to Narotam Sekhsaria, 41,906 equity shares to Michael Carlos, 34,921 equity shares each to Divya J. Pathak and Shivani Pathak, 27,937 equity shares each to Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar, Sanjay Maliah, Vikram Sud and Karan Swani and 13,968 equity shares to J M Financial and Investment Consultancy Services Private Limited.*
(10) *Allotment of 698,421 equity shares to TVS Shriram Growth Fund 1B, 69,842 equity shares to Dalip Pathak, 41,906 equity shares to Chandrika Pathak, 27,937 equity shares each to Rishabh Mariwala and Dipak Gupta jointly with Anita Gupta, 13,969 equity shares each to Amit Bhalla and J M Financial and Investment Consultancy Services Private Limited.*
(11) *Allotment of 990 equity shares to Rayhan Kapadia.*
(12) *Allotment of 1,320 equity shares to Madhavi Irani.*
(13) *Allotment of 461,538 equity shares to Sunil Kant Munjal, 184,615 equity shares to Yogesh Agencies & Investments Private Limited, 153,846 equity shares to Rishabh Mariwala, 148,629 equity shares to Harindarpal Singh Banga jointly with Indra Banga, 76,924 equity shares to Shefali Munjal, 59,451 equity shares to Narotam Sekhsaria, 30,769 equity shares to Samina Hamied, 23,077 equity shares to Michael Carlos, 15,385 equity shares to Anjali Bansal, 13,774 equity shares to J M Financial and Investment Consultancy Services Private Limited, 9,576 equity shares to Divya J. Pathak, 9,575 equity shares to Shivani Pathak and 7,692 equity shares to Karan Swani.*
(14) *Allotment of 73,656 equity shares to TVS Shriram Growth Fund 1B.*
(15) *Allotment of 269,955 equity shares to MAX I. Limited, 33,623 equity shares to Harindarpal Singh Banga jointly with Indra Banga, 19,631 equity shares to TVS Shriram Growth Fund 1B and 13,449 equity shares to Narotam Sekhsaria.*
(16) *Allotment of 2,640 equity shares to Manoj Jaiswal, 1,320 equity shares to Kutubuddin Ariwala, 990 equity shares each to Santosh Sanas and Rayhan Kapadia, 660 equity shares each to Arafat Kazi and Sanjay Gode and 330 equity shares to Riah Daswani.*
(17) *Allotment of 666 equity shares to Rayhan Kapadia.*
(18) *Allotment of 1,333 equity shares to Namrata Hariani.*
(19) *Allotment of 1,320 equity shares to Madhavi Irani.*
(20) *Allotment of 1,320 equity shares to Anurag Saboo.*
(21) *Allotment of 1,334 equity shares to Anurag Saboo.*
(22) *Allotment of 680 equity shares to Anurag Saboo, 660 equity shares to Gaurav Pandey and 330 equity shares to Riah Daswani.*
(23) *Allotment of 135,548 equity shares to Sunil Kant Munjal, 60,544 equity shares to Rishabh Mariwala, 27,108 equity shares to Narotam Sekhsaria, 18,072 equity shares each to Karan Danthi and Reshma Jairam Shetty, 10,168 equity shares to Mala Gaonkar, 6,776 equity shares to Amit Bhalla, 5,648 equity shares each to Dalip Pathak, Chandrika Pathak and Alpana Parida, 4,972 equity shares to J M Financial and Investment Consultancy Services Private Limited, 4,520 equity shares each to Sara S. Sood and Vivek Madhav Kamath and 2,260 equity shares to Anita Ramachandran jointly with Krishnan Ramachandran.*
(24) *Allotment of 4,000 equity shares each to Sachin Parikh and Hitesh Malhotra.*
(25) *Allotment of 2,000 equity shares to Gaurav Pushkar and 1,980 equity shares to Tarvinder Pal Singh.*
(26) *Allotment of 12,500 equity shares to Nihir Parikh.*
(27) *Allotment of 1,000 equity shares each to Kutubuddin Ariwala and Gaurav Pushkar and 340 equity shares to Gaurav Pandey.*
(28) *Allotment of 440 equity shares to Riah Daswani.*
(29) *Allotment of 340 equity shares to Riah Daswani.*
(30) *Allotment of 160 equity shares to Gaurav Pandey, 110 equity shares to Riah Daswani and 100 equity shares to Ankit Bhageria.*
(31) *Allotment of 18,150 equity shares to Sachin Parikh, 13,750 equity shares each to Reena Chhabra and Sanjay Suri, 2,183 equity shares to Hitesh Malhotra and 2,654 equity shares to Manoj Jaiswal.*
(32) *Allotment of 5,360 equity shares to Manoj Jaiswal.*
(33) *Allotment of 10,220 equity shares to Nihir Parikh.*
(34) *Allotment of 283,287 equity shares to TPG Growth IV SF Pte. Ltd*
(35) *Allotment of 1,005 equity shares to Santosh Sanas, 990 equity shares each to Jagrati Yadav, Rupesh Kumar and Sunil Nathani, 670 equity shares to Sanjay Gode and 320 equity shares to Kutubuddin Ariwala.*
(36) *Allotment of 3,000 equity shares to Anil Kumar, 667 equity shares to Rahul Yadav and 360 equity share to Atoshi Chakraborty.*
(37) *Allotment of 1,250 equity shares to Gaurav Sharma and 500 equity shares to Gaurav Tejwani.*
(38) *Allotment of 330 equity shares to Akhilesh Jha.*
(39) *Allotment of 1,360 equity shares to Madhavi Irani.*
(40) *Allotment of 4,000 equity shares to Madhavi Irani.*
(41) *Allotment of 1,340 equity shares to Madhavi Irani.*

(42) *Allotment of 660 equity shares to Madhavi Irani.*
(43) *Allotment of 375 equity shares to Bharat Aggarwal.*
(44) *Allotment of 1,010 equity shares to Sunil Nathani and 660 equity shares to Arafat Kazi.*
(45) *Allotment of 2,679 equity shares to Manoj Jaiswal, 750 equity shares to Gayatri Gogate and 333 equity shares to Arafat Kazi.*
(46) *Allotment of 110 equity shares to Riah Daswani.*
(47) *Allotment of 45,375 equity shares to Sanjay Suri, 33,300 equity shares to Nihir Parikh, 8,000 equity shares to Sachin Parikh, 3,750 equity shares to Piya Shivdasani, 500 equity shares to Atoshi Chakraborty and 250 equity shares to Gayatri Gogate.*
(48) *Allotment of 6,700 equity shares to Nihir Parikh, 660 equity shares to Gaurav Tejwani and 210 equity shares to Riah Daswani.*
(49) *Allotment of 13,625 equity shares to Nihir Parikh.*
(50) *Allotment of 1,000 equity shares each to Aakash Kejriwal and Rahil Bhansali, 660 equity shares to Madhavi Irani, 160 equity shares to Divya Sreenivas, 130 equity shares to Sheena Jain and 100 equity shares to Divya Maria.*
(51) *Allotment of 660 equity shares to Madhavi Irani, 360 equity shares to Divya Sreenivas, 320 equity shares to Isha Khakhar, 270 equity shares to Shreeya Roy and 160 equity shares to Gaurav Pandey.*
(52) *Allotment of 165,029 equity shares to Steadview Capital Mauritius Limited.*
(53) *Allotment of 109,986 equity shares to Steadview Capital Mauritius Limited.*
(54) *Allotment of 707 equity shares to Rupesh Kumar, 704 equity shares to Santosh Sanas, 568 equity shares to Jagrati Yadav and 469 equity shares to Sanjay Gode.*
(55) *Allotment of 933 equity shares to Rahul Yadav and 330 equity shares to Aayush Bansal.*
(56) *Allotment of 840 equity shares to Gaurav Tejwani.*
(57) *Allotment of 660 equity shares to Gaurav Tejwani, 375 equity shares each to Bharat Aggarwal, Amber Bhatia and Ankit Pandey, 330 equity shares each to Mitali Agrawal and Mriganki Tyagi, 250 equity shares to Vikas Singh, 160 equity shares each to Guruling Metri, Kirti Mehta and Lokesh KN and 50 equity shares to Shreeya Roy.*
(58) *Allotment of 500 equity shares to Ashish Jain.*
(59) *Allotment of 32,350 equity shares to Sunil Kant Munjal.*
(60) *Allotment of 1,020 equity shares to Tarvinder Pal Singh, 707 equity shares to Kutubuddin Ariwala, 670 equity shares to Akhilesh Jha, 303 equity shares to Rupesh Kumar, 301 equity shares to Santosh Sanas and 201 equity shares to Sanjay Gode.*
(61) *Allotment of 1,581 equity shares to Neha Grover, 1,371 equity shares to Namrata Hariani and 400 equity shares to Rahul Yadav.*
(62) *Allotment of 1,696 equity shares to Gaurav Sharma, 1,350 equity shares to Ashita Misquitta and 1,000 equity shares to Ruchi Padhya.*
(63) *Allotment of 1,000 equity shares to Ashita Misquitta, 660 equity shares each to Ruchi Padhya, Namrata Hariani and Gaurav Sharma and 330 equity shares to Tarvinder Pal Singh.*
(64) *Allotment of 680 equity shares to Arafat Kazi and 653 equity shares to Kutubuddin Ariwala.*
(65) *Allotment of 1,296 equity shares to Namrata Hariani, 670 equity shares to Aayush Bansal and 667 equity shares to Arafat Kazi.*
(66) *Allotment of 333 equity shares to Ekagra Tripathi.*
(67) *Allotment of 1,320 equity shares to Atoshi Chakraborty, 660 equity shares to Kutubuddin Ariwala, 544 equity shares to Namrata Hariani, 375 equity shares each to Ankit Pandey and Amber Bhatia, 330 equity shares each to Mriganki Tyagi, Tarvinder Pal Singh and Mitali Agrawal, 320 equity shares to Aayush Bansal, 250 equity shares to Vikas Singh and 160 equity shares each to Kirti Mehta, Guruling Metri, Lokesh KN, Vijeta Murdeshwar and Arafat Kazi.*
(68) *Allotment of 500 equity shares each to Tarun Tiwari and Ashish Jain.*
(69) *Allotment of 1,500 equity shares to Tarun Tiwari, 660 equity shares each to Lokesh Bais and Namrata Hariani, 625 equity shares to Rishi Seth, 500 equity shares each to Bharat Aggarwal, Charu Sharma and Amitabh Banerji, 330 equity shares each to Amit Singh, Simrandeep Singh, Sobhagya Mohanty, Tarvinder Pal Singh, Atoshi Chakraborty and Mriganki Tiwari, 290 equity shares to Vijeta Murdeshwar, 160 equity shares each to Shweta Agrawal, Sushil Kumar, Vikas Singh and Amber Bhatia, 130 equity shares to Vibhuti Varma, 100 equity shares each to Gauri Dalal, Sumit Maji, Varun Pandey and Shreeya Roy and 60 equity shares each to Karishma Loynmoon, Aayush Bansal and Kirti Mehta.*
(70) *Allotment of 13,655 equity shares to Nihir Parikh.*
(71) *Allotment of 50,875 equity shares to Sanjay Suri, 49,510 equity shares to Sachin Parikh, 41,250 equity shares to Reena Chhabra, 16,700 equity shares to Nihir Parikh, 11,250 equity shares to Piya Shivdasani, 5,490 equity shares to Manoj Jaiswal, 4,075 equity shares to Neha Kanoria, 3,817 equity shares to Hitesh Malhotra and 1,419 equity shares to Neha Grover.*
(72) *Allotment of 10,000 equity shares to Piya Shivdasani, 5,000 equity shares to Hitesh Malhotra, 3,300 equity shares to Nihir Parikh, 2,394 equity shares to Gaurav Sharma, 1,000 equity shares to Ruchi Padhya, 660 equity shares to Madhavi Irani, 650 equity shares to Ashita Misquitta and 340 equity shares to Ekagra Tripathi.*
(73) *Allotment of 3,320 equity shares to Hitesh Malhotra, 2,000 equity shares each to Ashita Misquitta and Nirav Jagad, 660 equity shares each to Neha Grover and Gaurav Sharma and 340 equity shares to Kutubuddin Ariwala.*
(74) *Allotment of 1,000 equity shares to Shashwat Gupta, 660 equity shares each to Ekagra Tripathi and Kutubuddin Ariwala.*
(75) *Allotment of 330 equity shares to Ashita Misquitta.*
(76) *Allotment of 55,000 equity shares to Reena Chhabra, 19,340 equity shares to Sachin Parikh and 140 equity shares to Atoshi Chakraborty.*
(77) *Allotment of 5,000 equity shares to Sachin Parikh, 680 equity shares to Atoshi Chakraborty, 180 equity shares to Isha Khakhar and 130 equity shares to Riah Daswani.*
(78) *Allotment of 130 equity shares to Isha Khakhar.*
(79) *Allotment of 1,000 equity shares to Neha Grover.*
(80) *Allotment of 1,000 equity shares to Nirav Jagad and 375 equity shares to Ankit Pandey.*
(81) *Allotment of 1,320 equity shares to Nirav Jagad and 1,000 equity shares to Aakash Kejriwal.*
(82) *Allotment of 160 equity shares to Aanchal Agarwal.*
(83) *Allotment of 1,000 equity shares to Kutubuddin Ariwala, 600 equity shares to Oona Dhabhar, 340 equity shares to Mitali Agrawal and 90 equity shares to Vijeta Murdeshwar.*

(84) *Allotment of 2,320 equity shares to Shashwat Gupta, 660 equity shares to Kutubuddin Ariwala, 330 equity shares to Amit Singh, 130 equity shares to Vijeta Murdeshwar and 100 equity shares to Divya Maria.*

(85) *Allotment of 100 equity shares to Mitali Agrawal.*

(86) *Allotment of 925 equity shares to Neha Kanoria.*

(87) *Allotment of 600 equity shares to Oona Dhabar, 500 equity shares to Praneeth Prodduturu, 200 equity shares to Ankit Bhageria and 180 equity shares to Samarth Mishra.*

(88) *Allotment of 320 equity shares to Mahesh Panse, 200 equity shares each to Ankit Bhageria and Kimi Khanchandani and 160 equity shares to Samarth Mishra.*

(89) *Allotment of 160 equity shares each to Kejal Parekh and Samarth Mishra, 130 equity shares each to Praneeth Prodduturu and Mahesh Panse and 80 equity shares to Ankit Bhageria.*

(90) *Allotment of equity shares to the respective holders of OCRPS pursuant to conversion of each such fully paid up OCRPS in the ratio of 1:1 (i.e. one equity share for every one fully paid up OCRPS). For further details, see "- Preference Share Capital".*

(91) *Allotment of 442 equity shares to Jagrati Yadav.*

(92) *Allotment of 5,177 equity shares to Manoj Jaiswal and 5,000 equity shares to Neha Kanoria.*

(93) *Allotment of 4,660 equity shares to Gaurav Sharma and 1,000 equity shares to Ruchi Padhya.*

(94) *Allotment of 6,300 equity shares to Oona Dhabhar, 6,000 equity shares to Neha Kanoria, 1,340 equity shares each to Neha Grover and Ruchi Padhya, 796 equity shares to Namrata Hariani, 680 equity shares to Gaurav Sharma, 500 equity shares to Akhilesh Jha, 375 equity shares each to Amber Bhatia and Bharat Aggarwal, 340 equity shares each to Mriganki Tyagi and Tarvinder Pal Singh, 250 equity shares to Vikas Singh and 180 equity shares each to Aayush Bansal, Aneesh Mehta, Guruling Metri, Kirti Mehta and Shreeya Roy.*

(95) *Allotment of 1,000 equity shares to Tarun Tiwari and 500 equity shares to Ashish Jain.*

(96) *Allotment of 3,320 equity shares to Neha Grover, 2,500 equity shares to Tarun Tiwari, 1,250 equity shares to Mantosh Roy, 660 equity shares to Namrata Hariani, 500 equity shares each to Amitabh Banerji and Bharat Aggarwal, 330 equity shares each to Atoshi Chakraborty, Mriganki Tyagi, Sobhagya Mohanty and Tarvinder Pal Singh, 320 equity shares to Akhilesh Rathi, 260 equity shares to Akhilesh Jha, 210 equity shares to Aneesh Mehta, 200 equity shares each to Aliya Chichgar, Pooja Tiwari and Simrandeep Singh, 160 equity shares each to Amber Bhatia and Vikas Singh, 130 equity shares to Vibhuti Varma, 100 equity shares to Gauri Dalal and Shreeya Roy and 60 equity shares each to Aayush Bansal and Kirti Mehta.*

(97) *Allotment of 750 equity shares to Ashish Singh and 180 equity shares to Krishna RV.*

(98) *Allotment of 625 equity shares to Gopal Asthana, 300 equity shares to Ankit Jain, 250 equity shares to Vikas Singh Yadav and 185 equity shares to Kundan Singh.*

(99) *Allotment of 260 equity shares each to Ankit Khurana and Pulkit Swarup, 160 equity shares each to Amar Shah, Anurag Gambhir, Harsh Karnawat, Kimi Khanchandani, Shreeya Roy, Sobhagya Mohanty and Vibhuti Varma, 130 equity shares each to Akhilesh Rathi, Nilay Gupta, Pooja Tiwari, Ruchika Sarma, Rupali Jain, Sunit Jindal, Tanisha Kothari and Vikas Singh, 100 equity shares each to Aditi Moorthy, Aliya Chichgar, Chandni Patel and Mala Kashyap, 80 equity shares to Kirti Mehta, 60 equity shares each to Aayush Bansal, Amber Bhatia and Mahendra Matele and 30 equity shares to Sunanda Derber.*

(100) *Allotment of 1,000 equity shares to Bharat Aggarwal.*

(101) *Allotment of 12,000 equity shares to Falguni Nayar Family Trust pursuant to conversion of 12,000 OCRPS, 12,000 equity shares to Anchit Nayar Family Trust pursuant to conversion of 12,000 OCRPS and 12,000 equity shares to Adwaita Nayar Family Trust pursuant to conversion of 12,000 OCRPS.*

(102) *Bonus issue of 311,357,900 Equity Shares in the ratio 2:1 (two Equity Shares for every one Equity Share held by our Shareholders) to the existing Shareholders as on the record date being July 15, 2021.*

(103) *Allotment of 75,000 equity shares to Oona Dhabhar and 12,000 equity shares to Sharanya Rao.*

(104) *Allotment of 86,400 equity shares to Sumant Kasliwal, 18,750 equity shares each to Rishi Seth and Mantosh Roy, 19,800 equity shares to Lokesh Bais, 15,000 equity shares to Charu Sharma, 9,000 equity shares to Aneesh Mehta, 6,000 equity shares to Sharanya Rao, 4,800 equity shares to Sushil Kumar and 3,000 equity shares to Mahesh Panse.*

(105) *Allotment of 10,800 equity shares to Sudesh Poojari.*

(106) *Allotment of 4,800 equity shares each to Charu Sharma and Smriti Srivastava and 1,800 equity shares to Aneesh Mehta.*

(b) Preference share capital

The history of the Preference Share capital of our Company is set forth in the table below:

Date of Allotment	No. of Preference Shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of allotment	Form of consideration	Cumulative number of Preference Shares
December 26, 2019	275,000	10.00	3,862.61	Private Placement(1)	Cash	275,000
October 28, 2020	100,000	10.00	6,059.56	Private Placement(2)	Cash	375,000
January 31, 2021	61,500	10.00	6,059.56	Private Placement(3)	Cash	436,500
June 30, 2021	14,028	10.00	10,766.75	Private Placement(4)	Cash	450,528
	(414,528)	10.00	N.A.	Conversion into Equity Shares(5)	N.A.	36,000
July 15, 2021	(36,000)	10.00	N.A.	Conversion into Equity Shares(6)	N.A.	Nil

(1) *Allotment of 100,000 OCRPS to Falguni Nayar Family Trust, 25,000 OCRPS each to Anchit Nayar Family Trust and Adwaita Nayar Family Trust, 15,000 OCRPS each to Sanjay Suri, Reena Chhabra and Nihir Parikh, 10,000 OCRPS to*

Sachin Parikh, 7,500 OCRPS each to Hitesh Malhotra and Manoj Jaiswal, 5,000 OCRPS to Madhavi Irani, 4,000 OCRPS each to Nirav Jagad, Gaurav Sharma and Gaurav Tejwani, 3,000 OCRPS each to Piya Shivdasani, Neha Grover and Tarun Tiwari, 2,000 OCRPS each to Mantosh Roy, Gopal Asthana and Bharat Aggarwal, 1,500 OCRPS each to Kutubuddin Ariwala, Oona Dhabhar, Shashwat Gupta, Tarvinder Pal Singh, Namrata Hariani, Ruchi Padhya, Atoshi Chakraborty and Mriganki Tyagi, 1,000 OCRPS each to Sumant Kasliwal, Rahul Sharma, Jagrati Yadav, Ashita Misquitta, Ekagra Tripathi, Divya Sreenivas, Kapil Kastwar and Riah Daswani, 500 OCRPS each to Amar Shah, Charu Sharma, Akhilesh Jha, Aayush Bansal and Amber Bhatia and 250 OCRPS each to Kirti Mehta and Ankit Bhageria.

(2) *Allotment of 20,000 OCRPS each to Falguni Nayar Family Trust, Anchit Nayar Family Trust and Adwaita Nayar Family Trust, 9,500 OCRPS to Arvind Agarwal, 2,500 OCRPS each to Gopal Asthana and Manoj Jaiswal, 2,000 OCRPS each to Atoshi Chakraborty, Gaurav Sharma, Preeti Gupta and Vandana Mohta, 1,500 OCRPS each to Aakash Kejriwal, Mantosh Roy and Pulkit Swarup, 1,000 OCRPS each to Ankit Khurana, Ankit Raj Kumar Jain, Anurag Khemka, Ashish Singh, Charu Sharma, Hemanshu Mehta, Jagrati Yadav, Krishna R.V., Neha Grover and Vikas Singh Yadav and 750 OCRPS each to Aayush Bansal, Mahesh Panse and Praneeth Prodduturu, 600 OCRPS to Santosh Sanas and 150 OCRPS to Kirti Mehta.*

(3) *Allotment of 23,500 OCRPS to Falguni Nayar Family Trust and 19,000 OCRPS each to Anchit Nayar Family Trust and Adwaita Nayar Family Trust.*

(4) *Allotment of 8,028 equity shares to Falguni Nayar Family Trust, 3,000 OCRPS to Anchit Nayar Family Trust and 3,000 OCRPS to Adwaita Nayar Family Trust.*

(5) *414,528 fully paid up OCRPS were converted to equity shares in the ratio of 1:1 (i.e. one equity share for every one fully paid-up OCRPS).*

(6) *12,000 OCRPS allotted to Falguni Nayar Family Trust were converted to 12,000 equity shares, 12,000 OCRPS allotted to Anchit Nayar Family Trust were converted to 12,000 equity shares and 12,000 OCRPS allotted to Adwaita Nayar Family Trust were converted to 12,000 equity shares. Our Board pursuant to its resolution dated July 9, 2021 forfeited 10,000 OCRPS allotted to Sachin Parikh, 7,500 OCRPS to Hitesh Malhotra, 5,000 OCRPS to Madhavi Irani, 4,000 OCRPS to Nirav Jagad, 4,000 OCRPS to Gaurav Tejwani, 3,000 OCRPS to Piya Shivdasani, 1,500 to Shashwat Gupta and 1,000 OCRPS to Ashita Misquitta on account of non-payment of call money. These 36,000 OCRPS were subsequently re-issued post the resolution passed by the Share Allotment cum Transfer Committee on July 10, 2021.*

2. ***Issue of Equity Shares at price lower than the Offer Price in the last year***

Except as disclosed below, our Company has not issued any Equity Shares in the last one year immediately preceding the date of this Red Herring Prospectus at a price which may be lower than the Offer Price:

Date of Allotment	No. of equity shares allotted	Face value (₹)	Offer Price (₹)	Reason/Nature of allotment	Form of consideration
August 16, 2020	1,333	10.00	100.00	Exercise of options granted under ESOS 2012 (1)	Cash
August 16, 2020	2,633	10.00	357.95	Exercise of options granted under ESOS 2012 (2)	Cash
August 16, 2020	333	10.00	650.00	Exercise of options granted under ESOS 2012 (3)	Cash
August 16, 2020	5,634	10.00	650.00	Exercise of options granted under ESOS 2017 (4)	Cash
August 16, 2020	1,000	10.00	1,382.00	Exercise of options granted under ESOS 2017 (5)	Cash
August 16, 2020	8,565	10.00	2,213.23	Exercise of options granted under ESOS 2017 (6)	Cash
October 1, 2020	13,655	10.00	97.40	Exercise of options granted under ESOS 2012 (7)	Cash
October 1, 2020	184,386	10.00	357.95	Exercise of options granted under ESOS 2012 (8)	Cash
October 1, 2020	23,344	10.00	650.00	Exercise of options granted under ESOS 2012 (9)	Cash
October 1, 2020	8,980	10.00	650.00	Exercise of options granted under ESOS 2017 (10)	Cash
October 1, 2020	2,320	10.00	2,213.23	Exercise of options granted under ESOS 2017 (11)	Cash

Date of Allotment	No. of equity shares allotted	Face value (₹)	Offer Price (₹)	Reason/Nature of allotment	Form of consideration
October 1, 2020	330	10.00	3,530.00	Exercise of options granted under ESOS 2017 (12)	Cash
December 28, 2020	74,480	10.00	357.95	Exercise of options granted under ESOS 2012 (13)	Cash
December 28, 2020	5,990	10.00	650.00	Exercise of options granted under ESOS 2017 (14)	Cash
December 28, 2020	130	10.00	3,862.61	Exercise of options granted under ESOS 2017 (15)	Cash
February 11, 2021	1,000	10.00	357.95	Exercise of options granted under ESOS 2012 (16)	Cash
February 11, 2021	1,375	10.00	650.00	Exercise of options granted under ESOS 2017 (17)	Cash
February 11, 2021	2,320	10.00	2,213.23	Exercise of options granted under ESOS 2017 (18)	Cash
February 11, 2021	160	10.00	3,862.61	Exercise of options granted under ESOS 2017 (19)	Cash
March 22, 2021	2,030	10.00	650.00	Exercise of options granted under ESOS 2017 (20)	Cash
March 22, 2021	3,540	10.00	2,213.23	Exercise of options granted under ESOS 2017 (21)	Cash
March 22, 2021	100	10.00	3,862.61	Exercise of options granted under ESOS 2017 (22)	Cash
May 24, 2021	925	10.00	357.95	Exercise of options granted under ESOS 2012 (23)	Cash
May 24, 2021	1,480	10.00	650.00	Exercise of options granted under ESOS 2017 (24)	Cash
May 24, 2021	880	10.00	2,213.23	Exercise of options granted under ESOS 2017 (25)	Cash
May 24, 2021	660	10.00	3,862.61	Exercise of options granted under ESOS 2017 (26)	Cash
June 30, 2021	414,528	10.00	N.A.	Conversion of 414,528 OCRPS (27)	N.A.
July 10, 2021	442	10.00	100.00	Exercise of options granted under ESOS 2012 (28)	Cash
	10,177	10.00	357.95	Exercise of options granted under ESOS 2012 (29)	Cash
	5,660	10.00	650.00	Exercise of options granted under ESOS 2012 (30)	Cash
July 10, 2021	19,536	10.00	650.00	Exercise of options granted under ESOS 2017 (31)	Cash
	1,500	10.00	1,382.00	Exercise of options granted under ESOS 2017 (32)	Cash

Date of Allotment	No. of equity shares allotted	Face value (₹)	Offer Price (₹)	Reason/Nature of allotment	Form of consideration
	12,210	10.00	2,213.23	Exercise of options granted under ESOS 2017 (33)	Cash
	930	10.00	3,530.00	Exercise of options granted under ESOS 2017 (34)	Cash
	1,360	10.00	3,676.34	Exercise of options granted under ESOS 2017 (35)	Cash
	3,370	10.00	3,862.61	Exercise of options granted under ESOS 2017 (36)	Cash
	1,000	10.00	6,059.56	Exercise of options granted under ESOS 2017 (37)	Cash
July 15, 2021	36,000	10.00	N.A.	Conversion of 36,000 OCRPS (38)	N.A.
Pursuant to our board resolution dated July 15, 2021 and shareholders' resolution dated July 16, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 1 each. Consequently, the issued and subscribed share capital of our Company comprising 15,567,895 equity shares of face value of ₹ 10 each was sub-divided into 155,678,950 equity shares of face value of ₹ 1 each.					
July 22, 2021	311,357,900	1.00	-	Issue of 2 bonus shares for every 1 Equity Share held (39)	N.A.
September 23, 2021	87,000	1.00	21.67	Exercise of options granted under ESOS 2017 (40)	Cash
	1,78,500	1.00	73.77	Exercise of options granted under ESOS 2017 (41)	Cash
	10,800	1.00	122.54	Exercise of options granted under ESOS 2017 (42)	Cash
	11,400	1.00	128.75	Exercise of options granted under ESOS 2017 (43)	Cash

(1) *Allotment of 680 equity shares to Arafat Kazi and 653 equity shares to Kutubuddin Ariwala.*

(2) *Allotment of 1,296 equity shares to Namrata Hariani, 670 equity shares to Aayush Bansal and 667 equity shares to Arafat Kazi.*

(3) *Allotment of 333 equity shares to Ekagra Tripathi.*

(4) *Allotment of 1,320 equity shares to Atoshi Chakraborty, 660 equity shares to Kutubuddin Ariwala, 544 equity shares to Namrata Hariani, 375 equity shares each to Ankit Pandey and Amber Bhatia, 330 equity shares each to Mriganki Tyagi, Tarvinder Pal Singh and Mitali Agrawal, 320 equity shares to Aayush Bansal, 250 equity shares to Vikas Singh and 160 equity shares each to Kirti Mehta, Guruling Metri, Lokesh KN, Vijeta Murdeshwar and Arafat Kazi.*

(5) *Allotment of 500 equity shares each to Tarun Tiwari and Ashish Jain.*

(6) *Allotment of 1,500 equity shares to Tarun Tiwari, 660 equity shares each to Lokesh Bais and Namrata Hariani, 625 equity shares to Rishi Seth, 500 equity shares each to Bharat Aggarwal, Charu Sharma and Amitabh Banerji, 330 equity shares each to Amit Singh, Simrandeep Singh, Sobhagya Mohanty, Tarvinder Pal Singh, Atoshi Chakraborty and Mriganki Tiwari, 290 equity shares to Vijeta Murdeshwar, 160 equity shares each to Shweta Agrawal, Sushil Kumar, Vikas Singh and Amber Bhatia, 130 equity shares to Vibhuti Varma, 100 equity shares each to Gauri Dalal, Sumit Maji, Varun Pandey and Shreeya Roy and 60 equity shares each to Karishma Loynmoon, Aayush Bansal and Kirti Mehta.*

(7) *Allotment of 13,655 equity shares to Nihir Parikh.*

(8) *Allotment of 50,875 equity shares to Sanjay Suri, 49,510 equity shares to Sachin Parikh, 41,250 equity shares to Reena Chhabra, 16,700 equity shares to Nihir Parikh, 11,250 equity shares to Piya Shivdasani, 5,490 equity shares to Manoj Jaiswal, 4,075 equity shares to Neha Kanoria, 3,817 equity shares to Hitesh Malhotra and 1,419 equity shares to Neha Grover.*

(9) *Allotment of 10,000 equity shares to Piya Shivdasani, 5,000 equity shares to Hitesh Malhotra, 3,300 equity shares to Nihir Parikh, 2,394 equity shares to Gaurav Sharma, 1,000 equity shares to Ruchi Padhya, 660 equity shares to Madhavi Irani, 650 equity shares to Ashita Misquitta and 340 equity shares to Ekagra Tripathi.*

(10) *Allotment of 3,320 equity shares to Hitesh Malhotra, 2,000 equity shares each to Ashita Misquitta and Nirav Jagad, 660 equity shares each to Neha Grover and Gaurav Sharma and 340 equity shares to Kutubuddin Ariwala.*

(11) *Allotment of 1,000 equity shares to Shashwat Gupta, 660 equity shares each to Ekagra Tripathi and Kutubuddin Ariwala.*

(12) *Allotment of 330 equity shares to Ashita Misquitta.*

(13) *Allotment of 55,000 equity shares to Reena Chhabra, 19,340 equity shares to Sachin Parikh and 140 equity shares to Atoshi Chakraborty.*

(14) *Allotment of 5,000 equity shares to Sachin Parikh, 680 equity shares to Atoshi Chakraborty, 180 equity shares to Isha Khakhar and 130 equity shares to Riah Daswani.*

(15) *Allotment of 130 equity shares to Isha Khakhar.*
(16) *Allotment of 1,000 equity shares to Neha Grover.*
(17) *Allotment of 1,000 equity shares to Nirav Jagad and 375 equity shares to Ankit Pandey.*
(18) *Allotment of 1,320 equity shares to Nirav Jagad and 1,000 equity shares to Aakash Kejriwal.*
(19) *Allotment of 160 equity shares to Aanchal Agarwal.*
(20) *Allotment of 1,000 equity shares to Kutubuddin Ariwala, 600 equity shares to Oona Dhabhar, 340 equity shares to Mitali Agrawal and 90 equity shares to Vijeta Murdeshwar.*
(21) *Allotment of 2,320 equity shares to Shashwat Gupta, 660 equity shares to Kutubuddin Ariwala, 330 equity shares to Amit Singh, 130 equity shares to Vijeta Murdeshwar and 100 equity shares to Divya Maria.*
(22) *Allotment of 100 equity shares to Mitali Agrawal.*
(23) *Allotment of 925 equity shares to Neha Kanoria.*
(24) *Allotment of 600 equity shares to Oona Dhabar, 500 equity shares to Praneeth Prodduturu, 200 equity shares to Ankit Bhageria and 180 equity shares to Samarth Mishra.*
(25) *Allotment of 320 equity shares to Mahesh Panse, 200 equity shares each to Ankit Bhageria and Kimi Khanchandani and 160 equity shares to Samarth Mishra.*
(26) *Allotment of 160 equity shares each to Kejal Parekh and Samarth Mishra, 130 equity shares each to Praneeth Prodduturu and Mahesh Panse and 80 equity shares to Ankit Bhageria.*
(27) *Allotment of equity shares to the respective holders of OCRPS pursuant to conversion of each such fully-paid up OCRPS in ratio of 1:1 (i.e. one equity share for every one fully paid-up OCRPS).*
(28) *Allotment of 442 equity shares to Jagrati Yadav.*
(29) *Allotment of 5,177 equity shares to Manoj Jaiswal and 5,000 equity shares to Neha Kanoria.*
(30) *Allotment of 4,660 equity shares to Gaurav Sharma and 1,000 equity shares to Ruchi Padhya.*
(31) *Allotment of 6,300 equity shares to Oona Dhabhar, 6,000 equity shares to Neha Kanoria, 1,340 equity shares each to Neha Grover and Ruchi Padhya, 796 equity shares to Namrata Hariani, 680 equity shares to Gaurav Sharma, 500 equity shares to Akhilesh Jha, 375 equity shares each to Amber Bhatia and Bharat Aggarwal, 340 equity shares each to Mriganki Tyagi and Tarvinder Pal Singh, 250 equity shares to Vikas Singh and 180 equity shares each to Aayush Bansal, Aneesh Mehta, Guruling Metri, Kirti Mehta and Shreeya Roy.*
(32) *Allotment of 1,000 equity shares to Tarun Tiwari and 500 equity shares to Ashish Jain.*
(33) *Allotment of 3,320 equity shares to Neha Grover, 2,500 equity shares to Tarun Tiwari, 1,250 equity shares to Mantosh Roy, 660 equity shares to Namrata Hariani, 500 equity shares each to Amitabh Banerji and Bharat Aggarwal, 330 equity shares each to Atoshi Chakraborty, Mriganki Tyagi, Sobhagya Mohanty and Tarvinder Pal Singh, 320 equity shares to Akhilesh Rathi, 260 equity shares to Akhilesh Jha, 210 equity shares to Aneesh Mehta, 200 equity shares each to Aliya Chichgar, Pooja Tiwari and Simrandeep Singh, 160 equity shares each to Amber Bhatia and Vikas Singh, 130 equity shares to Vibhuti Varma, 100 equity shares to Gauri Dalal and Shreeya Roy and 60 equity shares each to Aayush Bansal and Kirti Mehta.*
(34) *Allotment of 750 equity shares to Ashish Singh and 180 equity shares to Krishna RV.*
(35) *Allotment of 625 equity shares to Gopal Asthana, 300 equity shares to Ankit Jain, 250 equity shares to Vikas Singh Yadav and 185 equity shares to Kundan Singh.*
(36) *Allotment of 260 equity shares each to Ankit Khurana and Pulkit Swarup, 160 equity shares each to Amar Shah, Anurag Gambhir, Harsh Karnawat, Kimi Khanchandani, Shreeya Roy, Sobhagya Mohanty and Vibhuti Varma, 130 equity shares each to Akhilesh Rathi, Nilay Gupta, Pooja Tiwari, Ruchika Sarma, Rupali Jain, Sunit Jindal, Tanisha Kothari and Vikas Singh, 100 equity shares each to Aditi Moorthy, Aliya Chichgar, Chandni Patel and Mala Kashyap, 80 equity shares to Kirti Mehta, 60 equity shares each to Aayush Bansal, Amber Bhatia and Mahendra Matele and 30 equity shares to Sunanda Derber.*
(37) *Allotment of 1,000 equity shares to Bharat Aggarwal.*
(38) *Allotment of 12,000 equity shares to Falguni Nayar Family Trust pursuant to conversion of 12,000 OCRPS, 12,000 equity shares to Anchit Nayar Family Trust pursuant to conversion of 12,000 OCRPS and 12,000 equity shares to Adwaita Nayar Family Trust pursuant to conversion of 12,000 OCRPS.*
(39) *Bonus issue of 311,357,900 Equity Shares in the ratio 2:1 (two Equity Shares for every one Equity Share held by our Shareholders) to the existing Shareholders as on the record date being July 15, 2021.*
(40) *Allotment of 75,000 equity shares to Oona Dhabhar and 12,000 equity shares to Sharanya Rao.*
(41) *Allotment of 86,400 equity shares to Sumant Kasliwal, 18,750 equity shares each to Rishi Seth and Mantosh Roy, 19,800 equity shares to Lokesh Bais, 15,000 equity shares to Charu Sharma, 9,000 equity shares to Aneesh Mehta, 6,000 equity shares to Sharanya Rao, 4,800 equity shares to Sushil Kumar and 3,000 equity shares to Mahesh Panse.*
(42) *Allotment of 10,800 equity shares to Sudesh Poojari.*
(43) *Allotment of 4,800 equity shares each to Charu Sharma and Smriti Srivastava and 1,800 equity shares to Aneesh Mehta.*

3. ***Equity Shares issued for consideration other than cash or out of revaluation reserves:***

   (a) Our Company has not issued any Equity Shares out of revaluation of reserves since its incorporation.

   (b) Our Company has not issued any Equity Shares for consideration other than cash.

4. Our Company has not issued or allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013, as applicable.

5. ***Equity shares issued pursuant to employee stock option schemes***

   *Except as disclosed in **"-** Share capital history of our Company" beginning on page 112, our Company has not issued equity shares pursuant to ESOS Schemes.*

6. ***Shareholding pattern of our Company***

The table below presents the shareholding pattern of our Company as on the date of this Red Herring Prospectus.

Category	Category of shareholder	Number of shareholders (III)	Number of fully paid up equity shares held	Number of partly paid-up equity shares held	Number of shares underlying depository receipts	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957)	Number of voting rights held in each class of securities			Number of shares underlying outstanding convertible securities (including warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
(I)	(II)		(IV)	(V)	(VI)	(VII) =(IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
								Number of voting rights		Total as a % of (A+B+ C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Equity	Total								
(A)	Promoter and Promoter Group	9	253,365,357	-	-	253,365,357	54.22%	253, 365,357	253, 365,357	54.22%	253, 365,357	54.22%	-	-	-	-	253, 365,357
(B)	Public	186	213,959,193	-	-	213,959,193	45.78%	213, 959,193	213, 959,193	45.78%	213, 959,193	45.78%	-	-	-	-	201,268,893
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**195**	**467,324,550**	**-**	**-**	**467,324,550**	**100.00%**	**467,324,550**	**467, 324,550**	**100.00%**	**467, 324,550**	**100.00%**	**-**	**-**	**-**	**-**	**454,634,250**

7. ***Other details of shareholding of our Company***

(a) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them as on the date of filing of this Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital on a fully diluted basis (%)*
1.	Sanjay Nayar Family Trust (1)	110,618,920	23.37%
2.	Falguni Nayar Family Trust (1)	104,305,770	22.04%
3.	Harindarpal Singh Banga jointly with Indra Banga	40,679,790	8.60%
4.	Sunil Kant Munjal	21,189,300	4.48%
5.	Narotam Sekhsaria	17,085,150	3.61%
6.	Steadview Capital Mauritius Ltd	16,384,440	3.46%
7.	TPG Growth IV SF Pte. Ltd	16,264,560	3.44%
8.	Lighthouse India Fund III, Limited	14,533,860	3.07%
9.	Anchit Nayar Family Trust (1)	14,370,000	3.04%
10.	Adwaita Nayar Family Trust (1)	14,370,000	3.04%
11.	Mala Gaonkar	11,390,190	2.41%
12.	Fidelity Securities Fund: Fidelity Blue Chip Growth Fund	6,140,430	1.30%
13.	Rishabh Mariwala	5,571,810	1.18%
14.	Yogesh Agencies & Investments Private Limited	5,538,450	1.17%
15.	Kravis Investment Partners LLC	5,384,220	1.14%
16.	Adwaita Nayar-Sanjay Nayar Family Trust(2)	4,750,000	1.00%
17.	Anchit Nayar-Sanjay Nayar Family Trust(3)	4,750,000	1.00%
	Total	**413,326,890**	**87.34%**

** The percentage of the pre-Offer Equity Share capital on a fully diluted basis has been calculated after including all the outstanding options (including ungranted options of 47,710 and granted options of 5,892,410) under the ESOS Schemes.*

(1) Holding Equity Shares through its trustees, Falguni Nayar and Sanjay Nayar.

(2) Holding Equity Shares through its its trustees, Adwaita Nayar, Sanjay Nayar and Falguni Nayar.

(3) Holding Equity Shares through its its trustees, Anchit Nayar, Sanjay Nayar and Falguni Nayar.

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, and the number of Equity Shares held by them 10 days prior to the date of filing of this Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value of ₹1 each	Percentage of the pre-Offer Equity Share Capital on a fully diluted basis (%)*
1.	Sanjay Nayar Family Trust (1)	120,118,920	25.38%
2.	Falguni Nayar Family Trust (1)	104,305,770	22.04%
3.	Harindarpal Singh Banga jointly with Indra Banga	40,679,790	8.60%
4.	Sunil Kant Munjal	21,189,300	4.48%
5.	Narotam Sekhsaria	17,085,150	3.61%
6.	Steadview Capital Mauritius Ltd	16,384,440	3.46%
7.	TPG Growth IV SF Pte. Ltd	16,264,560	3.44%
8.	Lighthouse India Fund III, Limited	14,533,860	3.07%
9.	Anchit Nayar Family Trust (1)	14,370,000	3.04%
10.	Adwaita Nayar Family Trust (1)	14,370,000	3.04%
11.	Mala Gaonkar	11,390,190	2.41%
12.	Fidelity Securities Fund: Fidelity Blue Chip Growth Fund	6,140,430	1.30%
13.	Rishabh Mariwala	5,571,810	1.18%
14.	Yogesh Agencies & Investments Private Limited	5,538,450	1.17%
15.	Kravis Investment Partners LLC	5,384,220	1.14%
	Total	**413,326,890**	**87.34%**

** The percentage of the pre-Offer Equity Share capital on a fully diluted basis has been calculated after including all*

the outstanding options (including ungranted options of 47,710 and granted options of 5,892,410) under the ESOS Schemes.

(1) Holding Equity Shares through its trustees, Falguni Nayar and Sanjay Nayar.

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of equity shares of face value of ₹10 each	Percentage of the pre-Offer Equity Share Capital on a fully diluted basis (%)*
1.	Sanjay Nayar Family Trust (1)	4,003,964	25.38%
2.	Falguni Nayar Family Trust(1)	3,313,331	21.64%
3.	Harindarpal Singh Banga jointly with Indra Banga	1,355,993	8.60%
4.	Sunil Kant Munjal	706,310	4.48%
5.	Narotam Sekhsaria	569,505	3.61%
6.	Steadview Capital Mauritius Ltd	546,148	3.46%
7.	TPG Growth IV SF Pte. Ltd	542,152	3.44%
8.	Lighthouse India Fund III, Limited	484,462	3.07%
9.	Mala Gaonkar	404,773	2.57%
10.	Adwaita Nayar Family Trust (1)	400,000	2.54%
11.	Anchit Nayar Family Trust (1)	400,000	2.54%
12.	Rishabh Mariwala	185,727	1.18%
13.	Yogesh Agencies & Investments Private Limited	184,615	1.17%
14.	Kravis Investment Partners LLC	179,474	1.14%
15.	J M Financial and Investment Consultancy Services Pvt. Ltd	152,187	0.96%
	Total	**13,428,641**	**85.76%**

** The percentage of the pre-Offer equity share capital on a fully diluted basis has been calculated after including all the outstanding 358,849 options (which include ungranted options and granted options) under the ESOS Schemes and all the outstanding 450,528 OCRPS (including ungranted and granted OCRPS).*

(1) Holding Equity Shares through its trustees, Falguni Nayar and Sanjay Nayar.

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them two years prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares of face value of ₹10 each	Percentage of the pre-Offer Equity Share Capital on a fully diluted basis (%)*
1.	Sanjay Nayar Family Trust	4,003,964	26.66%
2.	Falguni Nayar Family Trust	3,313,331	22.06%
3.	Harindarpal Singh Banga Jointly with Indra Banga	1,355,993	9.03%
4.	Sunil Kant Munjal	992,940	6.61%
5.	Narotam Sekhsaria	569,505	3.79%
6.	TPG Growth IV SF Pte. Ltd	542,152	3.61%
7.	Lighthouse India Fund III, Limited	484,462	3.23%
8.	Mala Gaonkar	404,773	2.70%
9.	Adwaita Nayar Family Trust	400,000	2.66%
10.	Anchit Nayar Family Trust	400,000	2.66%
11.	Rishabh Mariwala	185,727	1.24%
12.	Yogesh Agencies & Investments Private Limited	184,615	1.23%
13.	Kravis Investment Partners LLC	179,474	1.20%
14.	J M Financial and Investment Consultancy Services Private Limited	152,187	1.01%
15.	Lexdale International Ltd.	145,766	0.97%
	Total	**13,314,889**	**88.66%**

** The percentage of the pre-Offer equity share capital on a fully diluted basis has been calculated after including all the outstanding 764,015 options (including ungranted options and granted options) under the ESOS Schemes.*

8. Except for the Equity Shares or the employee stock options that may be allotted or granted pursuant to the ESOS Schemes, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a private placement basis / preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

9. Except for the Equity Shares or employee stock options that may be allotted or granted pursuant to the ESOS Schemes, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Red Herring Prospectus.

10. **Employee Stock Option Schemes**

The ESOS Schemes are in compliance with the SEBI SBEB Regulations. Our Company may grant options under the ESOS Schemes prior to filing this Red Herring Prospectus with the RoC.

As on the date of this Red Herring Prospectus, our Company has granted an aggregate of 34,586,840 options under ESOS 2012 and ESOS 2017. Further, as on the date of this Red Herring Prospectus our Company has 47,710 ungranted options under the ESOS Schemes.

ESOS 2012

Pursuant to the resolutions passed by our Board on May 30, 2012 and by our Shareholders on May 31, 2012 which was subsequently amended pursuant to our board resolutions dated August 13, 2019, April 21, 2020, July 9, 2021 and September 18, 2021 and shareholders' resolutions dated November 26, 2019, April 21, 2020, July 16, 2021 and September 30, 2021. Our Company approved the ESOS-2012 Scheme for issue of employee stock options to eligible employees, which may result in issue of not more than 800,000 equity shares (subject to adjustments for corporate actions such as bonus issue or subdivision of equity shares). Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. The ESOS 2012 is administered by our Nomination and Remuneration Committee.

As on the date of this Red Herring Prospectus, our Company has granted 24,364,990 options under ESOS 2012. The total number of options available under ESOS 2012 is 165,310 options which are convertible into 165,310 Equity Shares (adjusted for corporate actions such as bonus issue and subdivision of equity shares).

The details of the ESOS 2012, as certified by Joint Statutory Auditor, V.C. Shah & Co., Chartered Accountants through a certificate dated October 20, 2021, as follows.

Particulars	**Details**			
	Financial Year ended March 31, 2019	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**
Total options outstanding as at the beginning of the year/period	1,69,72,590	1,41,42,600	1,00,75,380	5,25,930
Option granted during the year/period.	-	-	-	1,55,500
	Cumulative options granted as on the date of this Red Herring Prospectus: 2,43,64,990			
Options vested during the year/period.	46,23,450	40,76,820	19,89,390	-
Vesting Period	3-4 years	3-4 years	3-4 years	3-4 years
Options exercised during the year/period.	28,10,010	40,67,220	94,89,450	5,16,120

Particulars	Details			
	Cumulative options exercised as on the date of this Red Herring Prospectus: 2,38,09,080 (From 2012 till date)			
Options forfeited/ lapsed/ cancelled during the year/period.	19,980	-	60,000	-
Options outstanding (including vested and unvested options) at the end of the year/period	1,41,42,600	1,00,75,380	5,25,930	1,65,310
Exercise price of options - weighted average exercise price per option (in ₹)	8.77	11.30	12.25	14.91
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)(vested + unvested options)	1,41,42,600	1,00,75,380	5,25,930	1,65,310
Variation in terms of options	NA	NA	On 21 April 2020, the company increased the exercise period of stock options under the employee stock option scheme-ESOS 2012 from 3 years to 4 years.	NA
Money realised by exercise of options (in ₹ million)	24.64	45.96	116.25	7.70
Total number of options in force (excluding options not granted) (Options Outstanding at the end of the Year/Period)	1,41,42,600	1,00,75,380	5,25,930	1,65,310
Employee wise details of options granted to				

(i) Key Managerial Personnel

- KMP -As on the date of Red Herring Prospectus

Name of employee	Total Number of Options Granted	Number of Options Outstanding as on the date of Red Herring Prospectus
Manoj Jaiswal	7,20,000	-
Nihir Parikh	33,00,000	-
Reena Chhabra	33,00,000	-
Sanjay Suri	33,00,000	-

(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Employee Name	Total Number of Options Granted	Number of Options Outstanding as on the date of Red Herring Prospectus
Chanakya Sharma	1,05,000	1,05,000
Prateek Kesarwani	9,000	9,000
Vijayendra K	9,000	9,000
Sachin Kataria	8,500	8,500
Lalit Pruthi	9,000	9,000

Particulars	Details			
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant (Post split and bonus)	**Financial Year ended March 31, 2019**	**Financial ended March 31, Year 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of the Red Herring Prospectus**
	Not Applicable			
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹) from continuing operations.	**Financial Year ended March 31, 2019**	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**
Post spilt of equity shares and bonus	(0.59)	(0.39)	1.34	Not determinable at this stage
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not applicable because our Company has accounted employee compensation in books using the fair value of options.			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **Financial Year ended March 31, 2019**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	1.50 - 2.50	2.50 - 3.50	3.50 - 4.50	4.50 - 5.50
- Volatility (% p.a.)	23.03% to 28.17%	23.16% to 28.24%	23.38% to 27.91%	24.00% to 28.56%
- Risk Free Rate of Return (%)	6.32% to 7.95%	6.36% to 8.00%	6.44% to 8.00%	6.41% to 7.92%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **Financial Year ended March 31, 2020**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	1.50 - 2.50	2.50 - 3.50	3.50 - 4.50	4.50 - 5.50
- Volatility (% p.a.)	23.03% to 28.17%	23.16% to 28.24%	23.38% to 27.91%	24.00% to 28.56%

Particulars	Details			
- Risk Free Rate of Return (%)	6.32% to 7.95%	6.36% to 8.00%	6.44% to 8.00%	6.41% to 7.92%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **Financial Year ended March 31, 2021**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	1.5	2.5	3.5	4.5
- Volatility (% p.a.)	23.03% to 28.17%	23.16% to 28.24%	23.38% to 27.91%	24.00% to 28.56%
- Risk Free Rate of Return (%)	6.32% to 7.95%	6.36% to 8.00%	6.44% to 8.00%	6.41% to 7.92%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **Financial Year ended March 31, 2021 (Modification During the Year)**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	NA	NA	2.13 - 2.42	2.05 - 2.70
- Volatility (% p.a.)	NA	NA	30.53%	28.94% to 30.53%
- Risk Free Rate of Return (%)	NA	NA	4.7%	4.70% to 4.88%
- Dividend Yield (% p.a.)	NA	NA	Nil	Nil
- Exercise price per share (₹)	NA	NA	6,059.56	6,059.56
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **For the period from April 1, 2021 till the date of this Red Herring Prospectus.**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	1.50 - 2.50	2.50 - 3.50	3.50 - 4.50	4.50 - 5.50

Particulars	Details			
- Volatility (% p.a.)	23.03% to 32.83%	23.16% to 30.29%	23.38% to 28.80%	24.00% to 28.56%
- Risk Free Rate of Return (%)	4.08% to 7.95%	4.81% to 8.00%	5.19% to 8.00%	5.56% to 7.92%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21	97.01 - 650.21

	Financial Year ended March 31, 2019	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**
The weighted average share price on the date of grant (₹)	NA	NA	NA	594

Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years	**Financial Year ended March 31, 2019**	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**
	Not applicable because the company has accounted employee compensation using the fair value of options.			

Intention of the Key Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	**Name of employee**	**Total number of Equity Shares**
	No such intention is reported.	

Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	No such intention is reported.

Note: *Subsequent to the year ended March 31, 2021, the Board of Directors and shareholders in their meeting dated July 15 2021 and July 16, 2021 respectively approved sub-division of each equity shares of ₹ 10 into ten equity shares of face value of ₹ 1 each, issue of two bonus shares for every one existing fully paid up equity share of face value of ₹ 1 each, number of options are updated in the table to factor the impact of above events.*

ESOS 2017

Pursuant to the resolutions passed by our Board on October 6, 2017 and by our Shareholders on October 10, 2017, our Company approved the ESOS-2017 Scheme for issue of employee stock options to eligible employees which was subsequently amended pursuant to our board resolutions dated August 13, 2019, April 21, 2020, July 9, 2021 and September 18, 2021 and shareholders' resolutions dated November 26, 2019, April 21, 2020, July 16, 2021 and September 30, 2021 which may result in issue of not more than 3,00,000 equity shares (subject to adjustments for corporate actions such as bonus issue or subdivision of equity shares) subject to terms and conditions determined by the Board from time to time in accordance with ESOS 2017.

As on the date of this Red Herring Prospectus, our Company has granted 10,221,850 options under ESOS 2017. The total number of options available under ESOS 2017 is 5,727,100 which are convertible into 5,727,100 Equity Shares (adjusted for corporate actions such as bonus issue and subdivision of equity shares).

The details of the ESOS 2017, as certified by Statutory Auditor, V.C. Shah & Co., Chartered Accountants through a certificate dated October 20, 2021, as follows:

Particulars	Details			
	Financial Year ended March 31, 2019	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of the Red Herring Prospectus**
Total options outstanding as at the beginning of the year/period	23,53,500	43,06,650	51,97,200	56,57,280
Option granted during the year/period.	21,93,750	11,29,500	25,41,000	20,04,100
	Cumulative options granted as on the date of this Red Herring Prospectus: 1,02,21,850			
Options vested during the year/period.	6,53,400	13,34,100	14,57,850	7,31,100
Vesting Period	3-4years	3-4years	3-4years	3-4years
Options exercised during the year/period.	11,100	1,78,950	14,85,270	15,75,480
	Cumulative options exercised as on the date of this Red Herring Prospectus: 32,50,800			
Options forfeited/ lapsed/ cancelled during the year/period.	2,29,500	60,000	5,95,650	3,58,800
Options outstanding (including vested and unvested options) at the end of the year/period	43,06,650	51,97,200	56,57,280	57,27,100
Exercise price of options - weighted average exercise price per option (in ₹)	21.67	48.31	41.51	58.68
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (vested + unvested options)	43,06,650	51,97,200	56,57,280	57,27,100
Variation in terms of options	NA	NA	On 21 April 2020, the company increased the exercise period of stock options under the employee stock option scheme-ESOS 2017 from 3 years to 4 years.	NA
Money realised by exercise of options (in ₹ million)	0.24	8.65	61.66	92.45
Total number of options in force (excluding options not granted)(Options Outstanding at the end of the year/ period)	43,06,650	51,97,200	56,57,280	57,27,100
Employee wise details of options granted to				

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>(i) Key Managerial Personnel
- KMP -As on the date of Red Herring Prospectus</td><td>
<table>
<tr><th>Name of employee</th><th>Total Number of Options Granted</th><th>Number of Options Outstanding as on the date of Red Herring Prospectus</th></tr>
<tr><td>Arvind Agarwal</td><td>1,20,000</td><td>1,20,000</td></tr>
<tr><td>Manoj Jaiswal</td><td>60,000</td><td>60,000</td></tr>
<tr><td>Nihir Parikh</td><td>1,20,000</td><td>1,20,000</td></tr>
<tr><td>Rajendra Punde</td><td>39,000</td><td>39,000</td></tr>
<tr><td>Reena Chhabra</td><td>1,20,000</td><td>1,20,000</td></tr>
<tr><td>Sanjay Suri</td><td>1,50,000</td><td>1,50,000</td></tr>
<tr><td>Shalini Raghavan</td><td>1,50,000</td><td>1,50,000</td></tr>
<tr><td>Surender Mehta</td><td>3,00,000</td><td>3,00,000</td></tr>
<tr><td>Vikas Gupta</td><td>2,85,000</td><td>2,85,000</td></tr>
<tr><td>Gopal Asthana</td><td>1,20,000</td><td>1,01,250</td></tr>
<tr><td>Kingshuk Basu</td><td>1,05,000</td><td>1,05,000</td></tr>
</table>
</td></tr>
<tr><td>(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>
<table>
<tr><th>Employee Name</th><th>Total Number of Options Granted</th><th>Number of Options Outstanding as on the date of Red Herring Prospectus</th></tr>
<tr><td>Gaurav Tejwani (Exited)</td><td>1,20,000</td><td>-</td></tr>
<tr><td>Shashwat Gupta (Exited)</td><td>1,50,000</td><td>-</td></tr>
<tr><td>Neha Grover</td><td>1,20,000</td><td>20,400</td></tr>
<tr><td>Tarun Tiwari</td><td>1,80,000</td><td>60,000</td></tr>
<tr><td>Sumant Kasliwal</td><td>1,73,250</td><td>86,850</td></tr>
<tr><td>Ashish Singh</td><td>90,000</td><td>67,500</td></tr>
<tr><td>Shuchi Pandya</td><td>1,50,000</td><td>1,50,000</td></tr>
</table>
</td></tr>
</table>

Particulars	Details			
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	**Financial Year ended March 31, 2019**	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**
	Not Applicable			
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹) from continuing operations. Post spilt of equity shares	**Financial Year ended March 31, 2019**	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**
	(0.59)	(0.39)	1.34	Not determinable at this stage
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not applicable because our Company has accounted employee compensation in books using the fair value of options.			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **Financial Year ended March 31, 2019**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	2.67 - 2.90	3.27- 3.29	3.92- 4.09	4.59 - 5.09
- Volatility (% p.a.)	22.76% to 26.58%	22.76% to 26.58%	24.42% to 27.03%	24.59% to 27.12%
- Risk Free Rate of Return (%)	6.32% to 7.96%	5.85% to 7.96%	6.01% to 8.01%	6.18% to 8.04%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	650.21 - 3862.61	650.21 - 3862.61	650.21 - 3862.61	650.21 - 3862.61
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free	Black – Scholes Method **Financial Year ended March 31, 2020**			

Particulars	Details			
interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option				
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	2.67 - 2.90	3.27- 3.29	3.92- 4.09	4.59 - 5.09
- Volatility (% p.a.)	22.76% to 26.58%	22.76% to 26.58%	24.42% to 27.03%	24.59% to 27.12%
- Risk Free Rate of Return (%)	6.32% to 7.96%	5.85% to 7.96%	6.01% to 8.01%	6.18% to 8.04%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	650.21 - 3862.61	650.21 - 3862.61	650.21 - 3862.61	650.21 - 3862.61
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **Financial Year ended March 31, 2021**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	2.67 - 3.22	3.27- 3.80	3.92- 4.26	4.59 - 5.09
- Volatility (% p.a.)	22.76% to 30.67%	22.76% to 29.59 %	24.42% to 29.49%	24.59% to 28.77%
- Risk Free Rate of Return (%)	6.32% to 7.96%	6.32% to 7.96%	6.43% to 8.01%	6.45% to 8.04%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	650.21 - 6,059.56	650.21 - 6,059.56	650.21 - 6,059.56	650.21 - 6,059.56
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black – Scholes Method **Financial Year ended March 31, 2021(Modifications During the Year)**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	2.45 - 3.00	2.19 - 4.00	2.19 - 5.00	3.30 - 6.00
- Volatility (% p.a.)	28.94% to 30.53%	27.90% to 30.53%	27.66% to 30.53%	27.36% to 28.94%
- Risk Free Rate of Return (%)	4.70% to 4.88%	4.70% to 5.21%	4.70% to 5.82%	4.88% to 5.91%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	6,059.56	6,059.56	6,059.56	6,059.56
Description of the pricing formula and the method and significant	Black – Scholes Method			

Particulars	Details			
assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**			
	Tranche I	**Tranche II**	**Tranche III**	**Tranche IV**
- Expected life of options (years)	2.26 - 3.22	2.73 - 3.80	3.23 - 4.26	4.23 - 5.09
- Volatility (% p.a.)	22.76% to 33.45%	22.76% to 30.86 %	24.42% to 30.86%	24.59% to 29.38%
- Risk Free Rate of Return (%)	4.08% to 7.96%	4.76% to 7.96%	4.76% to 8.01%	5.05% to 8.04%
- Dividend Yield (% p.a.)	Nil	Nil	Nil	Nil
- Exercise price per share (₹)	594.00* - 10766.75	594.00* - 10766.75	594.00* - 10766.75	594.00* - 10766.75
**₹ 594 is post split and bonus*				
	Financial Year ended March 31, 2019	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2021**	**For the period from April 1, 2021 till the date of this Red Herring Prospectus**
The weighted average share price on the date of grant (₹)	73.77	125.92	201.99	421.02
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years	Not applicable because our Company has accounted employee compensation in books using the fair value of options.			
Intention of the Key Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	**Name of employee**			**Total number of Equity Shares**
	No such intention is reported.			

Particulars	Details
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	No such intention is reported.

Note: *Subsequent to the year ended March 31, 2021, the Board of Directors and shareholders in their meeting dated July 15 2021 and July 16, 2021 respectively approved sub-division of each equity shares of ₹ 10 into ten equity shares of face value of ₹ 1 each, issue of two bonus shares for every one existing fully paid up equity share of face value of ₹ 1 each, number of options are updated in the table to factor the impact of above events.*

11. ***Details of shareholding of our Promoters and members of the Promoter Group in our Company***

(a) As on the date of this Red Herring Prospectus, our Promoters hold 214,924,690 Equity Shares, equivalent to 45.99% of the issued, subscribed and paid-up Equity Share capital of our Company.

(b) ***History of build-up, contribution and lock-in of Promoters shareholding***

Build-up of the Promoters' shareholding in our Company

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Name of Promoter	Nature of transaction	Nature of consideration	Date of Allotment/ Transfer / Transmission	No. of Equity Shares	Face value per Equity Share (₹)	Offer Price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Falguni Nayar	Initial subscription to the Memorandum of Association	Cash	May 8, 2012	9,998	10.00	10.00	0.02	[●]
	Further Issue	Cash	July 2, 2012	200,000	10.00	10.00	0.43	[●]
	Rights Issue	Cash	October 1, 2013	790,000	10.00	10.00	1.69	[●]
	Rights Issue	Cash	March 27, 2014	3,000,000	10.00	10.00	6.42	[●]
	Transfer from Kutubuddin Ariwala	Cash	May 12, 2017	1,320	10.00	650.00	Negligible	[●]
	Transfer from Rayhan Kapadia	Cash	August 3, 2017	2,646	10.00	650.00	0.01	[●]
	Transfer to Sanjay Nayar Family Trust	Gift	August 13, 2019	(4,003,964)	10.00	Nil	(8.57)	[●]
Total shareholding				**Nil**			-	[●]
Sanjay Nayar	Further Issue	Cash	July 2, 2012	209,998	10.00	10.00	0.45	[●]
	Rights Issue	Cash	October 1, 2013	790,000	10.00	10.00	1.69	[●]
	Rights Issue	Cash	March 27, 2014	3,000,000	10.00	10.00	6.42	[●]
	Transfer from Vijay Gaddamanugu	Cash	October 31, 2014	213,333	10.00	97.09	0.46	[●]
	Transfer to Adwaita Nayar	Gift	February 16, 2015	(400,000)	10.00	Nil	(0.86)	[●]
	Transfer to Smita Parekh	Cash	March 26, 2015	(100,000)	10.00	100.00	(0.21)	[●]
	Transfer to Anchit Nayar	Gift	August 13, 2019	(400,000)	10.00	Nil	(0.86)	[●]
	Transfer to Falguni Nayar Family Trust	Gift	August 13, 2019	(3,313,331)	10.00	Nil	(7.09)	[●]
Total shareholding				**Nil**			-	[●]
Falguni	Transfer from	Gift	August 13,	3,313,331	10.00	Nil	7.09	[●]

Name of Promoter	Nature of transaction	Nature of consideration	Date of Allotment/ Transfer / Transmission	No. of Equity Shares	Face value per Equity Share (₹)	Offer Price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Nayar Family Trust	Sanjay Nayar		2019					
	Conversion of 8,028 OCRPS	N.A.	June 30, 2021	8,028	10.00	Not applicable	0.02	[●]
	Conversion of 100,000 OCRPS	N.A.	June 30, 2021	100,000	10.00	Not applicable	0.21	[●]
	Conversion of 23,500 OCRPS	N.A.	June 30, 2021	23,500	10.00	Not applicable	0.05	[●]
	Conversion of 20,000 OCRPS	N.A.	June 30, 2021	20,000	10.00	Not applicable	0.04	[●]
	Conversion of 12,000 OCRPS	N.A.	July 15, 2021	12,000	10.00	Not applicable	0.03	[●]
	Pursuant to a board resolution dated July 15, 2021 and a shareholders' resolution dated July 16, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 1 each and accordingly, 3,476,859 equity shares of face value of ₹ 10 each held by Falguni Nayar Family Trust were sub-divided into 34,768,590 Equity Shares of face value of ₹ 1 each.							
	Bonus issue	N.A.	July 22, 2021	69,537,180	1.00	Not applicable	14.88	[●]
Total shareholding				**104,305,770**			**22.32**	[●]
Sanjay Nayar Family Trust	Transfer from Falguni Nayar	Gift	August 13, 2019	4,003,964	10.00	Nil	8.57	[●]
	Pursuant to a board resolution dated July 15, 2021 and a shareholders' resolution dated July 16, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 1 each and accordingly, 4,003,964 equity shares of face value of ₹ 10 each held by Sanjay Nayar Family Trust were sub-divided into 40,039,640 Equity Shares of face value of ₹ 1 each.							
	Bonus issue	N.A.	July 22, 2021	80,079,280	1.00	Not applicable	17.14	[●]
	Transfer to Adwaita Nayar-Sanjay Nayar Family Trust	Distribution to beneficiary of the trust	October 5, 2021	(4,750,000)	1.00	Nil	(1.02)	[●]
	Transfer to Anchit Nayar-Sanjay Nayar Family Trust	Distribution to beneficiary of the trust	October 5, 2021	(4,750,000)	1.00	Nil	(1.02)	[●]
Total shareholding				**110,618,920**			**23.67**	[●]

(c) Other than 3,000,000 Equity Shares allotted to each of Falguni Nayar and Sanjay Nayar which were partly paid-up at the time of allotment and were subsequently fully paid-up, all the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as the case may be.

(d) One of our Promoters, Falguni Nayar Family Trust has pledged 20,311,800 Equity Shares in favour of a systemically important NBFC, Infina Finance Private Limited ("**Infina Finance**"), aggregating to 4.35 % of our Company's pre-Offer Equity Share capital. This pledge is against a total loan of ₹ 1,873.20 million availed by Falguni Nayar Family Trust, Anchit Nayar Family Trust and Adwaita Nayar Family Trust. Pursuant to the terms of the sanction letters and other loan documents, Infina Finance has temporarily released their pledge on these Equity Shares on the day prior to the filing of this Red Herring Prospectus with the RoC with a condition to re-pledge these Equity Shares to Infina Finance within 1 (one) business day from the date of lock-in being marked by the Depository and in any case before the listing of the Equity Shares, time being the essence of the contract.

(e) Other than as disclosed below, none of the members of the Promoter Group (other than our Promoters), hold any Equity Shares as on the date of this Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Pre-Offer		Post- Offer*	
		No. of Equity Shares	% of the total paid-up Equity Share Capital	No. of Equity Shares	% of the total Equity Share Capital
Members of the Promoter Group (other than the Promoters)					
1.	Adwaita Nayar Family Trust***	14,370,000	3.07	14,370,000	[●]
2.	Anchit Nayar Family Trust**	14,370,000	3.07	14,370,000	[●]
3.	Adwaita Nayar-Sanjay Nayar Family Trust***	47,50,000	1.02	47,50,000	[●]
4.	Anchit Nayar-Sanjay Nayar Family Trust**	47,50,000	1.02	47,50,000	[●]
5.	Anchit Nayar	160,080	0.03	160,080	[●]
6.	Adwaita Nayar	30,060	0.01	30,060	[●]
7.	Rashmi Mehta	10,527	Negligible	10,527	[●]

**Subject to finalisation of Basis of Allotment*
***held through its trustees, Anchit Nayar, Sanjay Nayar and Falguni Nayar.*
****held through its trustees, Adwaita Nayar, Sanjay Nayar and Falguni Nayar.*

(f) Except as disclosed below and under "*–Build-up of the Promoters' shareholding in our Company*", none of the members of the Promoter Group, the Promoters, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of the Red Herring Prospectus:

Date	Nature of transaction	Number of Equity Shares	Face value (₹)	Issue price (₹)	Form of Consideration
July 10, 2021	Transfer to Adwaita Nayar	2	10.00	N.A.	Gift
July 10, 2021	Transfer to Anchit Nayar	2	10.00	N.A.	Gift
October 1, 2021	Transfer from Rahul Sharma to Rashmi Mehta	10,527	1.00	950.00	Cash
October 1, 2021	Transfer from Pulkit Swarup to Anita Ramachandran jointly with Krishnan Ramachandran	5,264	1.00	950.00	Cash
October 1, 2021	Transfer from Tarvinder Pal Singh to Alpana Parida jointly with Samaresh Parida	10,527	1.00	950.00	Cash
October 1, 2021	Transfer from Tarvinder Pal Singh to Milind Sarwate	10,526	1.00	950.00	Cash
October 1, 2021	Transfer from Ruchi Padhya to Pradeep Parameswaran	5,264	1.00	950.00	Cash
October 1, 2021	Transfer from Mriganki Tyagi to Prakash Bhagwandas Khakhar jointly with Shraddha Prakash Khakhar	2,892	1.00	950.00	Cash

Date	Nature of transaction	Number of Equity Shares	Face value (₹)	Issue price (₹)	Form of Consideration
October 5, 2021	Transfer from Sanjay Nayar Family Trust to Anchit Nayar -Sanjay Nayar Family Trust	4,750,000	1.00	N.A.	Distribution to beneficiary
October 5, 2021	Transfer from Sanjay Nayar Family Trust to Adwaita Nayar- Sanjay Nayar Family Trust	4,750,000	1.00	N.A.	Distribution to beneficiary
October 5, 2021	Transfer from Kutubuddin Inayat Ariwala to Prakash Bhagwandas Khakhar jointly with Shraddha Prakash Khakhar	7,635	1.00	950.00	Cash

(g) There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

12. ***Details of Promoters' contribution and lock-in***

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital (assuming exercise of all vested options, under ESOS 2012 and ESOS 2017) of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post- Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of the Promoter	Date of allotment of the Equity Shares	Nature of transaction	Date of transaction and when made fully paid-up	Face Value (₹)	Offer / acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Total					[●]	[●]	

(iii) The Promoters have consented to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital (assuming exercise of all vested options as on the date of this DRHP, under ESOS 2012 and ESOS 2017) of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- The Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets and have not been issued against Equity Shares which are otherwise ineligibile for Promoters' contribution; or

(b) resulting from a bonus issue of equity shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against equity shares, which are otherwise ineligible for Promoters' Contribution;

- The Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year or are not arising out of securities allotted during the preceding year;
- Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm; and
- The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other encumbrance.

13. ***Details of other lock-in***

In addition to the Promoter's Contribution, which will be locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked in for a period of one year from the date of Allotment pursuant to Regulation 16(1)(b) and Regulation 17 of the SEBI ICDR Regulations, except for (i) the Equity Shares which have been allotted to the employees under the ESOS Schemes pursuant to exercise of options held by such employees; (ii) the Equity Shares Allotted pursuant to the Offer; and (iii) the Equity Shares held by VCFs, Category I or II AIFs or FVCIs, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least one year from the date of purchase by a VCF or Category I or II AIF or FVCI.

14. ***Lock-in of Equity Shares Allotted to Anchor Investors***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

15. ***Recording on non-transferability of Equity Shares locked-in***

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

16. ***Other requirements in respect of lock-in***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit accepting housing finance company, subject to the following:

(a) One of our Promoters, Falguni Nayar Family Trust has pledged 20,311,800 Equity Shares in favour of a systemically important NBFC, Infina Finance Private Limited ("**Infina Finance**"), aggregating to 4.35 % of our Company's pre-Offer Equity Share capital. This pledge is against a total loan of ₹ 1,873.20 million availed by Falguni Nayar Family Trust, Anchit Nayar Family Trust and Adwaita Nayar Family Trust. Pursuant to the terms of the sanction letters and other loan documents, Infina Finance has temporarily released their pledge on these Equity Shares on the day prior to the filing of this Red Herring Prospectus with the RoC with a condition to re-pledge these Equity Shares to Infina Finance within 1 (one) business day from the date of lock-in being marked by the Depository and in any case before the listing of the Equity Shares, time being the essence of the contract.

(b) With respect to the Equity Shares locked-in as Minimum Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company or our Subsidiaries for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations. In terms of Regulation

22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations. Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

17. All Equity Shares issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

18. As on the date of the Red Herring Prospectus, other than J M Financial and Investment Consultancy Services Private Limited, which is an associate of JM Financial Limited in terms of the SEBI Merchant Bankers Regulations, the Lead Managers and their respective associates, do not hold any Equity Shares of our Company.

19. As on the date of this Red Herring Prospectus, all the Equity Shares held by our Promoters are held in dematerialized form.

20. Our Company, our Directors and the Lead Managers have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

21. Our Company shall ensure that any transaction in the securities of the Company by the Promoters and the Promoter Group during the period between the date of filing of this Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

22. Except as disclosed in "*Capital Structure – Share capital history of our Company – Equity Share capital*" on page 112, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

23. As on the date of the filing of this Red Herring Prospectus, our Company has 195 Shareholders.

24. Except as disclosed in "*Our Management-Shareholding of the Directors"* on page 255, none of our Directors hold any Equity Shares as on the date of this Red Herring Prospectus. Further, as disclosed in "*Our Management-Shareholding of the Key Managerial Personnel"* on page 274, none of the Key Managerial Personnel hold any Equity Shares as on the date of this Red Herring Prospectus.

25. Except to the extent of being the trustees/beneficiaries for the Promoter Selling Shareholder trust, who is offering Equity Shares in the Offer for Sale, none of the members of our Promoter Group will participate in the Offer nor receive any proceeds from the Offer.

26. No person including the Selling Shareholders, connected with the Offer shall offer or make payment of any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to

any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

27. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

Except for any issue of Equity Shares pursuant to exercise of options vested under the ESOS Schemes, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and an Offer for Sale.

Offer for Sale

Each of the Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting its portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Other than the listing fees for the Offer, which will be borne by our Company, and the fees and expenses of the legal counsel and the chartered accountants to the Selling Shareholders, which will be borne by the Selling Shareholders, all cost, fees and expenses in respect of the Offer will be shared amongst our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, upon successful completion of the Offer.

Fresh Issue

Requirement of funds:

We propose to utilise the Net Proceeds towards funding the following objects:

1. Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores;

2. Capital expenditure to be incurred by our Company and investment in certain of our Subsidiaries, namely, Nykaa E-Retail, Nykaa Fashion and FSN Brands for funding the set-up of new warehouses;

3. Repayment or prepayment, in full or in part, of certain borrowings availed by our Company and one of our Subsidiaries, namely, Nykaa E-Retail;

4. Expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands; and

5. General corporate purposes.

(collectively, the "**Objects**").

In addition to the Objects, our Company intends to strengthen its capital base and expects to receive the benefits of listing the Equity Shares on the Stock Exchanges, including, among other things, creation of a public market for our Equity Shares in India.

The main objects clause of the Memorandum of Association enables our Company to: **(i)** to undertake its existing business activities; and **(ii)** undertake the activities proposed to be funded from the Net Proceeds.

The deployment of funds has not been appraised by any bank or financial institution or any other independent agency.

Proceeds of the Fresh Issue

The details of the proceeds of the Fresh Issue are set forth below:

(in ₹ million)

Particulars	Amount
Gross Proceeds of the Fresh Issue	6,300
(Less) Expenses in relation to the Fresh Issue#	[•]
Net Proceeds*	[•]

 # All costs, fees and expenses relating to the Offer (other than the listing fees and the fees and

expenses of the legal counsel and chartered accountants to the Selling Shareholders) shall be shared amongst our Company and the Selling Shareholders as set out above.
** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

(in ₹ million)

Particulars	Amount*
Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	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
Repayment or prepayment of outstanding borrowings availed by our Company and one of our Subsidiaries, namely, Nykaa E-Retail	1,560.00
Expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands	2,340.00
General corporate purposes[#]	[•]
Total*	**[•]**

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*
[#]The amount to be utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Particulars	Total estimated amount to be utilized (in ₹ million)	Amount proposed to be financed from Net Proceeds (in ₹ million)*	Estimated utilisation of Net Proceeds (in ₹ million)		
			Financial Year 2022	Financial Year 2023	Financial Year 2024
Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	539.00	420.00	50.00	185.00	185.00
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	924.00	420.00	50.00	185.00	185.00
Repayment or prepayment of outstanding borrowings availed by our Company and one of our Subsidiaries,	N.A.	1,560.00	1,560.00	Nil	Nil

Particulars	Total estimated amount to be utilized (in ₹ million)	Amount proposed to be financed from Net Proceeds (in ₹ million)*	Estimated utilisation of Net Proceeds (in ₹ million)		
			Financial Year 2022	Financial Year 2023	Financial Year 2024
namely, Nykaa E-Retail					
General corporate purposes#	[•]	[•]	[•]	[•]	[•]
Total	**[•]**	**[•]**	**[•]**	**[•]**	**[•]**

**To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC*

#The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds

The total amount proposed to be utilized towards expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands is ₹2,340 million, and is proposed to be deployed by the March 31, 2024, in accordance with our requirements. Since such expenditure does not involve the implementation of any specific project, a schedule of deployment of funds in relation to such Object has not been provided. We undertake to utilise the Net Proceeds towards the Objects by March 31, 2024, in accordance with applicable law.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, all of which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds*" on page 85.

Details of the Objects

1. **Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores**

   We propose to utilize ₹ 420 million out of the Net Proceeds towards investment in FSN Brands and / or Nykaa Fashion, for the purpose of setting-up new retail stores, with an aggregate built-up area of approximately 87,000 square feet, to be undertaken over the course of Financial Years 2022, 2023 and 2024. Our Company proposes to invest such amounts from the Net Proceeds either directly or indirectly, by way of subscription to equity shares, preference shares, non-convertible debentures and/or by way of sub-ordinate debt. Such investments into these Subsidiaries may be in the form of debt or equity, or in any other manner. The actual mode of investment has not been finalised as on the date of this Red Herring Prospectus, and will be finalized at the time of utilization of the funds received from the Net Proceeds. Our Company expects to benefit from the set-up and operation of retail stores by FSN Brands and / or Nykaa Fashion by contributing to our organic growth, physical growth, customer and user acquisition and retention and the expansion of our business. For further details, see "*Our Business*" on page 190.

   Brief details of the business and financial information of our Subsidiaries, FSN Brands and Nykaa Fashion have been provided below:

   FSN Brands Marketing Private Limited ("**FSN Brands**")

   Nature of business: FSN Brands is authorised to engage in the business of import, purchase,

selling and distribution of beauty and wellness, personal care, health care, skin care, hair care and other related products through retail outlets, general trade and modern trade.

Platforms owned: FSN Brands is primarily engaged in the offline retail store businesses. It does not own any platform.

Sources of revenue:

a) *Sale of products*: Consists of selling of owned manufactured goods and trading goods - beauty, hygiene, fashion & accessories.

b) *Market Place Services*: Consists of rendering support services to sellers in respect of warehousing, logistics, order fulfilment, call centre, payment collection, reverse logistics, *etc.*

c) *Marketing Support Services*: Consists of amounts earned from general marketing and promotional services to various brands and sellers.

Indebtedness: As on June 30, 2021, FSN Brands has total outstanding borrowings amounting to ₹ 2,834.54 million

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The weblink for individual standalone financials: https://www.nykaa.com/investor-relations

Nykaa Fashion Private Limited ("**Nykaa Fashion**")

Nature of business: Nykaa Fashion is authorised to engage in the business of selling and distribution of fashion garments and fashion accessories on online platforms or websites such as through e-commerce, m-commerce, internet and intranet, as well as through stalls, *etc.*

Platforms owned: Nykaafashion.com, pipabella.com and twentydresses.com .

Sources of revenue:

a) *Sale of products*: Consists of selling of owned manufactured goods and trading goods - beauty, hygiene, fashion & accessories.

b) *Market Place Services*: Consists of rendering support services to sellers in respect of warehousing, logistics, order fulfilment, call centre, payment collection, reverse logistics, *etc.*

c) *Marketing Support Services*: Consists of amounts earned from general marketing and promotional services to various brands and sellers.

Indebtedness: As on June 30, 2021, Nykaa Fashion has total outstanding borrowings amounting to ₹ 500.17 million.

The weblink for individual standalone financials: https://www.nykaa.com/investor-relations

The following sets forth the details of the investments proposed to be made towards setting up of physical retail store network:

As of August 31, 2021, our offline retail store channel comprises 80 physical retail stores (comprising 79 stores for beauty and personal care products, and one store for fashion products) across 40 cities in India. We typically set up and operate three types of retail stores, being: (a) Nykaa Luxe; (b) Nykaa OnTrend; and (c) Nykaa Kiosk. For further details, see "*Our Business*" on page 190. We aim to invest further towards setting up our physical retail store network to serve more consumers across the country with our omnichannel experience.

The premises for the proposed new retail stores are expected to be taken on a lease basis. We typically lease our physical stores in India and do not own the underlying premises. For further details, see "*Our Business*" on page 190.

Details of capital expenditure for setting up of new retail stores

The capital expenditure for setting-up of new retail stores primarily comprises of the following:

1. Building infrastructure;

2. Electrical infrastructure;

3. Furniture fixtures;

4. Information technology infrastructure;

5. Visual merchandise; and

6. Safety, security and other infrastructure.

The sizes of our retail stores vary across regions and are dependent on various factors such as type / format of the retail store, availability of suitable locations, addressable market, lease rentals, competition within a given region or across regions, *etc*. Considering our strategy for setting-up new retail stores across regions, we have considered an average store size of 650 square feet ("**Average Store Size**") for arriving at the estimated costs for setting-up a new retail store. Our estimate of costs mentioned below are based on: (a) quotations received from our empanelled contractors or from vendors from whom we have purchased similar items for our retail stores in the past, and management estimates; and (b) our internal estimates for specifications and item requirements, based on our prior experience of setting-up similar retail stores.

The table below sets forth the break-up of the total estimated costs for setting-up of new retail stores, over three years:

(in ₹ million)

Particulars	Break-up of costs	Details of quotations	Estimated Cost
Building infrastructure	Includes the following: • general construction works; • tiles; • rolling shutter; and • store and fitout audit.	• Inner Space dated September 16, 2021; • Knight Frank (India) Private Limited dated September 14, 2021; • N.M. Stones Private Limited dated September 17, 2021; • Vindhyachal Interiors dated September 16, 2021; • Prism Johnson Limited dated September 17, 2021; • Rama Rolling Shutter Industries dated September 15, 2021	159.00
Electrical infrastructure	Includes the following: • heating, ventilation and air-conditioning works;	• Inner Space dated September 16, 2021;	64.00

Particulars	Break-up of costs	Details of quotations	Estimated Cost
	• light fixtures; and • music systems	• Focus Lighting and Fixtures Limited dated September 16, 2021; • Techmax Services dated September 25, 2021; • Vindhyachal Interiors dated September 16, 2021; and • Target A-Star Surveillance Systems dated September 14, 2021.	
Furniture fixture	Includes installation of furniture fixtures	• Disha Retail Fixtures Private Limited dated September 16, 2021; and • Vista Retail Private Limited dated September 15, 2021.	259.00
Information technology infrastructure	Includes the following: • POS sets; • barcode scanners; and • printers	• Techmax Services dated September 14, 2021.	22.00
Visual merchandise	Includes the following: • signage; and • television sets	• Aditya Enterprises dated September 14, 2021; • Aditya Enterprises dated September 17, 2021 • Radiant Synage Private Limited dated September 15, 2021; and • Credencys Solutions Private Limited dated September 15, 2021.	20.00
Safety, security and other infrastructure	Includes the following: • fire extinguishers; • CCTV systems; and • biometric machines.	• Ceasefire Industries Private Limited dated September 16, 2021; • IMCC & Co. dated September 16, 2021; and • Insignia E-Security Private Limited dated September 15, 2021.	15.00
Total			**539.00**

The validity of the quotations mentioned above ranges from a period of 60 days to a period of

six months. Further, some of the amounts mentioned in the quotations are exclusive of applicable taxes. We may not have entered into any definitive agreements with any or all of these contractors / vendors and there can be no assurance that the above-mentioned contractors / vendors would be eventually engaged to supply the above-mentioned materials. Our Promoters, Directors and KMPs have no interest in the proposed procurements.

2. **Capital expenditure to be incurred by our Company and investment in certain of our Subsidiaries, namely, Nykaa E-Retail, Nykaa Fashion and FSN Brands for funding the set-up of new warehouses**

We propose to utilize: (a) ₹ 50 million out of the Net Proceeds towards capital expenditure for funding the set-up of new warehouses by our Company; and (b) ₹ 370 million out of the Net Proceeds towards investment in certain of our Subsidiaries, namely, Nykaa E-Retail, Nykaa Fashion and FSN Brands for the purpose of setting-up new warehouses by Nykaa E-Retail, Nykaa Fashion and FSN Brands, with an aggregate built-up area of approximately 400,000 square feet, to be undertaken over the course of Financial Years 2022, 2023 and 2024.

Brief details of the business and financial information of our Subsidiary, Nykaa E-Retail have been provided below:

For details of the business and financial information of FSN Brands and Nykaa Fashion, please refer to "*–Investment in certain of our Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores*" at page 151 of this chapter.

Nykaa E-Retail Private Limited ("**Nykaa E-Retail**")

Nature of business: Nykaa E-Retail is authorised to engage in the business of selling beauty, hygiene and wellness products through online channels i.e. its online platforms or websites, and other online applications as well as through offline channels, i.e., stores, stalls, *etc.*

Platforms owned: Nykaa.com and NykaaMan.com

Sources of revenue:

a) *Sale of products*: Consists of selling of owned manufactured goods and trading goods - beauty, hygiene, fashion & accessories.

b) *Market Place Services*: Consists of rendering support services to sellers in respect of warehousing, logistics, order fulfilment, call centre, payment collection, reverse logistics, *etc.*

c) *Marketing Support Services*: Consists of amounts earned from general marketing and promotional services to various brands and sellers.

Indebtedness: As on June 30, 2021, Nykaa E-Retail has total outstanding borrowings amounting to ₹ 1,753.41 million.

The weblink for individual standalone financials: https://www.nykaa.com/investor-relations

The following sets forth the details of the investments proposed to be made towards set-up and operation of warehouses:

Our Company proposes to invest ₹ 370 million out of the Net Proceeds in Nykaa E-Retail, Nykaa Fashion and FSN Brands, either directly or indirectly, by way of subscription to equity shares, preference shares, non-convertible debentures and/or by way of sub-ordinate debt. Such investments into Nykaa E-Retail, Nykaa Fashion and FSN Brands may be in the form of debt or equity or in any other manner. The actual mode of investment has not been finalised as on the date of this Red Herring Prospectus and will be finalized at the time of utilization of the funds received from the Net Proceeds. We expect to benefit from the set-up and operation of warehouses by our Company, Nykaa E-Retail, Nykaa Fashion and FSN Brands, by contributing

to our organic growth, increased efficiency and reduction of time in delivery of products to our end customers and the expansion of our businesses. For further details, see "*Our Business*" beginning on page 190.

As of August 31, 2021, our network of warehouses comprised 20 warehouses (of which two are outsourced) across India, with a storage space of over 665,371 square feet. For further details, see "*Our Business*" on page 190.

The premises for the proposed warehouses are expected to be taken on a lease basis. We typically lease our warehouses in India and do not own the underlying premises. For further details, see "*Our Business*" on page 190.

Details of capital expenditure for setting up of new warehouses

The capital expenditure for setting-up of new warehouses primarily comprises of the following:

(a) Storage and material handling;

(b) Office infrastructure;

(c) Electrical infrastructure;

(d) Information technology infrastructure; and

(e) Safety, security and other infrastructure.

The size of our warehouses varies across regions and is dependent on various factors such as type/format of the warehouse, availability of suitable locations, addressable market, lease rentals, competition within a given region or across regions. Considering our strategy for setting-up new warehouses across regions, we have considered an average warehouse size of 50,000 square feet ("**Average Warehouse Size**") for arriving at the estimated costs for setting-up a new warehouse. Our estimate of costs mentioned above are based on: (a) quotations received from our empanelled contractors or from vendors from whom we have purchased similar items for our warehouses in the past, and management estimates; and (b) our internal estimates for specifications and item requirements based on our prior experience of setting-up similar warehouses.

The table below sets forth the total estimated costs for setting-up of new warehouses over three years:

(in ₹ million)

Particulars	Break-up of cost	Details of quotations	Estimated Cost
Storage and material handling	Includes the following: • racking and mezzanine work; • furniture fixtures, • conveyor belts; • industrial coolers; • epoxy flooring; • hand pallet trolleys, crates; and • PVC carpets and PVC strips.	• Aavon Steels Manufacturing Private Limited dated September 15, 2021; • Ankit Enterprises dated September 15, 2021; • Pragati Business Systems dated September 15, 2021; • Dev Enterprises dated September 16, 2021; • Tri Polorcon Private Limited dated September 16, 2021; • Aavon Steels Manufacturing Private	705.00

Particulars	Break-up of cost	Details of quotations	Estimated Cost
		Limited dated September 15, 2021; • Nilkamal Limited dated September 15, 2021; • Shree Siddhi Vinayak Enterprises dated September 15, 2021; and • Unitech India dated September 14, 2021.	
Office infrastructure	Includes the following: • aluminum partitions; • biometric machines; and • RO plants.	• Siyaram Aluminium Fabricators dated September 16, 2021; • Insignia E Security Pvt Ltd dated September 15, 2021; and • Purity Solutions dated September 15, 2021.	25.00
Electrical infrastructure	Includes the following: • electrical works; • Air conditioning; and • DG sets.	• Ishan Enterprises dated September 15, 2021; and • GSP Power Projects dated September 16, 2021	51.00
Information technology infrastructure	Includes the following: • weighing scales; • switches; • laptop computers; • desktop computers; • printers; • barcode printers and scanners; and • networking system.	• Smart Axis Electronics dated September 15, 2021; • Ogma Consulting Private Limited dated September 16, 2021; and • Techmax Services dated September 15, 2021.	104.00
Safety, security and other infrastructure	Includes the following: • fire extinguishers; • CCTV systems; and • PA systems.	• Perfect Security Systems dated September 15, 2021; and • Techmax Services dated September 15, 2021.	39.00
Total			**924.00**

The validity of the quotations mentioned above ranges for a period of 60 days. Further, some of the amounts mentioned in the quotations are exclusive of applicable taxes. We may have not entered into any definitive agreements with any or all of these contractors / vendors and there can be no assurance that the above-mentioned contractors / vendors would be engaged to eventually supply the above-mentioned materials. Our Promoters, Directors and KMPs have no interest in the proposed procurements.

3. **Repayment or prepayment in full or part, of outstanding borrowings availed by our Company and one of our Subsidiaries, namely, Nykaa E-Retail**

Our Company and one of our Subsidiaries, namely, Nykaa E-Retail, have entered into various financial arrangements from time to time. The loan facilities entered into by our Company and Nykaa E-Retail include borrowings in the form of, amongst other things, working capital facilities and cash credit facilities. For further details, see "*Financial Indebtedness*" on page 404.

As at June 30, the amount outstanding under our fund-based loan facilities was ₹ 2,681.34 million. We propose to utilise an estimated amount of: (a) ₹ 255 million from the Net Proceeds towards full or partial repayment or pre-payment of borrowings availed by our Company; and (b) ₹ 1,305 million out of the Net Proceeds for investment in Nykaa E-Retail, towards full or partial repayment or pre-payment of borrowings availed by Nykaa E-Retail.

Our Company proposes to invest such amounts from the Net Proceeds in Nykaa E-Retail either directly or indirectly, by way of subscription to equity shares, preference shares, non-convertible debentures and/or by way of sub-ordinate debt. Such investments into our Subsidiary may be in the form of debt or equity or in any other manner. The actual mode of investment has not been finalised as on the date of this Red Herring Prospectus and will be finalized at the time of utilization of the funds received from the Net Proceeds.

The following table provides details of certain borrowings availed by our Company and Nykaa E-Retail, which are outstanding as on June 30, 2021, which are currently proposed to be repaid or prepaid, in full or in part, to the extent of ₹ 1,560 million from the Net Proceeds. Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time, and our Company and Nykaa E-Retail may, in accordance with the relevant repayment schedule, repay or refinance, or prepay, some of their existing borrowings prior to Allotment. Accordingly, we may utilise the Net Proceeds for full or partial prepayment or repayment of any such refinanced facilities, or full or partial prepayment, or repayment of any additional facilities obtained by our Company and Nykaa E-Retail. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹ 1,560 million. For further details regarding the terms of the loans which are proposed to be repaid by our Company and one of our Subsidiaries, Nykaa E-Retail, see "*Financial Indebtedness*" on page 404.

S. No.	Entity name	Name of the lender	Amount sanctioned as on June 30, 2021[(2)]	Amount outstanding as on June 30, 2021*[(2)]	Purpose of Loan[(1)]	Prepayment penalty/ conditions[(2)]	Tenure	Rate of Interest
			(in ₹ million)	(in ₹ million)				
1	Company	HDFC Bank Limited	50.00	5.15	Working capital purpose - Cash Credit	-	Repayable on Demand	9.10% (linked to 3M Repo rate of 4%)
2	Company	Kotak Mahindra Bank Limited	300.00	100.00	Working capital purpose	2%	Maximum 90 days	9.25% Fixed
3	Company	Citibank NA	250.00	200.00	Working capital purpose	2%	On demand; Maximum 365 days	At mutually agreed rate from time to time
4	Nykaa E-Retail	Axis Bank Limited	800.00	189.87	Working capital purpose – Cash Credit	-	Repayable on demand	3M MCLR + 2.50%
5	Nykaa E-Retail	Axis Bank Limited		471.90	Working capital purpose	2%	On demand; maximum 90 days	3M MCLR + 1.85%

S. No.	Entity name	Name of the lender	Amount sanctioned as on June 30, 2021[2] (in ₹ million)	Amount outstanding as on June 30, 2021*[2] (in ₹ million)	Purpose of Loan[1]	Prepayment penalty/ conditions[2]	Tenure	Rate of Interest
6	Nykaa E-Retail	HDFC Bank Limited	200.00	5.33	Working capital purpose – Cash Credit	-	Repayable on demand	Linked to 6M MCLR of 7.05% + Spread
7	Nykaa E-Retail	HDFC Bank Limited		90.00	Working capital purpose	-	On demand; maximum of 180 days	To be decided at the time of drawal
8	Nykaa E-Retail	ICICI Bank Limited	400.00	110.42	Working capital purpose – Cash Credit	-	Repayable on demand	I-MCLR 6M + 2.00%
9	Nykaa E-Retail	ICICI Bank Limited		240.00	Working capital purpose	Nil if pre-paid within 3 months of availment else 0.25%	Maximum 180 days	I-MCLR 3M/6M + 2.15%
10	Nykaa E-Retail	IDFC FIRST Bank Limited	500.00	0.05	Working capital purpose – Cash Credit	-	Repayable on demand	Linked to 3M MCLR + Spread
11	Nykaa E-Retail	IDFC FIRST Bank Limited		292.84	Working capital purpose	2%	On demand; Maximum 6 months	Linked to 3M MCLR + Spread
12	Nykaa E-Retail	Kotak Mahindra Bank Limited	665.00	3.00	Working capital purpose – Cash Credit	-	Repayable on demand	Repo + 550 bps
13	Nykaa E-Retail	Kotak Mahindra Bank Limited		350.00	Working capital purpose	2%	Up to 90 days	9.25% fixed

**Outstanding as on June 30, 2021 also includes funded interest term loan as per RBI's guidelines during the moratorium period.*

[1] In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, the Company has obtained the requisite certificate.

[2] As certified by V. C. Shah & Co., Chartered Accountants pursuant to certificate dated October 19, 2021.

***Note**: The particulars of the facilities set out above are on the basis of the sanction letter for each facility as of June 30, 2021. The working capital facilities are updated, revised and drawn-down on an ongoing basis, and our Company and our Subsidiaries, accordingly, obtain renewed sanction letters from the relevant lenders from time to time.*

Kotak Mahindra Capital Company Limited, one of the Lead Managers, is related to our lender, namely, Kotak Mahindra Bank Limited. However, on account of this relationship, Kotak Mahindra Capital Company Limited does not qualify as an associate of our Company in terms of Regulation 21(A)(1) of the SEBI (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the SEBI ICDR Regulations. Further, please note that the loans

provided by Kotak Mahindra Bank Limited to our Company and our Subsidiaries, are in the ordinary course of Kotak Mahindra Bank Limited's lending business.

We believe that such repayment / pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our accruals for further investment in our business and strengthen our working capital. Additionally, we believe that our leverage capacity will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

We may consider the following factors for identifying the loans that will be repaid out of the Net Proceeds:

1. Costs, expenses and charges relating to the facility including interest rates involved;

2. Presence of onerous terms and conditions under the facility;

3. Ease of operation of the facility;

4. Terms and conditions of consents and waivers;

5. Provisions of any law, rules, regulations governing such borrowings; and / or

6. Other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. We will consider such factors while deciding repayment and/ or pre-payment of loans from the Net Proceeds. In case we are unable to raise the Net Proceeds till the due date for repayment of any of the above-mentioned portion of the loans, the funds earmarked for such repayment / pre-payment may be utilised for payment of future instalments of the above-mentioned loans or any other loans for an amount not exceeding ₹ 1,560 million.

4. **Expenditure to acquire and retain customers by enhancing the visibility and awareness of our brands**

We own the "*Nykaa"* brand and have also crafted a portfolio of 15 owned brands, such as "*Nykaa Cosmetics*", "*Nykaa Naturals*" and "*Kay Beauty*". Our owned brands play a key role in increasing the assortment of products for our consumers and have a high recall and function as independent brands. The manufacturing for our owned portfolio brands is carried out by third party vendors and all our brands are available on our online and offline channels, as well as at third party retailers and other e-commerce platforms. For further details, see "*Our Business*" on page 190.

With the aim of customer acquisition and retention, we have historically expended significantly towards marketing and promotions to enhance the visibility of all our brands. This consists of general advertising, marketing and branding initiatives on digital and offline platforms. In Financial Years 2019, 2020 and 2021, and for the three months ended June 30, 2020 and 2021, our marketing and advertisement expenses were ₹1,428.27 million, ₹2,022.03 million, ₹1,694.80 million, ₹71.60 million and ₹907.44 million, respectively, aggregating to 12.85%, 11.44%, 6.94%, 2.48% and 11.11%, respectively, as a percentage of our revenue from operations. Over the years, as our business has grown, our marketing strategies to widen our customer base have evolved, to emphasize on digital marketing and content marketing. We have also designed branding initiatives to acquire, engage and retain our customers. For further details on the historical marketing activities of our Company and details of our expenses on such historical marketing activities, see "*Our Business*" beginning on page 190.

In light of the above, we intend to continue our focus on acquisition strategies, marketing and promotional activities with the objective of reaching out to new as well as existing consumers, strengthen our engagement with them as well as promote our owned brands and in turn

strengthen our existing brands and also establish and promote new brands. We plan to continue expenditure in our branding activities on historically successful mediums, while also expanding our marketing presence to capture shifts in consumers' media consumption habits, to increase our brands' awareness and brand affinity to attract more consumers on our platform. In addition we also plan to fund our strategic growth initiatives such as Nykaa Fashion, Nykaa Man, Nykaa Global Store and Nykaa Super store to increase their customer base through sales promotions, marketing, branding and any other launches of new categories or channels. We intend to utilize ₹ 2,340 million from the Net Proceeds towards funding our future customer acquisition and marketing initiatives.

Maintaining and improving our marketing strategies involve expenditures which may be disproportionate to the revenue generated and customer acquired. There is risk of increased cost of acquiring new consumers through marketing efforts due to heightened competition for digital traffic. If consumer conversion rates are not commensurate with our expenditure, our expenditure may be disproportionate to our returns on such marketing investments. For further details, see Risk Factor Number 2- "*If we fail to acquire new consumers or fail to do so in a cost-effective manner, we may not be able to increase revenue or maintain profitability*" in the chapter titled "*Risk Factors*" at page 44 of this Draft Red Herring Prospectus.

5. **General Corporate Purposes**

We propose to deploy the balance Net Proceeds aggregating to ₹ [•] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which we propose to utilise the Net Proceeds include short term working capital requirements, information technology infrastructure, improvement in supply chain, distribution and fulfillment network, organic and / or inorganic growth, including domestic and international expansion, meeting day-to-day expenses, *etc.* In addition to the above, we may utilise the balance Net Proceeds towards any other expenditure in the ordinary course of our businesses, as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any.

Means of Finance

The Objects are proposed to be funded from the Net Proceeds and by utilizing our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the Net Proceeds to be raised from the Fresh Issue and existing identifiable internal accruals, as prescribed under the SEBI ICDR Regulations.

Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, the balance amount will be used for general corporate purposes, to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations. In case of any shortfall in the requisite funds raised from the Net Proceeds or utilized from the internal accruals of our Company or any increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. We may vary the Objects in the manner provided in "*Objects of the Offer – Variation in Objects*" on page 164.

Interim use of Net Proceeds

We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

We have not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [•] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the Lead Managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The break-up for the estimated Offer expenses are as follows:

Activity	**Estimated expenses(1) (₹ in million)**	**As a % of total estimated Offer related expenses(1)**	**As a % of Offer size(1)**
Lead Managers' fees (including brokerage and selling commission)	[•]	[•]	[•]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs.(2)(3)(4)(5)(6)			
Fees payable to Registrar to the Offer	[•]	[•]	[•]
Fees payable to the other advisors to the Offer	[•]	[•]	[•]
Others	[•]	[•]	[•]
• Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[•]	[•]	[•]
• Printing and stationery	[•]	[•]	[•]
• Advertising and marketing expenses	[•]	[•]	[•]
• Miscellaneous	[•]	[•]	[•]
Total estimated Offer expenses	[•]	[•]	[•]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of the Offer Price.

(2) Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employee Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for RIBs**	*0.35% of the Amount Allotted (plus applicable taxes)*

*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees Bidders**	*0.20% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE.

No processing fees shall be payable by the Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs of ₹10 per valid application (plus applicable taxes) for processing the Bid cum Application Form for Non-Institutional Bidders which are procured by the members of the Syndicate/sub- Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking.

(3) Brokerage, selling commission and processing/uploading charges on the portion for RIBs (using the UPI mechanism), Eligible Employee Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20%of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employees Bidders	*0.20% of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs and Eligible Employee Bidders using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs, Eligible Employee Bidders and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹ 10 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*
*Portion for Eligible Employees Bidders **	*₹ 10 per valid application (plus applicable taxes)*

** Based on valid applications*

Uploading charges/ Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹ 30 per valid application (plus applicable taxes)*
Sponsor Bank	*Rs. 8 for applications made by Retail Individual Investors using the UPI mechanism*. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

** Based on valid applications*
All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

(4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Monitoring Agency

In terms of the SEBI ICDR Regulations, our Company has appointed ICICI Bank Limited as the Monitoring Agency for monitoring the utilisation of the Net Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and submit the report required under the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds, including interim use, under a separate head in our balance sheet for such financial years as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee will make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating **(a)** deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and **(b)** details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with the Companies Act, our Company shall not vary the Objects without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the regional language of the jurisdiction where our Registered Office is located. In accordance with the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, the Promoter Group, our Directors, our Key Managerial Personnel or our Group Companies. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, the Promoter Group, our Directors, our Key Managerial Personnel or our Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Bidders should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 190, 44, 369 and 287, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

a) One of India's leading lifestyle focused consumer technology platform

b) We are the preferred destination for luxury and prestige products in India for consumers and brands

c) Resilient, capital efficient business with a combination of strong growth and profitability

d) Our proprietary technology stack

e) Founder-led company supported by a professional management team

For details, see "*Our Business – Our Strengths*" on page 205.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Other Financial Information. For details, see "*Other Financial Information*" on page 359.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings / (loss) Per Share ("EPS") at face value of ₹ 1, as adjusted for change in capital:

Financial Year / Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021[(1) (3)]	1.39	1.34	3
March 31, 2020[(1)(3)]	(0.39)	(0.39)	2
March 31, 2019[(1)(3)]	(0.59)	(0.59)	1
Weighted Average[(2)]	**0.47**	**0.44**	
Three months period ended June 30, 2021*	0.08	0.07	

**Not Annualised*

Notes:

1) Restated Basic and Diluted earnings / (loss) per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified by under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Anti-dilutive shares are not considered in calculation for diluted EPS.

2) Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. {(EPS x Weight) for each year} / {Total of weights}.

3) Based on the Ind AS 33 – Earning per Share, the EPS of the Company for the three months ended June 30, 2021 and for all the periods presented has been computed / adjusted after considering the bonus issue and share sub-division subsequent to June 30, 2021 and prior to adoption of financial statement for the three months period ended June 30, 2021.

Sub-division of equity shares and issuance of bonus equity shares

The Board of Directors and shareholders in their meeting dated July 15, 2021 and July 16, 2021 respectively approved sub-division of each equity shares of ₹ 10 into ten equity shares of face value of ₹ 1 each and issue of two bonus shares for every one existing fully paid up equity share of face value of ₹ 1 each, accordingly 31,13,57,900 bonus shares were issued (after giving effect to sub-division of equity shares).

4) Following additional events have occurred subsequent to the three-months period ended June 30, 2021

Pursuant to the resolution of Share Allotment cum Transfer Committee dated July 10, 2021 and dated September 23, 2021, the Company has issued 56,185 equity shares of face value of ₹ 10 each and 2,87,700 equity shares of face value of ₹ 1 each at premium respectively, on exercise of Employee Stock Options under ESOS.

Pursuant to a resolution passed by Board of Directors on July 15, 2021, the company has converted 36,000 OCRPS into equity shares

For further details, see "Other Financial Information" on page 359.

B. Price/Earning ("P/E") ratio in relation to the Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic EPS for year ended March 31, 2021	[●]	[●]
Based on diluted EPS for year ended March 31, 2021	[●]	[●]

Industry Peer Group P/E ratio

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

C. Return on Net Worth ("RoNW") as adjusted for change in capital:

Financial Year / Period ended	RoNW (%)	Weight
March 31, 2021	12.62%	3
March 31, 2020	(5.16%)	2
March 31, 2019	(10.63%)	1
Weighted Average	**2.82%**	
June 30, 2021*	0.49%	

**Not Annualised*

Notes:
1) *Restated Net worth = Total equity attributable to equity holders of the parent.*
2) *Return on net worth = Restated profit/(loss) attributable to equity shareholders of the parent divided by total equity attributable to equity holders of the parent.*
3) *Weighted average is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. {(RoNW x Weight) for each year} / {Total of weights}*

For reconciliation and further details, see "Other Financial Information" on page 359.

D. Net Asset Value ("NAV") per Equity Share, as adjusted for change in capital:

Basic NAV per Equity Share	(in ₹)
As on March 31, 2021	11.00
As on June 30, 2021*	15.47
At Floor Price	[●]
At Cap Price	[●]
At Offer Price	[●]

**Not Annualised*

Notes:
Net asset value per equity share (In ₹) - Basic = Equity attributable to equity holders of the parent divided by weighted average numbers of equity shares outstanding during the period/year post share sub-division and bonus issue.

For reconciliation and further details, see "Other Financial Information" on page 359.

E. Comparison with Listed Industry Peers

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

F. The Offer Price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company in consultation with the Lead Managers, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Other Financial Information*" on pages 44, 190, 369 and 359, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 44 and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
FSN E-Commerce Ventures Limited
(formerly known as FSN E-Commerce Ventures Private Limited)
104 Vasan Udyog Bhavan, Sun Mill Compound
Senapati Bapat Marg, Lower Parel, Mumbai – 400013

Dear Sir / Madam,

Statement of Special Tax Benefits available to FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited), its shareholders and its material subsidiary (Nykaa E-Retail Private Limited) under the Indian tax laws

We hereby confirm that the enclosed Annexures, prepared by FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited) (the 'Company'), provides the special tax benefits available to the Company, its shareholders and its material subsidiary viz. Nykaa E-Retail Private Limited and of the Company under direct and indirect tax laws, including

the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23 (Annexure 1),
the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended by the Finance Act 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23 and the Foreign Trade Policy 2015-2020 ("FTP"), as amended and presently in force in India, (unless otherwise specified) (Annexure 2).

The Act, GST Act, the Customs Act and the Tariff Act, as defined above, are collectively referred to as the "Tax Laws".

Several of these benefits are dependent on the Company, its shareholders and material subsidiary, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders and material subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company, its shareholders and material subsidiary may or may not choose to fulfil. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the management of the Company and material subsidiary. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

the Company, its shareholders or material subsidiary will continue to obtain these benefits in future;
the conditions prescribed for availing the benefits have been / would be met with; and
the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

This statement is issued solely in connection with its proposed Initial Public Offer ('IPO') of the equity shares of the Company, comprising of a fresh issue of equity shares and an offer to sale of the equity shares held by certain selling shareholders (the 'Offer') and is not to be used, referred to or distributed for any other purpose.

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

per Vineet Kedia
Partner
Membership Number: 212230
UDIN: 21212230AAAACM6609

Place of Signature: Mumbai
Date: 31 July, 2021

For V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number 109818W

per A. N. Shah
Partner
Membership Number: 42649
UDIN: 21042649AAAXPZ2443

Place of Signature: Mumbai
Date: 31 July, 2021

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBIDIARY VIZ. NYKAA E-RETAIL PRIVATE LIMITED ('E-RETAIL'), AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Income-Tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2021, applicable for Financial Year 2021-22 relevant to Assessment Year 2022-23.

This Annexure sets out only the special tax benefits available to the Company, E-Retail, and its shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

Special tax benefits available to the Company and E-Retail, under the Act

2.1. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone);

Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);

Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);

Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);

Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);

Deduction under section 35CCD (Expenditure on skill development)

Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M

No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VII) above; and

No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VIII) above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company and E-Retail has opted to apply section 115BAA of the Act for the assessment year 2020-2021 and onwards.

Deduction in respect of inter-corporate dividends – Section 80M of the Income-tax Act, 1961

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year

includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

Special tax benefits available to Shareholders

There are below special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above).

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile. Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the Act.

NOTES:

4.1. This Annexure sets out only the tax benefits available to the company, E-Retail and its shareholders under the current Income Tax Act, 1961 i.e the Act as amended by the Finance Act, 2021 applicable for Financial year 2021-22 relevant to the Assessment year 2022-23, presently in force in India.

4.2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

4.3. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

4.4. The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23. Several of these benefits are dependent on the Company, the Subsidiary Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

4.5. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20. The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year and accordingly, the special direct tax benefits, available for Financial Year 2021-22, are captured to the extent the same are relevant to Company and E-Retail exercising such option.

For **FSN E-Commerce Ventures Limited**
(formerly FSN E-Commerce Ventures Private Limited)

Chief Financial Officer
Place: Mumbai
Date: July 31, 2021

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBIDIARY VIZ. NYKAA E-RETAIL PRIVATE LIMITED ('E-RETAIL'), AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company, E-Retail and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST law "), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") and the Foreign Trade Policy 2015-2020 (FTP)(cumulatively referred to as indirect tax laws), as amended and presently in force in India.

Special indirect tax benefits available to the Company and E-Retail:

There are no special tax benefits available to the Company and E-Retail under GST law and any other indirect tax laws mentioned above.

Special tax benefits available to Shareholders:

The Shareholders of the Company are not entitled to any special tax benefits under afore-mentioned indirect tax laws.

Notes:

This Annexure sets out only the special tax benefits available to the Company, E-Retail and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act") and the Foreign Trade Policy 2015-2020 (FTP) presently in force in India and as amended and notified on the date of signing the Statement.

This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed IPO.

These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

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

Chief Financial Officer
Place: Mumbai
Date: July 31, 2021

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO FSN BRANDS MARKETING PRIVATE LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
FSN Brands Marketing Private Limited
A-1,135, Shah and Nahar Industrial Estate,
Sitaram Jadhav Marg, Lower Parel,
Delisle Road, Mumbai 400 013.

Dear Sir / Madam,

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO FSN BRANDS MARKETING PRIVATE LIMITED, ITS SHAREHOLDERS UNDER THE INDIAN TAX LAWS

We hereby confirm that the enclosed Annexures, prepared by FSN Brands Marketing Private Limited (the 'Company'), provides the special tax benefits available to the Company, its shareholders of the Company under direct and indirect tax laws, including

the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23(Annexure 1)
the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975("Tariff Act") as amended by the Finance Act 2021, i.e., applicable for the Financial Year 2021- 22 relevant to the assessment year 2022-23 and the Foreign Trade Policy 2015-2020 ("FTP"), as amended and presently in force in India, (unless otherwise specified) (Annexure 2).

The Act, GST Act, the Customs Act and the Tariff Act, as defined above, are collectively referred to as the "Tax Laws".

Several of these benefits are dependent on the Company, its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company, its shareholders may or may not choose to fulfil. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the management of the Company. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

the Company, its shareholders will continue to obtain these benefits in future;
the conditions prescribed for availing the benefits have been / would be met with; and
the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

This statement is issued solely in connection with the proposed Initial Public Offer ('IPO') of the equity shares of M/s. FSN E-Commerce Venture Private Limited ("Holding Company" of the Company), comprising of a fresh issue of equity shares and an offer to sale of the equity shares held by certain selling shareholders (the 'Offer') and is not to be used, referred to or distributed for any other purpose.

For V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration No: 109818W

A. N. Shah
Partner
Membership No.42649
UDIN: 21042649AAAXQA2045

Place: Mumbai
Date: July 30, 2021

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO FSN BRANDS MARKETING PRIVATE LIMITED ('FSN Brands') THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Income-Tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2021, applicable for Financial Year 2021-22 relevant to Assessment Year 2022-23.

This Annexure sets out only the special tax benefits available to FSN Brands and its shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

Special tax benefits available to FSN Brands, under the Act

2.1. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone);

Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);

Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);

Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);

Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);

Deduction under section 35CCD (Expenditure on skill development)

Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M.

No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VII) above; and

No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VIII) above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

FSN Brands has opted to apply section 115BAA of the Act for the assessment year 2020-2021 and onwards.

Deduction in respect of inter-corporate dividends – Section 80M of the Income-tax Act, 1961

Up to 31st March, 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter.

The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

Tax benefits available to Shareholders

There are below special tax benefits available to the Shareholders of FSN Brands for investing in the shares of FSN Brands.

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile. Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the Act.

NOTES:

4.1. This Annexure sets out only the tax benefits available to FSN Brands and its shareholders under the current Income Tax Act, 1961 i.e the Act as amended by the Finance Act, 2021 applicable for Financial year 2021-22 relevant to the Assessment year 2022-23, presently in force in India.

4.2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

4.3. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

4.4. The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23. Several of these benefits are dependent on FSN Brands, or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

4.5. FSN Brands has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20. The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year and accordingly, the special direct tax benefits, available for Financial Year 2021-22, are captured to the extent the same are relevant to FSN Brands exercising such option.

For FSN Brands Marketing Private Limited

Arvind Agarwal
Authorised Signatory

Place: Mumbai
Date: July 30, 2021

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO FSN BRANDS MARKETING PRIVATE LIMITED ('FSN Brands') AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to FSN Brands and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), and the Foreign Trade Policy 2015-2020 (FTP), as extended till 30 September 2021 vide Notification No 60/2015-20 dated 31 March 2021 (cumulatively referred to as indirect tax laws),as amended and presently in force in India.

Special indirect tax benefits available to FSN Brands :

There are no special tax benefits available to FSN Brands , under GST law and any other laws mentioned above.

Special tax benefits available to Shareholders:
The Shareholders of FSN Brands are not entitled to any special tax benefits under indirect tax laws.

Notes:

This Annexure sets out only the special tax benefits available to FSN Brands and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), and the Foreign Trade Policy 2015-2020 (FTP) , presently in force in India and as amended by the Finance Act 2021 and notified on the date of signing the Statement.

This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed IPO.

These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For FSN Brands Marketing Private Limited

Authorised Signatory
Place: Mumbai
Date: July 30, 2021

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Report on India Beauty and Personal Care and Fashion Markets" dated October 14, 2021, prepared by RedSeer Management Consulting Private Limited (the "RedSeer Report"). We commissioned and paid for the RedSeer Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the RedSeer Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year, refers to such information for the relevant year. For the disclaimers associated with the RedSeer Report, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Disclaimer of RedSeer" on page 39. All references to years in this section are to calendar years.

India Macroeconomic Factors

India's economy is projected to grow at a robust pace post the aberration of the COVID-19 pandemic.

Between 2015 and 2019, India's real GDP grew at an average of 7% year-on-year, making it one of the fastest growing scaled economies in this period. This promising economic run was impeded by the COVID-19 pandemic, whose first wave in India severely impacted economic activities in 2020. In this period, India witnessed one of the most severe nation-wide lockdowns globally, to ensure the safety of Indians against the prevalent COVID-19 infection.

As India was recovering from the first wave of the COVID-19 pandemic, it witnessed the onset of the second wave of the COVID-19 pandemic in April 2021. However, unlike the first wave, the localised nature of lockdowns (not nation-wide), better adaptation of the administration, people and businesses to COVID-19 protocols, vaccination drives and limited disruption of supply chain resulted in a relatively low impact on economic activity in the country. As a result, the IMF has projected a growth of 9.5% in real GDP in the year 2021, higher than the developed economies of the United States and China. Thereafter as per IMF forecasts, the Indian economy is projected to stabilize at a healthy growth rate, enabling the GDP (at current prices) to reach approximately ₹305 trillion (US$4.2 trillion) by 2025. At this level, India is projected to become the third largest economy in the world by 2030 according to the Centre for Economics and Business Research.

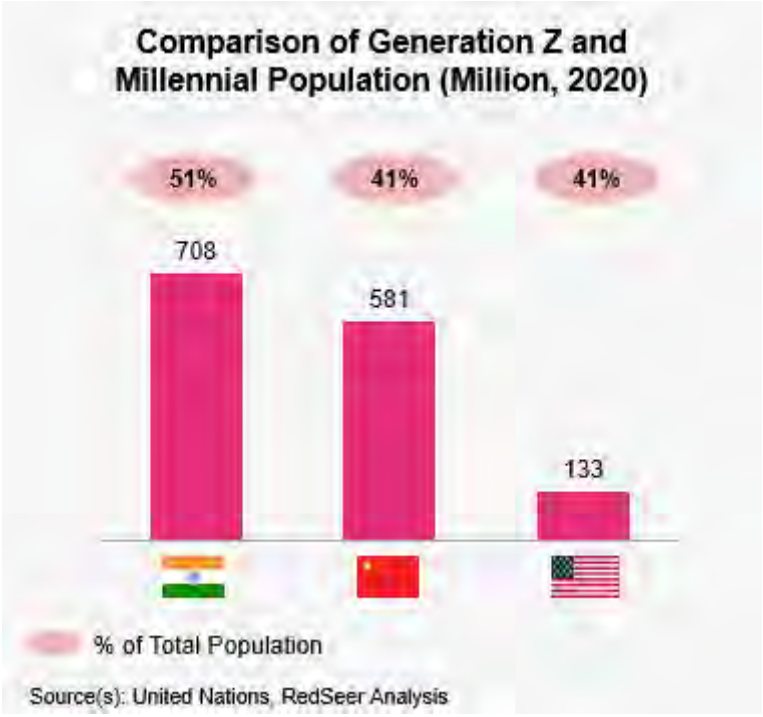
Source(s): IMF
Note:
1. 1 US$ = ₹ 72.5 assumed for 2025 GDP estimates

Rising Per Capita Income and Consumption

India's pre-COVID-19 economic growth was also reflected in the sharp rise in its per capita income, which grew at 7.3% CAGR between 2015 and 2019 as per World Bank estimates, faster than 3.8% CAGR and 7.0% CAGR in per capita income of the United States and China, respectively. In January 2019, The World Economic Forum had estimated India to be the third largest consumer market by 2030 driven by development of communication infrastructure, education, rising impetus on capex spends by the Government, and more job opportunities.

Large Young Population

India is one of the youngest nations in the world, with a median age of 28 years compared to 38 years in China and the United States in 2020, based on United Nations Population Division estimates (2019). In 2020, 55% of India's population was in the workforce age bracket of 20 years to 59 years. Moreover, according to the United Nations, 375 million Indians are Generation Z (in the 10-24 years age group) and 333 million Indians are Millennials (in the 25-39 years age group), accounting for 51% of the Indian population in 2020. With a combined Generation Z and Millennials population of 708 million, India has the largest Generation Z and Millennials population base globally. Generation Z and Millennials are considered as India's biggest spenders, which is likely to increase further as they enter their prime earning and spending years.



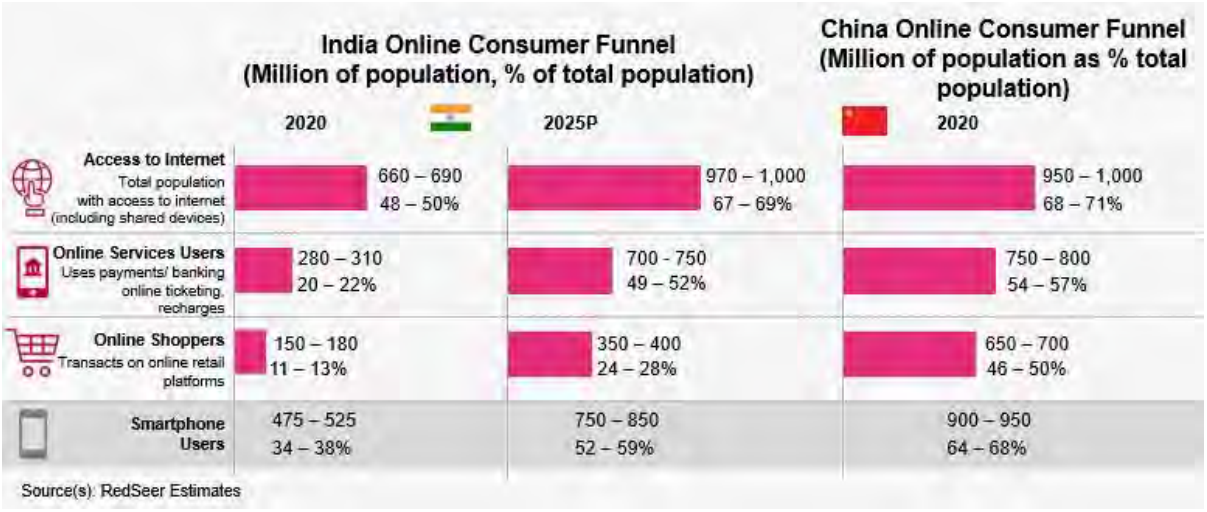
Increasing Urbanization

India has the second largest Urban population in the world. Based on World Bank estimates, 35% of India's population (or 480 million people) resided in Urban towns and settlements in 2020. This trend is expected to reflect in greater purchasing power in the Urban centers with stronger growth opportunities across industries. Yet, there is a large headroom ahead as compared to the world average of 56% urban population in 2020 (as per World Bank estimates).

India Digitization Trends

Rising internet, smartphone penetration and continued development of digital funnel

India will continue to grow across the digital use-case funnel, as there is significant headroom for growth at each level. This growth is expected to be driven by affordability of internet, continuous improvement in telecommunications infrastructure, increased adoption from Tier 2+ cities, rising popularity of social media, competitively priced online offerings and growing trust and adoption of online payment platforms.



Access to Internet: Internet adoption has accelerated in India in the past few years, driven by the decline in data costs. Historically, data rates in India were one of the lowest in the world at more than ₹245 per GB. With the launch of Reliance Jio, data prices became affordable at less than ₹70 per GB and internet users in India surged from 310-330 million in 2015 to 660-690 million users in 2020, implying an internet penetration of 48-50% of the population in comparison to 68-71% in China. A significant part of this growth came from the Rural areas – according to TRAI, the Rural share of internet subscription rose from 33% in 2015 to 39% in 2020. Today, internet users in India consume the highest amount of data in GB in the world at 12.3 GB average monthly consumption (as per the TRAI Report for January to March 2021). An average Indian internet user spends approximately 6-7 hours daily on internet. By 2025, India is expected to have 970-1,000 million internet users resulting in internet penetration of 67-69% (similar to the current base of internet users and internet penetration in China).

Online Service Users: Online services like ticket booking and mobile recharges were use-cases which brought a significant number of people into the internet ecosystem. Micro-transactions helped build trust and as banks increased their focus on online services, a large number of people have started using online mediums for such transactions almost entirely. The other larger use-cases were travel booking, C2C payments, utility bill payments, taxi/auto ride-hailing.

Online Shoppers: The number of online shoppers in India reached 150-180 million in 2020 (up from 120-150 million in 2019) with approximately 70% of these shoppers belonging to the non-Metro cities. These shoppers buy a variety of products online ranging from mobiles, electronics, fashion, beauty and personal care and groceries.

Smartphone Users: The mobile phone space in India has been significantly disrupted by smartphones in the last 5-6 years, driven by availability of low-cost alternatives from local as well as global brands. In 2020, smartphone users accounted for 34-38% of India's population in comparison to 64-68% in China. Easy availability of smartphones, ease of consuming content on them, affordable data charges and high speed internet connections have enabled Indians to embrace digital applications. By 2025, India is expected to have 750-850 million smartphone users implying a smartphone penetration of 52-59%.

Social Media Users: India has a base of 300-350 million average monthly active users in 2020 on social media across platforms like Facebook, Youtube and Instagram. Users tend to spend significant time on social media platforms, consuming the content (videos, pictures, blogs, articles) posted by other users in their network or the celebrities and channels they follow. As a result, social media content has become a strong avenue to reach these users, influence them and drive behavioural changes.

Generation Z and Millennials together account for approximately 70% of the smartphone users in India and are the most active consumers of social media content. Their high digital maturity, strong social circle and eagerness to follow celebrities / known personalities / influencers, drives them to use the social media apps. More than 80% of the active users on social media platforms belong to the Generation Z and Millennial segment.

The recent COVID-19 pandemic has given the internet economy a solid boost, as intermediaries across the value-chain (consumers, suppliers, wholesalers/distributors) have realized the value of convenience, safety and virtual connectivity, which is brought in by internet-enabled solutions. There exists significant headroom for growth in India's digital journey. Growth is expected to be bolstered with interest from large corporates to democratize data as a means to services, the impetus provided by the Government of India for digital inclusion and the recent push from COVID-19.

India Retail Industry

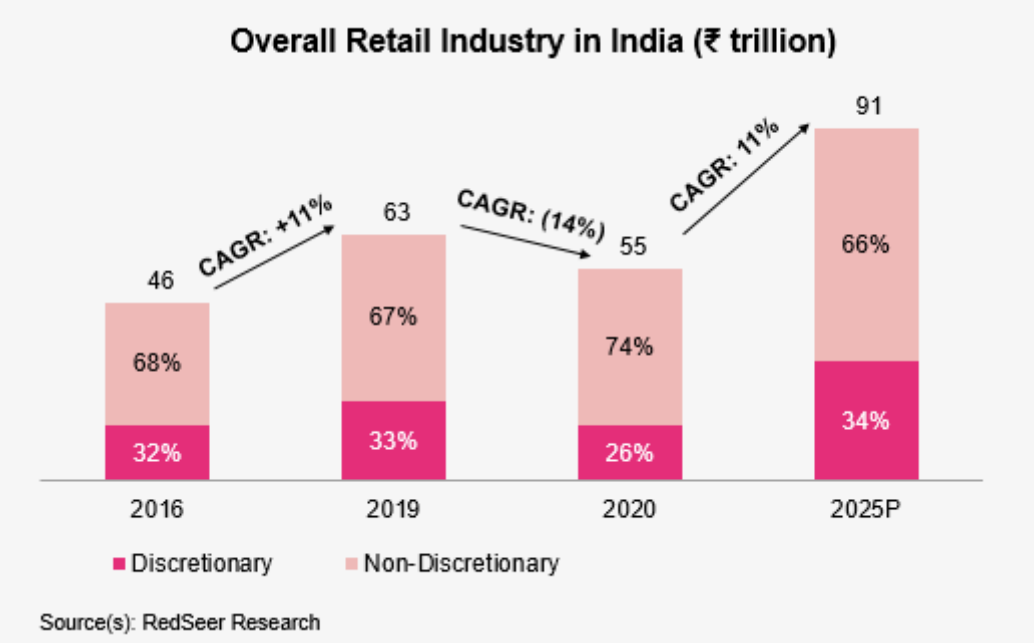
India will be a huge ₹91 trillion retail opportunity by 2025

Accounting for 51% of the Private Final Consumption Expenditure, India's retail market was sized at ₹55 trillion in 2020, reflecting a CAGR of 5% over the last 4 years. This growth was enabled by the rising middle class, soaring income levels, increasing demand from Tier 3-4 cities and Rural markets, rise in youth spending, improvement in infrastructure and the entry of new Indian and global brands across the product categories. India's retail sector was impacted by the first wave of COVID-19 in 2020, as both the supply and demand of most consumer goods were adversely affected. Even after the commencement of the lockdown re-opening phase, consumers were apprehensive about stepping out of their homes and going out for shopping. This led to a 14% decline in the retail market size in 2020. The impact of the second wave in 2021 is projected to be relatively limited, due to the localized nature of lockdowns and little disruption on the supply side. Hence, as the pandemic eases out, the retail market is expected to bounce back in the coming years to grow at a CAGR of 11% to reach approximately ₹91 trillion by 2025.

The COVID-19 waves have turned out as a boon for the internet economy in India. E-commerce penetration in India grew 1.6x from 3% in 2019 to 5% in 2020, with a large headroom ahead as indicated by the higher penetration in the developed markets (e-commerce penetration in the United States and China in 2020 was 12-17% and 25-30%, respectively).

The discretionary (excluding the essential categories like food and grocery and pharma) portion of the retail market was sized at ₹21 trillion in 2019. The discretionary portion saw a sharper decline of 32% in 2020, led by the decline in spending on non-essential products. Discretionary retail is set to make a recovery and register healthy growth in the future years to grow at a CAGR of 17% to reach approximately ₹31 trillion by 2025.

Fashion and BPC combined, accounted for 35% of the discretionary retail space in India in 2020.

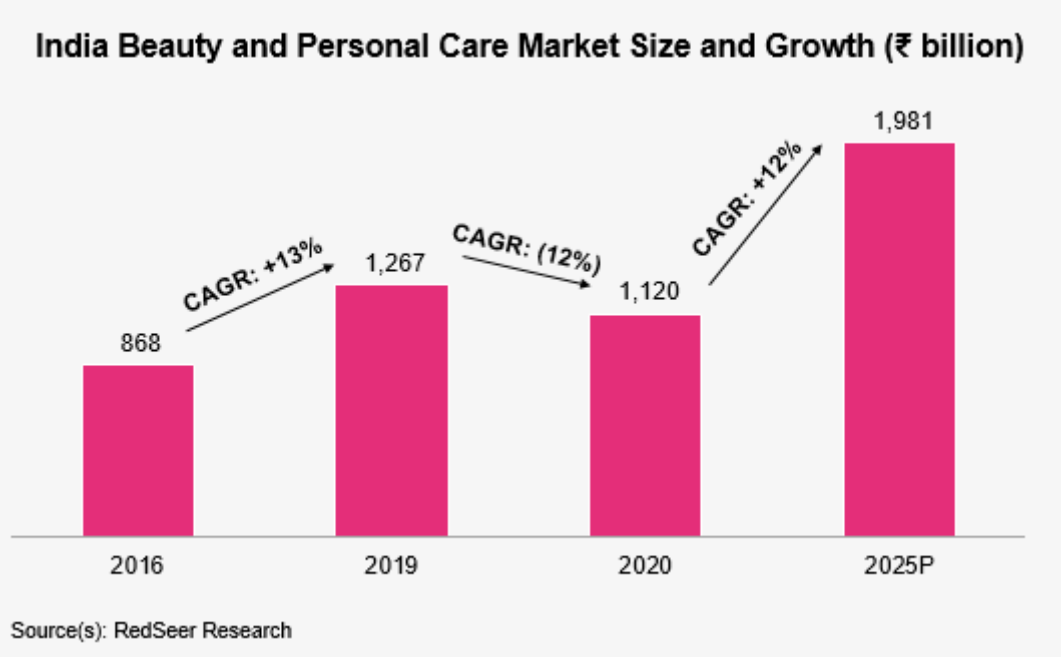


In 2016, 89% of the retail market in India was unorganized, which includes local grocery shops, small convenience stores, street vendors, chemists, footwear shops. However, with rising income levels and digital penetration, Indian consumers became more evolved in their shopping habits. This was also accompanied by supply side disruptions like superior infrastructure, application of technology, supply chain organization, improved logistics, entry of newer global brands, enhanced ability of brands to engage with consumers using e-commerce and the rise of effective digital marketing medium coupled with government actions like the introduction of GST. These demand and supply factors combined have led to the rise of the organized retail in India, which accounted for 13% of the retail market in 2020 (2% up from the share in 2016).

India Beauty and Personal Care Market

India is projected to become a INR 1,981 billion beauty and personal care opportunity by 2025

The Beauty and Personal Care Market in India was sized at INR 1,267 billion in 2019, growing at a CAGR of 13% in the last 3 years. Though the market fell down to INR 1,120 billion in 2020 as a result of reduced spending during the first COVID-19 wave, it is projected to grow at a CAGR of 12% to reach INR 1,981 billion in 2025 implying a CAGR of 7.7% from the pre-COVID-19 market in 2019.



Similar to the overall retail space, India BPC is heavily dominated by the unorganized channel, which primarily includes local grocery shops and departmental stores. With Indian consumers becoming more evolved in their BPC shopping habits, share of unorganized BPC market had reduced to 72% in 2020 from 77% in 2016.

Major growth drivers of the BPC market in India are the following:

Growth in BPC Spend by Youth

Consumers in the 25-35 years age group are the most active BPC buyers. They are also more inclined to buy prestige products. The buying behavior of these consumers is different from that of a traditional Indian shopper. They have a relatively sophisticated make-up and skin care regime and they tend to buy based on the latest trends and are open to experimenting with newer product categories. They also develop an emotional connection with the brand and prefer brands with organic ingredients. They have the paying capacity and awareness to consistently demonstrate this behavior and hence have a strong preference for a personalized shopping experience.

Consumers in the 18-24 years age group are likely to try and explore new BPC categories through

social media engagement, become fascinated by ongoing market trends and develop awareness about newer categories, brands and products.

Consumers in the more than 35 years age group are mature buyers and big ticket spenders, with less price sensitivity and better awareness.

Increasing BPC Spend from Non-Metro Cities

There has been an increase in aspirational spending on BPC products especially in non-Metro cities enabled by rising disposable income, aided by an increasing female workforce participation, increasing popularity and growing influence of social media, and lifestyle changes. BPC spending from Tier 2+ cities are projected to grow faster than Metro and Tier 1 cities as a large population base increases their per capita BPC spend. Tier 1 consumers are expected to increase their spend on prestige products.

Rise in Spend on Specialized BPC Categories

Generics category of BPC includes products across oral care, hair care and bath and shower, addressing basic consumer needs. Specialized category of the BPC market has been growing significantly faster than the generic category. Specialized category includes products addressing latent consumer needs and comprising of discretionary and evolved sub-categories like make-up, fragrances, men's grooming, sexual wellness and women hygiene. The growth in the specialized category was driven by increase in disposable income, increased spending and decision-making power for women, increasing popularity of global brands and trends coupled with a culture shift in Metro and Tier 1 cities. Particularly for the younger generation of consumers, the proliferation of social media and beauty-focused influencers is leading to greater awareness of specialized products and trends, thus driving increased purchase frequency. The desire to present one's best appearance on social media and among peers has led to a more sophisticated use of beauty products.

Emergence of a Sizable Prestige BPC Segment

Prestige BPC segment refers to the BPC products sold by brands positioning themselves in the non-mass category. In the recent years, aided by increased disposable income, rise in aspirational BPC buying and improved access, there has been a proliferation towards prestige brands. The prestige segment has grown at a much faster rate than the mass segment and overall BPC market. This segment has witnessed the entry of multiple national and international brands with unique value proposition, such as organic ingredients, which is adding to its rapid growth.

Rise in Popularity of Online Content-led Discovery

Online content has become the primary lever of BPC purchase decisions, by effectively facilitating discovery and understanding of BPC products and brands. This is providing a significant push to the market as the Generation Z and Millennial consumers, the most active BPC buyers, are also the active consumers of online content on social media platforms. The live e-commerce market, comprising of influencers, merchants and key opinion leaders selling directly to consumers on the platform via video live streaming, is likely to become an important enabler of discovery in the BPC category.

Growth of Men's Segment

Spending on BPC by men was significantly lower than that of women. However, in recent years, men have become more aware and conscious of their looks and hygiene, and have demonstrated a keen interest in BPC categories (beyond shaving) like shower gels, face wash and body lotions. From the supply side as well, a number of brands focused on men have come up. Digital media is also playing a key role with influencers normalizing the use of these different products and categories. As a result, BPC spend by men in India is projected to continue growing faster than the market.

Key Trends in India Beauty and Personal Care Market

Consumer spending on essential health and wellness products is on the rise. BPC products and appliances for at-home grooming are also seeing a higher demand. The rise of digital-only brands and the direct-to-customer online channel has introduced innovative and effective ways for brands to sell and

market their products and drive increased consumer engagement. Moreover, local emerging brands have witnessed increased popularity and following in the recent times. These brands are able to efficiently respond to the changing market trends, with the help of local market insights, price competitiveness and a convenient online channel.

Challenges in India Beauty and Personal Care Market

Multiple challenges faced by consumers and brands with the traditional physical Beauty and Personal Care retail in India.

Traditional physical BPC retail in India fails to address key consumer painpoints. Consumers often find their desired products to be out-of-stock at stores. Consumers are restricted to choose from limited products due to space constraint in stores. With an increasing proliferation of counterfeit products, consumers are unsure of the genuineness of the products. Prestige brands are generally sold only via exclusive offline brand outlets or high-end multi-brand outlets available in niche premium locations, thus limiting consumer access. Offline consumer experience is largely transactional, due to limited original content and advice to facilitate inspiration and discovery in most of the offline stores.

On the other hand, BPC brands also face challenges in India. Brands struggle to have a wider consumer base and reach pan-India consumers. Due to the presence of multiple intermediaries in the traditional value chain, there is significant inefficiency in product flow and margin leakage. Smaller brands face considerable challenges to scale up in the traditional model given limited capital and unfavourable trade terms with distributors.

India Online Beauty and Personal Care Market

Online Beauty and Personal Care Market in India has grown at promising 60% CAGR in the last 4 years, penetrating 8% of the India Beauty and Personal Care Market in 2020.

Online BPC retail platforms are effectively resolving challenges faced by both consumers and brands with the help of superior application of technology, efficient supply chain and quality control, access to a wider selection of products and brands including niche luxury brands, original content and advice from experts, door-step deliveries and wider geographic reach.

Online channel accounted for 2% of the India BPC market in 2016. Following this, the sector grew at a strong 71% CAGR over the next three years to penetrate 6% of the BPC market in 2019, at ₹70 billion. The sector further grew at 30% from 2019 to 2020 to reach ₹91 billion. Online channels accounted for approximately 8-10% of the overall BPC market in Financial Year 2021 and the five months ended August 31, 2021. Growing online shopping penetration in Tier 2+ cities, consistent investment for growth of the sector, rising affinity for branded products that are available online with a wide assortment, increasing need for convenient shopping experience, rising adoption of e-commerce by Generation Zs and Millennials who are the key growth enablers in the BPC category and higher consumer trust on products bought online, are the key drivers of growth in the market. There is a large headroom ahead for further penetration in India, as suggested by higher penetration in the developed markets such as the United States (20-25%) and China (35-40%).

Increase in the online BPC userbase has been a key ingredient of the sector's growth. The rise in AOV despite the rising penetration in non-Metros is attributed to the wider acceptance of BPC as a key e-commerce category by Indian consumers in the last 3-4 years, due to the higher trust commanded by online BPC platforms with the help of engaging content and popular influencers. Trust is an important factor in this category, due to which vertical e-tailing platforms specializing in the BPC space, have enjoyed high growth in the online market. This has enabled consumers to shop for prestige BPC products and newer product categories, thus driving higher AOVs.

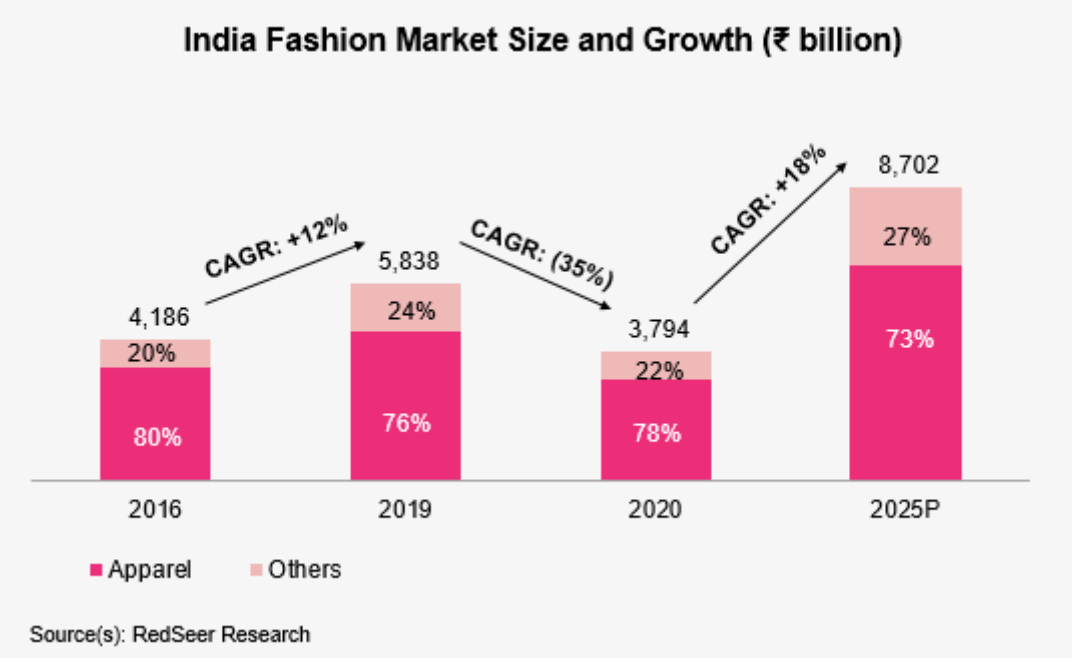
Omnichannel Model in Indian Beauty and Personal Care Market

Omnichannel model will be beneficial for online BPC platforms. Supplementing their online platforms with a physical retail store presence helps complete consumer experience. The touch and feel, test and try elements become crucial in certain specialized BPC categories. Offline stores play an important role in providing desired experience and help establish a stronger trust among the consumers. An Omnichannel approach helps in providing consumers with a complete shopping journey and retail experience, with consumers able to enjoy the benefits of inventory well informed by hyperlocal patterns. Consumers are likely to be engaged better if attended in-person, which is feasible in offline stores. Together with online content on the platform, engagement in offline stores elevates the consumer experience. This drives more consumers to try out newer brands and categories. Presence across online and offline channels expands the modes of acquiring consumers and increases the likelihood of receiving organic traffic. Retail stores provide added flexibility with respect to logistics while simultaneously increasing delivery options for consumers including hyperlocal delivery, store pick-up. Omnichannel approach aids BPC brands to cater to a much wider audience by catering to unique preferences across diverse consumer preferences.

India Fashion Market

India is projected to become ₹8,702 billion fashion opportunity by 2025

The size of Fashion Market in India was ₹4,186 billion in 2016, constituting more than 9% of the retail market. Apparel accounted for approximately 80% of this market and footwear and accessories combined covered the remaining 20%. The Fashion Market grew at a 12% CAGR over the next three years to reach ₹5,838 billion in 2019. It declined by 35% in 2020 during the first COVID-19 wave, driven by the reduction in discretionary spending and disruption in supply chain due to the lockdown. The Fashion Market in India is projected to recover strongly and grow at 18% CAGR over the next five years to reach ₹8,702 billion by 2025. Apparel are projected to continue driving approximately 73% of the market in 2025.



The Fashion Market in India is currently dominated by the unorganized channel, majorly comprising of local apparel, footwear and accessories stores. Hence, the current market is underserved as most traditional retailers try to serve broad demographic and are slow in reacting to changing trends. The organized segment has grown at a much faster pace as its share jumped from 29% in 2016 to 37% in 2020.

Major growth drivers of the Fashion Market in India are the following:

Growth in Fashion Spend by Youth

Consumers in the 20-35 year age group are the most active fashion buyers, who aspire to express their individuality through fashion. These consumers possess decent paying capacity, high awareness of latest trends and strong digital maturity. These traits drive them to opt for niche product categories such as street wear, sleep and lounge wear, trade up for their favorite brands, aspire for holding a wide variety of products in their wardrobe and upgrade their interests as per latest fashion styles learnt from their friends and colleagues.

Increasing Spend on Fashion from Tier 2+ Cities

Demand from Tier 2+ cities has grown rapidly in past few years propelled by consumers shifting from unbranded products to value-branded products and availability of value-focused brands and retail stores to serve this demand. Spend on fashion from Tier 2+ cities is projected to grow faster than the market. For Metro and Tier 1 markets, growth has been driven by increasing ticket sizes of fashion transactions enabled by the rising premiumization due to considerable awareness, interest, accessibility and affordability of premium fashion brands.

Rising Influence of Social Media

Consumers tend to get influenced by the latest trends in apparel, footwear and accessories through their network on social media platforms. This not only educates them about the latest trends in the market, but also pushes them to aspire for newer products and brands to stay updated in their social circle. This eventually translates into increasing spend on fashion products. Social media influence has been a driving force in changing consumer buying behaviour.

Growth of Men's and Kids' Segments

The men's segment, although slightly smaller, has grown at a faster pace than the women segment. The growth is largely due to the rise in assertive male spenders with high disposable income and need to

look and feel good. Besides, the kids' segment has also grown rapidly from 2016 to 2020, given the consistent demand for clothes and footwear by growing kids. Going ahead, both men's and kids' segments are projected to grow faster than the Fashion Market.

Emergence of Occasion-centric Demand

Though casual fashion in India is largely led by western wear owing to its comfort and easy availability, occasional fashion is seeing a considerable rise in demand, wherein both western and ethnic wear are used widely. In western wear, shirts and trousers or skirts for formal/corporate occasions, business suits for interviews/events, tuxedos and gowns for parties and designer suits for weddings, have become ongoing fashion trends and are seeing high demand. Even on the ethnic wear side, there is a growing fondness and respect for the category, specially at weddings and religious ceremonies.

The shifts in consumer behaviour have been correspondingly supported from the supply-side, which has witnessed the entry of a wide range of new brands, introduction of newer varieties of fabric, styles and patterns, and the rising penetration of branded products in non-Metro cities through organized retail channels.

Challenges in India Fashion Market

Multiple challenges faced by consumers and brands with the traditional physical fashion retail in India.

Consumers often find their desired fashion products to be out of stock at offline stores. Space constraints tend to limit the assortment that an offline store can hold, leading to limited choice for the consumer. It becomes extremely difficult to distinguish between genuine and fake branded products as offline stores do not assure authenticity.

Even fashion brands struggle to reach more prospects and markets through an offline channel due to infrastructure constraints. The need for manual labor, high inventory management cost and complex billing process lead to operational inefficiencies which reduce margins. New and smaller fashion sellers find it difficult to compete with the established traditional brands due to financial and supply chain barriers and have limited ability and resources to spend on marketing.

India Online Fashion Market

Online fashion sector in India has grown at promising 25% CAGR in the last four years, penetrating 12% of the India Fashion Market in 2020.

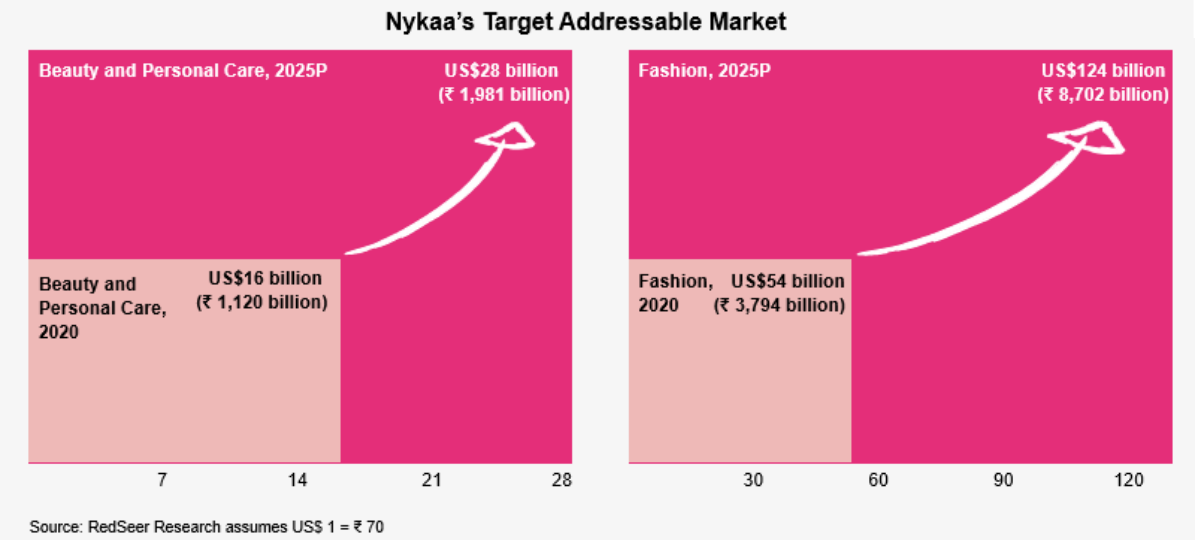
Online fashion retail platforms are effectively resolving the challenges faced by both consumers and brands, with the help of superior application of technology, efficient supply chain and quality control, access to a wider selection of products/brands, original content and advice from the best experts, door-step deliveries and return pickups, transparent return policy and wider geographic reach.

The online fashion retail sector size was ₹450 billion in 2020 (based on checkout GMV), growing at 25% CAGR over the past 4 years. This led to online penetration growing 3x in 4 years to 12% in 2020, with relatively higher penetration in the footwear and accessories categories compared to apparel. The rapid growth was led by the growing online shopper base in Tier 2+ cities, digital maturity of Generation Z and Millennial consumers who're the most active fashion buyers and are willing to trade up for personalized experience, impact of social media influencers to enable effective product discovery, strong emergence of digital-first brands, adoption of e-commerce by premium and designer brands, increased assortment available across sub-categories and convenience of online shopping along with hassle-free returns.

The rising adoption of online fashion retail in India is underscored by increase in the AOV.

Nykaa's Target Addressable Market and Competition

According to the RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer, Nykaa has a large BPC market opportunity of ₹1,120 billion (US$16 billion) growing at 12% per annum to ₹1,981 billion (US$28 billion) in 2025. Nykaa's fashion opportunity of ₹3,794 billion (US$54 billion) is expected to grow at 18% per annum to ₹8,702 billion (US$124 billion) in 2025. Nykaa has a total addressable market across beauty and personal care and fashion of ₹10,683 billion (US$152 billion).



In the BPC Market and Fashion Market in India, Nykaa competes with organized multi-brand and exclusive retailers, unorganized merchants, horizontal online platforms like Amazon, Flipkart, Paytm Mall among others and vertical online platforms such as Myntra, Purplle, Myglamm among others.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-looking Statements" on page 42 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" on page 44 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

The industry-related information contained in this section is derived from the industry report titled "Report on India Beauty and Personal Care and Fashion Markets" dated October 14, 2021 prepared by RedSeer Management Consulting Private Limited (the "RedSeer Report"). We commissioned and paid for the RedSeer Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the RedSeer Report.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Further, such measures and indicators are not defined under Ind AS, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, IFRS or U.S. GAAP. In addition, such measures and indicators, are not standardised terms, hence a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Our Financial Year ends on March 31 of each year, so all references to a particular FY, Financial or Financial Year are to the 12 months ended March 31 of that year.

Previous period figures for the three months ended June 30, 2020 are not comparable with those of the three months ended June 30, 2021, because of the difference in magnitude of impact of COVID-19 on both quarters. The figures for the three months periods ended June 30, 2021 and June 30, 2020 are not indicative of full year results and accordingly, such financial information is not comparable to the financial information for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.

Overview

We are a digitally native consumer technology platform, delivering a content-led, lifestyle retail experience to consumers. Since our incorporation in 2012, we have invested both capital and creative energy towards designing a differentiated journey of brand discovery for our consumers. We have a diverse portfolio of beauty, personal care and fashion products, including our owned brand products manufactured by us. As a result, we have established ourselves not only as a lifestyle retail platform, but also as a consumer brand. We offer consumers an Omnichannel experience with an endeavor to cater to the consumers' preferences and convenience:

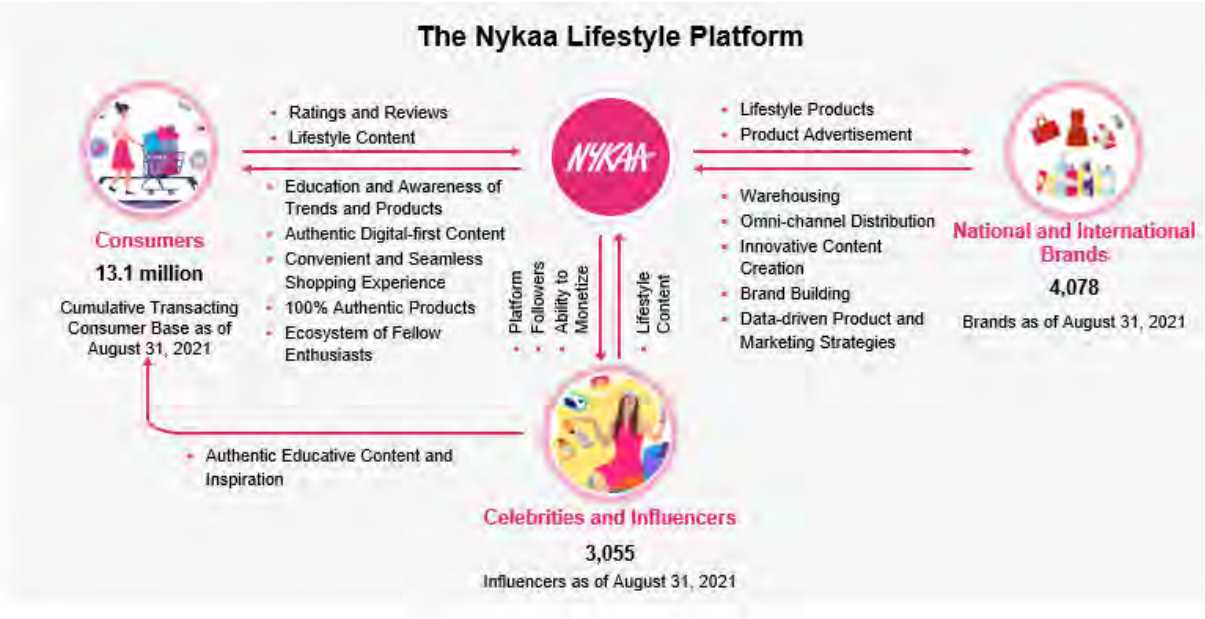
- ***Online**:* Our online channels include mobile applications, websites and mobile sites. As of August 31, 2021, we had cumulative downloads of 55.8 million across all our mobile applications and during the five months ended August 31, 2021, 88.2% of our online GMV came through our mobile applications. According to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, we have one of the highest share of mobile application-led transactions, among the leading online retail platforms in India during Financial Year 2021 and the five months ended August 31, 2021.

- ***Offline**:* Our offline channel comprises of 80 physical stores across 40 cities in India over three different store formats as of August 31, 2021. Our physical stores offer a select offering of products as well as a seamless experience across the physical and digital worlds.

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

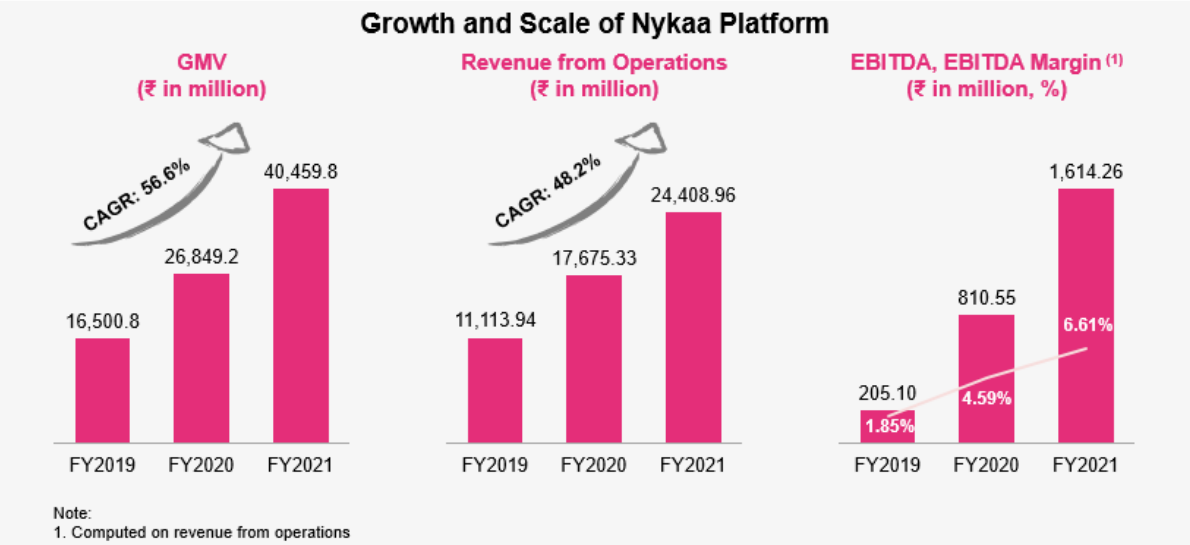
- ***Nykaa****:* Beauty and personal care
- ***Nykaa Fashion****:* Apparel and accessories

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



As of August 31, 2021, we offered approximately 3.1 million SKUs from 4,078 national and international brands to our consumers across business verticals. In the Financial Year 2021, our total GMV was ₹40,459.8 million, which grew 50.7% from the Financial Year 2020. Our revenue from operations in the Financial Year 2021 was ₹24,408.96 million, which grew 38.10% from the Financial Year 2020. Our restated profit for the year in the Financial Year 2021 was ₹619.45 million, as compared to a restated loss of ₹163.40 million for the Financial Year 2020. We generated EBITDA of ₹1,614.26 million and an EBITDA margin of 6.61% in the Financial Year 2021.

For the three months ended June 30, 2021, our total GMV was ₹14,696.1 million, which grew 238.8% from the three months ended June 30, 2020. Our revenue from operations for the three months ended June 30, 2021 was ₹8,169.91 million, which grew 183.05% from the three months ended June 30, 2020. Our restated profit for the three months ended June 30, 2021 was ₹35.22 million, as compared to a restated loss of ₹545.07 million for the three months ended June 30, 2020. We generated EBITDA of ₹269.37 million and an EBITDA margin of 3.30% for the three months ended June 30, 2021.



Our Market Opportunity

India's retail market is expected to grow from ₹54.8 trillion in the calendar year 2020 to reach approximately ₹91.2 trillion by the calendar year 2025. We also have a large market opportunity aggregating ₹10.6 trillion (US$152 billion) in the growing beauty, personal care and fashion industry by the calendar year 2025 in India. The Indian beauty and personal care market is estimated to grow to approximately ₹2.0 trillion (US$28 billion) by the calendar year 2025 from ₹1.1 trillion (US$16 billion) in the calendar year 2020. The Indian fashion market is estimated to grow to approximately ₹8.7 trillion (US$124 billion) by the calendar year 2025 from ₹3.8 trillion (US$54 billion) in the calendar year 2020. The growth is projected to be primarily driven by market shift towards the organized sector, high growth of e-commerce due to increased internet penetration, growing wallet share for beauty, personal care and fashion products and increased spending leading to subsequent premiumization across categories. *(Source: RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer)*

Compared to other mature e-commerce categories, beauty and personal care and fashion have lower online penetration. Online channels accounted for approximately 8-10% of the overall BPC market in Financial Year 2021 and the five months ended August 31, 2021. There is a large headroom ahead for further penetration in India, as suggested by higher penetration in the developed markets such as the United States (20-25%) and China (35-40%). Online penetration in fashion in India is relatively higher at approximately 12% in Financial Year 2021 and the five months ended August 31, 2021, but is relatively low compared to mature e-commerce categories. *(Source: RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer)*

Further, India has the largest population base of Generation Z and Millennials in the world. These next-generation consumers aspire to express their individuality through in-trend beauty, personal care and fashion products, largely inspired by their friends, family, celebrities and influencers on social media. They are digitally native, spend more time online and are conscious of new lifestyle trends. They are capable of buying lifestyle products on a regular basis as their income grows. *(Source: RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer)*

We believe that we have the understanding and experience to cater to their preferences and requirements through beauty, personal care, grooming and fashion.

Our Beauty and Personal Care Offering

Our beauty and personal care offering is extensive with 256,149 SKUs from 2,644 brands primarily across make-up, skincare, haircare, bath and body, fragrance, grooming appliances, personal care, and health and wellness categories as of August 31, 2021. As a result, we believe our brand has become synonymous with beauty products in India. Our portfolio includes domestic brands, international brands, luxury and prestige brands, premium brands, niche and cult brands. The breadth

of our portfolio, coupled with our understanding of the needs and preferences of the consumers, enables us to personalize our selection even as we cater to a more diverse base.

Introduced in 2012, the Nykaa mobile application and website grew rapidly over the years to attain a significant market share of online beauty and personal care market in 2021. As per the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, we are the largest Specialty Beauty and Personal Care Platform in India in terms of value of products sold in the Financial Year 2021 and the five months ended August 31, 2021. Since our launch, we have not only redefined the art of e-retailing beauty and personal care in India, but also have been instrumental in fostering the growth of a previously relatively nascent ecosystem as per the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer.

We manufacture owned brand beauty and personal care products through third party manufacturers contracted by us. We have entered into manufacturing agreements with several manufacturers in India, for the manufacture of such products which are sold under our owned brands such as "*Nykaa Cosmetics*", "*Nykaa Naturals*" and "*Kay Beauty*". Our owned brands are available on our online and offline channels, as well as for certain brands at third party retailers.

Investing in distribution, marketing, technology and logistics has enabled us to provide a wide range of offerings to our brand relationships. Given a brand's desired positioning, we endeavor to provide customized solutions for the development, promotion and sale of the brand's products on our platform. For online-first brands, we provide them with the ability to rapidly scale by leveraging our online platform; for prestige brands, we help them grow through our Omnichannel distribution; and for traditional brands, we provide them with the ability to acquire Millennial and Generation Z consumers by leveraging our role as an influencer. As a result, several renowned international and domestic brands have chosen us for their launches into the Indian market.

Despite being a consumer technology platform, we recognized the importance of physical retail as an offering channel for beauty and personal care products early on. We opened our first physical store in 2014, and have as of August 31, 2021, 80 physical stores across 40 cities. Our physical stores currently exist in three formats, Nykaa Luxe, Nykaa On Trend and Nykaa Kiosks and are developed to cater to a specific consumer demographic and need of the local market.

We manage our beauty and personal care business predominantly through an inventory led model. This approach ensures sourcing directly from brands or their authorized distributors in the country. This allows us to guarantee authenticity of products sold to consumers, an important consideration for such consumers. Having an inventory led model, allows us to ensure availability and timely delivery.

We launched the Nykaa Man mobile application and website, thereby customizing our model and experience for men, along with increasing education and awareness among men on the use of grooming and personal care products.

In the Financial Year 2021, 17.1 million Orders were placed on our platform for beauty and personal care products with a total GMV of ₹33,804.1 million, a 35.3% increase over the Financial Year 2020. For the three months ended June 30, 2021, 5.9 million Orders were placed on our platform for beauty and personal care products with a total GMV of ₹10,847.8 million, a 177.6% increase over the three months ended June 30, 2020.

Our Fashion Offering

We launched Nykaa Fashion in 2018, as a curated and managed marketplace with an endeavor to inspire consumers to make fashion and lifestyle choices that best suit them. We have a wide assortment of offerings, across price points, to cater to women, men and children of diverse demographics. As of August 31, 2021, Nykaa Fashion housed 1,434 brands and 2.8 million SKUs with fashion products across four consumer divisions: women, men, kids and home. Within these consumer divisions, we merchandise across several categories including western wear, Indian wear, lingerie, footwear, bags, jewelry, accessories, athleisure, home décor, bath, bed and kitchen in order to cater to the diverse consumers' journeys across our platform. We offer a mix of brands across established national brands, international brands, luxury brands, and emerging labels and designers.

While we offer a wide range of products, we place strong emphasis on curation. We identify fashion-forward brands, vetting for style and quality, and further select styles within these brands to offer. We also place importance on selling full-price products, reducing reliance on discounting, and selling the latest season's designs. In addition, we use digital content, personalized mobile application experiences and proprietary recommendation algorithms, to build differentiated style-driven, discovery-led experiences for consumers. This has resulted in 16.1% of fashion vertical GMV at full-price collections (at 10% or less discounts) for the five months ended August 31, 2021, respectively. Further, the average value of Orders on Nykaa Fashion mobile application and website was ₹3,977 for the five months ended August 31, 2021. According to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, the average value of Orders on the Nykaa Fashion mobile application and website is the highest among leading online fashion retail platforms in India. Nykaa Fashion operates predominantly as a managed marketplace and has custom-built scalable technology to support this operating model. Such marketplace model lends capital efficiency for the fashion business where trends change quickly or frequently.

Nykaa Fashion also has seven owned brands. These owned brands are available on our online channel and at one physical store, and at third party retailers for many brands.

In the Financial Year 2021 and for the three months ended June 30, 2021, 2.4 million and 1.2 million Orders, respectively, were placed for fashion products with a total GMV of ₹6,655.7 million and ₹3,848.3 million, respectively. Nykaa Fashion is one of the fastest growing fashion platforms in India based on growth in GMV from the Financial Year 2020 to the Financial Year 2021 and from the five months ended August 31, 2020 to the five months ended August 31, 2021, according to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer.

Our Key Operating and Financial Metrics

Metric*	**Unit**	**Financial Year**			**Three Months Ended June 30,**		**Five Months Ended**
		2019	**2020**	**2021**	**2020**	**2021**	**August 31, 2021**
Number of Visits							
Beauty and Personal Care	Million	378.0	574.7	658.9	93.2	214.3	369.6
Fashion	Million	0.1	37.8	172.1	10.0	98.4	177.3
Monthly Average Unique Visitors							
Beauty and Personal Care	Million	9.1	12.2	13.5	8.4	19.1	20.3
Fashion	Million	0.03	1.7	5.8	1.5	13.4	14.7
Annual Unique Transacting Consumers							
Beauty and Personal Care	Million	3.5	5.3	5.6	4.8	6.7	7.1
Fashion	Million	0.0	0.1	0.6	0.2	1.0	1.2
Orders							
Beauty and Personal Care	Million	11.0	17.0	17.1	1.9	5.9	10.2
Fashion	Million	0.4	1.1	2.4	0.2	1.2	2.1
Average Order Value (AOV)							
Beauty and Personal Care	₹	1,433	1,448	1,963	2,092	1,837	1,886

Metric*	Unit	Financial Year			Three Months Ended June 30,		Five Months Ended August 31, 2021
		2019	2020	2021	2020	2021	
Fashion	₹	655	1,604	2,739	2,343	3,170	3,197
Gross Merchandise Value (GMV)#							
Beauty and Personal Care	₹ in Million	16,219.2	24,981.4	33,804.1	3,907.8	10,847.8	19,316.3
Fashion	₹ in Million	281.6	1,867.8	6,655.7	429.8	3,848.3	6,897.3
Total	₹ in Million	16,500.8	26,849.2	40,459.8	4,337.7	14,696.1	26,213.6
GMV Growth	%	—	62.7%	50.7%	—	238.8%	
Revenue from Operations	₹ in Million	11,113.94	17,675.33	24,408.96	2,886.39	8,169.91	
Revenue from Operations Growth	%	—	59.04%	38.10%	—	183.05%	
Gross Profit(1)	₹ in Million	4,511.17	7,533.28	9,530.71	733.31	3,316.58	
Gross Profit Margin(2)	%	40.59%	42.62%	39.05%	25.41%	40.60%	
EBITDA(3)	₹ in Million	205.10	810.55	1,614.26	(453.44)	269.37	
EBITDA Margin(4)	%	1.85%	4.59%	6.61%	(15.71)%	3.30%	
Restated Profit / (Loss) for the Period/Year	₹ in Million	(245.39)	(163.40)	619.45	(545.07)	35.22	
Restated Profit / (Loss) Margin(5)	%	(2.21%)	(0.92%)	2.54%	(18.88)%	0.43%	

* For definitions of certain capitalized terms used in the table above, see "*Definitions and Abbreviations – Technical/Industry Related Terms or Abbreviations*" on page 12.

\# Monetary value of Orders inclusive of taxes and gross of discounts, if any, across our websites, mobile applications and physical stores prior to product returns or order cancellations and including sales to and through third party channels.

(1) Gross Profit is a non-GAAP financial measure. Gross Profit refers to revenue from operations less cost of material consumed, purchase of traded goods, changes in finished goods and stock-in-trade.

(2) Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by revenue from operations.

(3) EBITDA is a non-GAAP financial measure. EBITDA refers to our profit/(loss) for the period, as adjusted to exclude (i) other income, (ii) depreciation and amortization expenses, (iii) finance costs and (iv) tax expense.

(4) EBITDA Margin refers to the percentage margin derived by dividing EBITDA by revenue from operations.

(5) Restated Profit/(Loss) Margin refers to the percentage margin derived by dividing restated profit/(loss) for the period by revenue from operations.

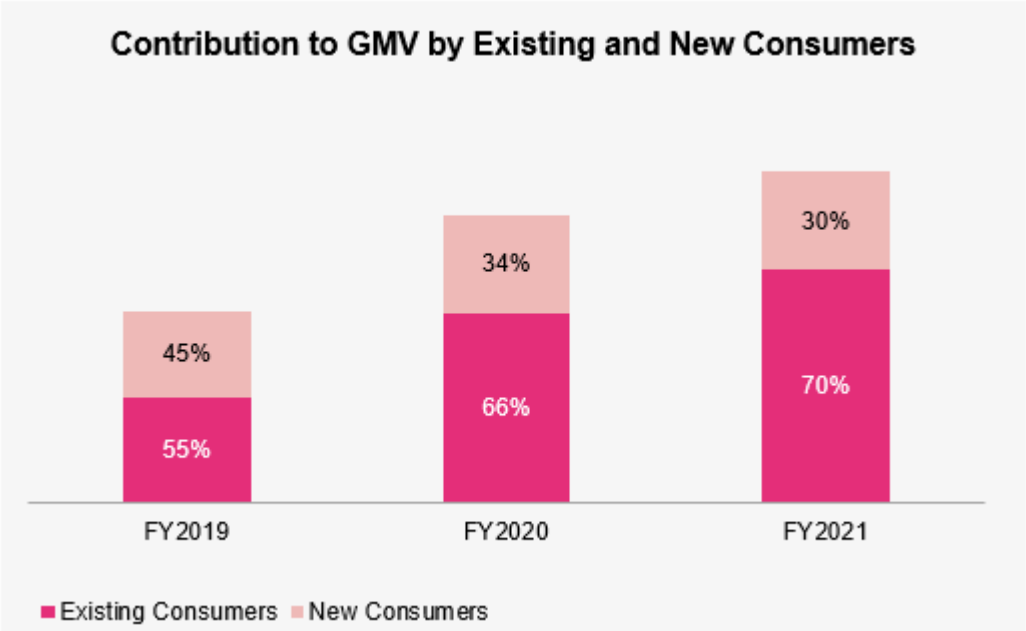
Our Value Proposition

Our business has been built iteratively while innovating for consumer satisfaction as well as optimizing for purchase behavior. We believe that the consumer journey for product selection often includes a significant amount of time spent exploring. We endeavor to understand the process of decision making and provide for the critical moments across the different stages of a consumer's journey on our platform. Through integrations across touchpoints, we target consumers and design personalized browsing and purchase experiences to meet the diverse needs of our consumers.

Our business model is rooted in our value proposition, separating us from the otherwise predominantly transactional e-commerce industry:

We evaluate the effectiveness of our value proposition by tracking, among others, GMV from Existing Consumers. We have observed a high level of loyalty for our platform among consumers.

The chart below depicts the contribution to GMV from New Consumers and Existing Consumers by Financial Year on our beauty and personal care website and mobile application. Our New Consumers, identified by their email-id or mobile number, are consumers who placed their first Order on our websites or mobile applications during the Financial Year. Our Existing Consumers, identified by their email-id or mobile number, are consumers who placed at least one Order in any prior Financial Year on our websites or mobile applications.



We also have an array of services to engage with our consumers and reward their loyalty. Through Nykaa Prive, our consumer loyalty program for beauty and personal care vertical, members enjoy exclusive offers and discounts, complimentary gifts, free shipping and access to exclusive members' only content. Nykaa Prive members also enjoy priority access to our consumer service team. As of March 31, 2021, there were 2.1 million Nykaa Prive members. Our consumers can also earn Nykaa reward points by signing up, shopping, writing reviews and answers and referring new consumers to our platform. These rewards points can be redeemed to make purchases on our platform. We are currently redefining Nykaa Prive to make it more comprehensive and rewarding for our consumers.

Commitment to authenticity

We have developed systems and processes to ensure that the products sold on our platform are authentic, and build trust among our consumers and brands. For our beauty and personal care offering, our business is predominantly inventory led. This approach ensures sourcing directly from brands or their authorized distributors in India. It allows us to guarantee authenticity of products bought by our consumers, an important consideration for consumers of such products. We also conduct quality checks at our warehouses periodically on our beauty and personal care products. For our fashion offerings, we operate a managed marketplace and ensure that the sellers we onboard are authorized resellers only. We have also developed systems to monitor and address consumer complaints towards our ongoing commitment to authenticity.

Content-first approach to retailing

In both beauty and personal care and fashion businesses, consumers often require assistance to navigate a fragmented and wide assortment. We believe that purchase decisions can be simplified in lifestyle commerce through inspirational and educational transmedia content.

According to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, we were one of the first online retail platforms in India to drive widespread product and influencer-led education through creative and entertaining content across video and written formats. Our content captures the latest trends, helps ideate and create beauty regimes and outfits and provides insights on various brands available on our platform. We also work closely with our brand relationships to create content that amplifies their brand story and subsequently, their sales. We create and film a majority of our content in-house through the Nykaa Army, a team of employees who are beauty and fashion content creators. Being mindful of India's diversity, we create content across eight languages.

We leverage influencers through our Nykaa Affiliate Program, which enables external content creators to publish content on our behalf, across several digital platforms. As of August 31, 2021, we had a network of 3,055 influencers, including Generation Z trend setters, mommy bloggers, beauty, fashion and lifestyle bloggers, makeup artists and celebrities. Over the years, we have developed a community of bloggers and content creators who, in most cases, receive a commission for the sales they drive on our platform. As a result of our brand equity and our track record of building digital communities, we are able to attract influencers. According to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, as of August 31, 2021, we had the largest influencer network in the online beauty and personal care sector in India.

In the Financial Year 2021 and for the five months ended August 31, 2021, Nykaa TV, our YouTube based content platform, had a watch time of 1.3 million hours and 1.5 million hours, respectively, and content posted on Instagram and Facebook (including videos, reels, posts and stories) was 39,498 posts and 17,346 posts, respectively. According to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, we are one of the most influential lifestyle platforms in India with approximately 13.4 million followers across leading social media platforms as of August 31, 2021. A brief description of some of our content assets is provided below:

- Nykaa TV is a YouTube based platform aimed at creating educational content with immersive storytelling across beauty and personal care. As per the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, Nykaa TV is India's leading channel exclusively focused on beauty with over 1.2 million YouTube subscribers as of August 31, 2021.

- We have created a peer-to-peer social community called the Nykaa Network. As per the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, Nykaa Network is India's first interactive beauty forum to reach a scale of 3.6 million members as of August 31, 2021, where members can chat with other beauty enthusiasts, ask and answer beauty-related questions, give and seek advice, discover trends and join beauty-centric conversations on topics of their interest.

- Nykaa Beauty Book and Style Files are our beauty and fashion blogs with 598 articles and 214 articles published during the Financial Year 2021 and the five months ended August 31, 2021, respectively.

- Explore, launched in 2020, is our in-app content aggregation hub. It is a "watch and buy" feature that enables a consumer to watch content and shop for the products featured in that content in real-time. Such content is uploaded to the mobile application on Explore by our influencers and from social media channels. Its discovery algorithms are responsive to consumer preference based on their search and engagement behavior on our platform. This allows us to tailor our vast content library to appeal to our specific consumers. The content is predominately multi-brand and education focused, including tutorials on 'how-to', reviews, and product trials. During the five months ended August 31, 2021, Explore received 4.4 million visits and 9.7 million post views.

In the Financial Year 2021 and the five months ended August 31, 2021, visitors to our beauty and personal care and fashion websites and mobile applications spent over a total of 95.3 million hours and 53.9 million hours, respectively, on our channels.

Deep, symbiotic relationship with brands

We value our brand relationships, and have a team of brand managers who work closely with brands to strategize and execute growth and brand building strategies. We view ourselves as brand custodians and apply a client-servicing mindset to our interactions with brands to ensure we are building long-term strategic relationships. We have leading domestic and international brands in our beauty and personal care portfolio such as Clinique, Dermalogica, Dove, Estee Lauder, Faces Canada, Forest Essentials, Herbal Essences, Innisfree, Lakme, MAC, Makeup Revolution, Mamaearth, Maybelline New York, Mcaffeine, Nautica, Plum, Smashbox and Wella Professional and in fashion portfolio such as And, Bulchee, Caratlane, Fablestreet, Forever New, Gaya, House of Masaba, Hidesign, Triumph, Miss Chase, Shaurya Sanadhya, Tribe by Amrapali and Wacoal.

Our experience and in-depth understanding of the assortment of products, supported by consumer insights allows us to forecast trends, and tailor brand specific marketing and commercial strategies. We leverage our marketing channels to educate and influence our consumers. With the help of social media influencers, we have been able to drive effective marketing of brands on our platform. As a result, according to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, we are a go-to platform for premium beauty and personal care brands to reach more evolved beauty and personal care consumers.

We offer brands involvement and integration in several aspects of our brand marketing strategy, from building marketing plans and promotions for their products to ensuring their standards in supply chain and fulfilment. For example, we advise our brands on pricing and commercial strategies including discounting, sampling, gifting and couponing to meet consumer demand while respecting the brand's desired positioning in the market. We also offer advertising space in our online channels and our physical stores to brands.

The two case studies below provide the diversity of our serving offerings to the brands in an effort to help build their brand in India:

L'ORÉAL PARIS × NYKAA

L'oreal Paris Fashion Week – Leveraging Rich Content to Drive Commerce

Nykaa partnered with L'Oréal Paris in 2019* to bring live coverage of the L'Oréal Paris X Paris Fashion Week show to Indian consumers.

As the official e-commerce partner for this global event, the Nykaa content team collaborated with L'Oreal Paris Brand teams to provide live streaming, spokesperson coverage, and event updates.

In this way the L'Oreal Paris x Nykaa Partnership successfully leveraged all content channels to create a new shopping experience to Indian customers through this virtual event coverage.

L'Oréal Paris saw strong engagement and increased market share on our platform during these days.

**This was between 26th September 2019 to 1st October 2019*

CharlotteTilbury × NYKAA

Charlotte Tilbury - Localizing a Global brand to drive loyalty in a New Market

With their desire to expand to new markets, Charlotte Tilbury appointed Nykaa as their distributor and retailer in India in 2020*

Charlotte Tilbury launched on Nykaa in November 2020 with an online popup 'House of Tilbury' - engaging virtual experience to discover best-selling products and learn about the brand's rich history.

To maximise local consumer relevance, Charlotte Tilbury and Nykaa created an Indian bridal look for the market during the wedding season. Leveraging Nykaa's vast network of influencers to build amplification and buzz.

Charlotte Tilbury, through Nykaa has quickly established itself in a new market in a short span of time. On the day of its launch on Nykaa, the brand exceeded the jointly agreed target by over 50% and it continues to grow on our platform.

**Currently Charlotte Tilbury is only available in India via Nykaa.com and in Nykaa Stores and is subject to the terms of the agreement between the parties.*

Diverse portfolio of owned brands

We have a portfolio of 15 owned brands. Our owned brands play a key role in increasing the assortment of products for our consumers. Many of our owned brands have a high recall and function as independent brands. The manufacturing for such brands is carried out by third party vendors.

Our owned brand portfolio is executed by identifying gaps in the market, both across requirements of diverse consumers and multiple price points, and building brands to suit these needs, with a focus on high quality products. Some of such owned brands are:

- ***Nykaa Cosmetics***: Nykaa Cosmetics is a comprehensive makeup and beauty accessories brand present across lips, face, nails, eyes and beauty tools.

- ***Nykaa Naturals***: Nykaa Naturals is a naturally derived ingredients focused brand for skincare products such as bath and body offerings, masks and haircare.

- ***Kay Beauty***: Kay Beauty offers premium range beauty products across lips, eyes, face and nails categories.

- ***Dot & Key***: Dot & Key offers premium skincare products across serums, toners, cleansers and face masks and has recently expanded into nutraceuticals.

- ***Twenty Dresses***: The apparel product line includes western wear across dresses, jumpsuits, tops, pants skirts as well as footwear, bags, and accessories.

- ***Nykd by Nykaa****:* Nykd by Nykaa offers lingerie and includes bras, panties, sleepwear, shapewear and athleisure.

- ***Pipa Bella***: Pipa Bella offers on-trend aesthetic jewelry such as earrings, necklaces, bracelets, rings and hair accessories.

- ***RSVP***: RSVP offers a wide and premium collection of dresses, jumpsuits, tops and skirts as well as footwear and bags.

- ***Gajra Gang***: Gajra Gang offers a wide and premium range of kurta sets, ethnic dresses, saree, tops and accessories.

Comprehensive assortment and focus on curation and merchandising

We seek to strike a balance between the breadth and relevance of the assortment of offerings on our platform. We work towards building product offerings that cater to our consumer's specific needs and evolving tastes. Our lifestyle product portfolio spanned across 4,078 brands and approximately 3.1 million SKUs as of August 31, 2021, developed to cater to the varying needs of our diverse consumer base. As part of our merchandising and curation strategy, we focus on market fit for products offered, ongoing demand and consumer trends. We strive to bring in the product collections that fit our demand profile and at the same time churn out the products that are losing relevance. We have a team of curators who work closely with our brand relationships to offer our consumers latest lifestyle trends.

Our consumers influence our merchandising strategy by reading and writing reviews, asking questions, viewing and providing ratings, and uploading images on our platform. Consumers may also try on certain products virtually through a “Virtual Try On” feature on our mobile application.

In addition, our platform has been designed to drive discovery and inspiration for the consumers. Leveraging information across multiple parameters and consumer activity on our platform along with details of attributes against every product, we are able to show the consumer personalized content and products across their shopping journey. Leveraging data science, we developed robust personalization engines and customized product features, such as customized landing pages, personalized homepages, search and sort algorithms and recommendation engines to power the discovery experience. We also iterate continuously to enhance our user interface with the aim to enable a quality experience for each consumer.

We offer on-demand chat service with our beauty, fashion and grooming experts to help increase engagement with consumers while resolving any concerns or technical questions that they may have.

Omnichannel approach

An Omnichannel shopping experience

Beauty and personal care consumers prefer to shop across online channels and physical stores. Many of the products we sell often require a ‘touch and feel’ experience to arrive at a purchase decision, especially certain higher value and/or complex categories, such as fragrances and make-up. In order to provide such an experience, and be physically present closer to our consumers, we launched our physical stores in 2014. Since then we have expanded our footprint. Our physical stores cater to the modern day Indian consumer, by integrating the offline-online experience seamlessly.

As of August 31, 2021, we had 319 beauty and personal care advisors at our physical stores, who help to personalize the offline shopping experience. We leverage their knowledge of product usage and efficacy, to drive product awareness and sales to our consumers. In addition, such beauty advisors can use our mobile application to complete an ‘endless aisle’ online purchase for the consumer, whether or not the product is available at the store (with delivery or pick-up as opted by the consumer).

Our physical stores provide us the ability to interact with our consumers in person. To drive engagement, excitement, and education in our physical stores, we organize events known as beauty bars and masterclasses. We work with experts, influencers and bloggers to conduct these events in store. Consumers are able to register online and participate in a store near them.

We also have the largest physical retail footprint among the multi-brand Specialty Beauty and Personal Care Platforms operating across value, prestige and luxury categories and having a dominant share of luxury segment in India, as of August 31, 2021, as per the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer.

Online-offline integration

By giving our consumers both physical and digital shopping experiences, we want to remain relevant at all the touchpoints of a consumer’s journey. Our Omnichannel offers, endless aisle, gift cards and loyalty program have helped us to offer our consumers a comprehensive buying experience across online and offline platforms.

We leverage our Omnichannel database of consumers to select store locations, design brand and assortment mix, direct traffic to our stores, plan offline beauty events and marketing campaigns, and create an experiential based, educational and personalized shopping experience.

We also developed our hyper-local delivery capability in 2020 during the COVID-19 induced lockdown, which allows us to use our physical stores as last mile delivery hubs for online Orders for select locations. This has helped us improve our speed of delivery and optimize our inventory by making it more fungible.

Our physical stores

As of August 31, 2021, we operated 80 physical stores in 40 cities of India across three formats. During the Financial Year 2020, our physical stores registered one of the highest sales per sq. ft. figures across multi-brand Specialty Beauty and Personal Care Platforms in India, as per the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer.

- ***Nykaa Luxe:*** The Nykaa Luxe store format offers a luxury beauty experience. The format showcases prestige and luxury international and domestic brands.

- ***Nykaa On-Trend****:* The Nykaa On-Trend stores offer a differentiated experience for our consumers with the current best-selling products chosen across beauty and personal care brands.

- ***Nykaa Kiosks****:* The Nykaa Kiosks are free standing units usually in the atriums of shopping malls. We predominantly sell our owned brands through these kiosks.

Consumer service and fulfilment

Consumer service innovation

We understand the importance of assisted buying to drive awareness and make sales. As of August 31, 2021, our 319 beauty advisors at our 80 physical stores and 31 trained beauty and personal care advisors available to answer questions and offer recommendations queries online. Online, our consumers are able to consult one-to-one in real-time with our beauty advisors through chat, thereby virtually replicating in-store interactive experience.

Our consumer service team also addresses post-Order related consumer service queries. We leverage technology to optimize and automate the interactions where relevant. Approximately 70.4% of chat queries were answered by chatbots during the five months ended August 31, 2021, thereby reducing load on our consumer service team, and allowing them to focus on more complex queries.

Fulfilment and operational excellence

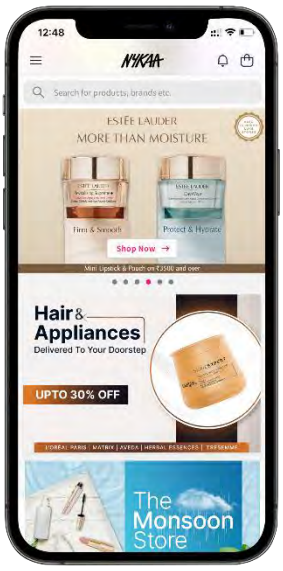
As of August 31, 2021, we served 26,727 pin codes, covering 89.2% of the serviceable pin codes across the country, and had 20 warehouses with a storage space of 665,371 sq. ft. Orders are monitored and tracked closely to ensure timely dispatch. We have an allocation engine which helps fulfill Orders by utilizing inventory efficiently across our warehouses. We drive optimization on localized fulfilment to ensure delivery from the nearest fulfilment center which optimizes shipment costs and inventory management. For fashion products sold through the marketplace model, we have integrated our supply chain with the warehouses of several sellers.

94.1% of Orders are delivered within five days in our beauty and personal care vertical and 72.0% of Orders are delivered within five days in our fashion vertical, for the quarter ended March 31, 2021. Such capabilities come together to deliver better fulfilment metrics across the country. Our Order to delivery metrics have been impacted during the second wave of COVID-19 due to restrictions and lockdowns. 86.5% of Orders were delivered within five days in our beauty and personal care vertical and 64.3% of Orders were delivered within five days in our fashion vertical, for the five months ended August 31, 2021.

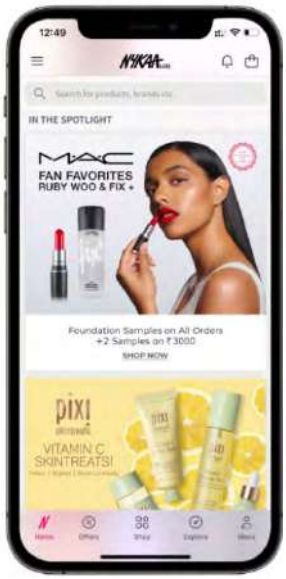
We manage four models – inventory, sale or return ("SOR"), marketplace and just-in-time inventory models. We have made investments in technology, people and processes to support and scale these models. Our flexibility to operate each model is a core strength as we believe that brands and products require a customized approach to selling. For our inventory and SOR models, our investment in technology is geared to enable fungible inventory across online and offline channels, allowing for efficient inventory management.

Our luxury Orders are packed and tracked separately with consistent communication with the brands and sellers to deliver the shipment to the consumer in an efficient and seamless manner.

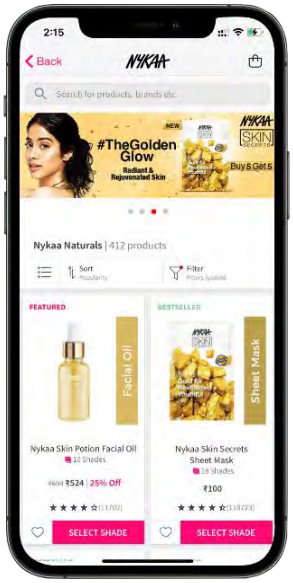
Mobile Applications Walkthrough



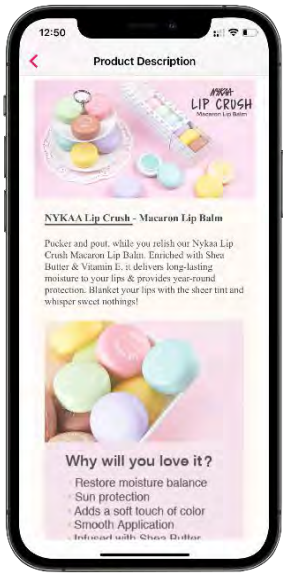
One-stop Destination for All Things Beauty and Personal Care



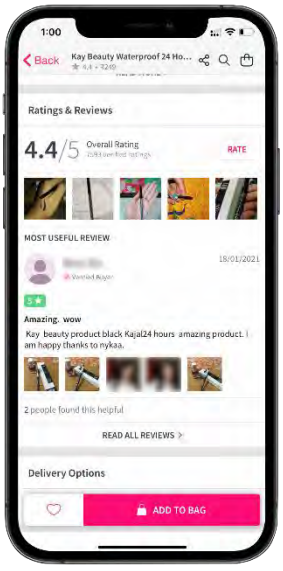
Enjoy Differentiated Authentic Shopping Experiences through 'Stores'



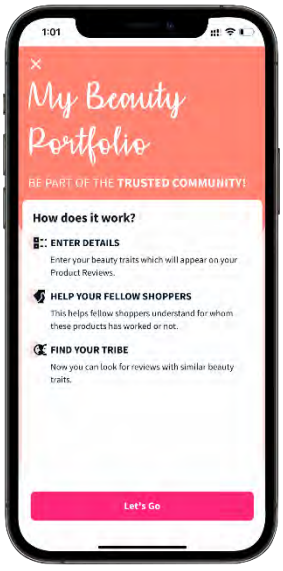
Shop for Nykaa Products



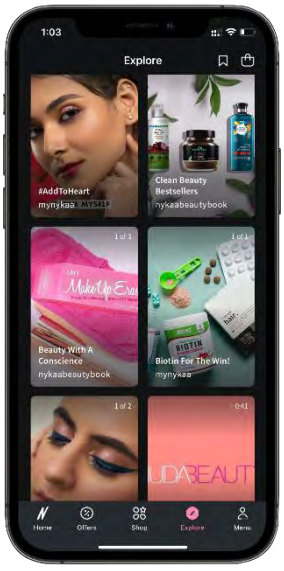
Look up All Product Details



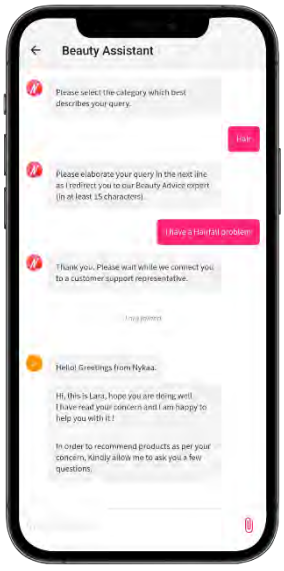
Be Empowered with Consumer Ratings and Reviews



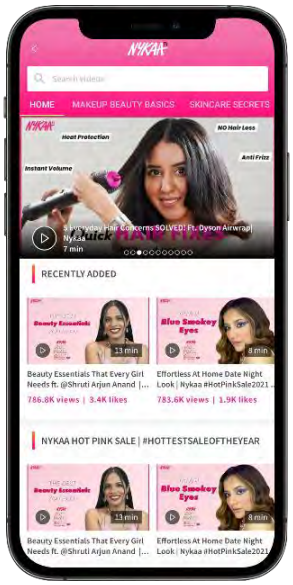
Be Part of the Trusted Community by Making Reviews Relevant



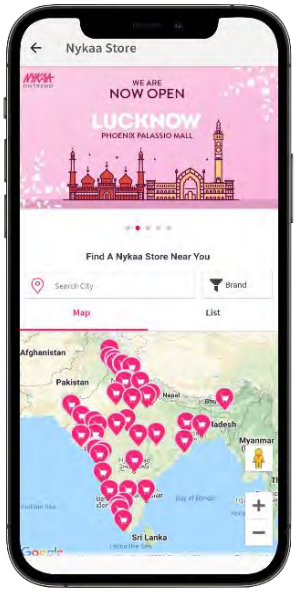
Explore Personalized In-app Content



Talk to Our Beauty Advisors



Enjoy Nykaa Content across Platforms



Find a Nykaa Store Near You

Nykaa Guarantee: View Authenticity Certificates from Brands

Nykaa Fashion

Enjoy Curated Collections at Nykaa Fashion

Discover New Products and Trends through Our "What's New" and Latest Collections Section

Search Products with Our Unique 'Trendspotting' and 'Hidden Gems' Features

Enjoy Nykaa Fashion Blogs and Videos

Our Strengths

One of India's leading lifestyle focused consumer technology platform

We believe we are a destination of choice for our consumers not only for engaging, personalized shopping experiences but also to understand latest trends in beauty, grooming and fashion in India.

According to the RedSeer Report which has been exclusively commissioned and paid for by us in

connection with the Offer, we are the largest Specialty Beauty and Personal Care Platform in India in terms of value of products sold in the Financial Year 2021 and the five months ended August 31, 2021, and one of the fastest growing fashion platforms in India based on growth in GMV from the Financial Year 2020 to the Financial Year 2021 and from the five months ended August 31, 2020 to the five months ended August 31, 2021. We generated ₹40,459.8 million and ₹14,696.1 million in GMV on our platform in the Financial Year 2021 and the three months ended June 30, 2021, respectively. We believe our leading position drives self-reinforcing flywheels, which further drive strong network effects. The brand affinity that we have built with our consumers, attracts them to engage on our platform, and increase in consumer traffic, increases the number of transactions on our platform. With more consumers and more transactions, it becomes imperative for more brands and more sellers to be associated with us which further increases the choice for our consumers. Leveraging our brand strength, we have been able to and will continue to add more lifestyle verticals and adjacencies on our platform which is expected to further increase our consumer base.

Our experience flywheel further accelerates our transaction flywheel. Our sizeable volume of content drives increased organic traffic and retention on our platform, which in turn drives higher engagement and better experience, helping us create more content and further drive consumer experience and transactions. We believe we have gained significant prominence not only as a lifestyle retail platform, but also a leading lifestyle brand and influencer.

We are the preferred destination for luxury and prestige products in India for consumers and brands

According to the RedSeer Report which has been exclusively commissioned and paid for by us in connection with the Offer, we have the highest AOV among the leading online beauty and personal care platforms in India and we are the largest luxury beauty and personal care platform in India.

A large number of leading luxury and prestige beauty and personal care brands such as Armani Beauty, Aveda, Azzaro Fragrance, Bobbi Brown, Bvlgari, Charlotte Tilbury, Clinique, Diesel Fragrance, Dior, Estee Lauder, Forest Essentials, Givenchy, Hermes, Huda Beauty, Jo Malone, Kama Ayurveda, Kiehl's, L'occitane, MAC, Mugler Fragrance, Pixi, Ralph Lauren Fragrance, Smashbox, Sulwhasoo, Too Faced and Tom Ford and Yves Saint Laurent Beauty retail with us, making us the shopping destination of choice in India for their products. Further, a significant number of leading luxury and prestige fashion brands such as Aachho, Adisee, AMPM, Boat, Falguni & Shane Peacock, Fayon Kids, Forever New, Garmin, Guess Bags, Gaya, Hidesign, House of Masaba, Janya's closet, Kalyan Jewellers, Kazo, Little West Street, Masilo, Maspar, Outhouse, Payal Singhal, Ritu Kumar, Saksham & Neharicka, Suhani Pittie, Sougat Paul, Tribe by Amrapali, Triumph, Vitamins, Wonderchef, Wacoal, Zenic and Zink London offer their products on our platform, making us their retail destination of choice in India.

We have tailored specific capabilities across marketing, technology, supply chain, fulfillment, and consumer service to create a differentiated ecosystem for such brands and our consumers. For example, we built a separate Luxe store mode within the Nykaa app for luxury and prestige products on our platform in order to present a differentiated environment to buyers of such products. Further, while our warehouses generally have segregated areas for such brands, shipments to consumers from such warehouses are also packed in premium packaging to enhance the luxury shopping experience

for the consumers. In the case of certain international prestige brands, we understand that physical stores play an important role in brand building, and hence our ability to offer an integrated Omnichannel retail strategy to these brands is a key strength for us.

As a result of these bespoke services, many global luxury brands such as Charlotte Tilbury, Huda Beauty, Mario Badescu, Pixi and Tangle Teezer have chosen us to import, launch and sell their products to consumers in India.

In our fashion business, we also enable customization for luxury and made-to-order products. Consumers can work with our stylists to identify their customization requirements and we work with the brands to deliver such customized products.

HUDABEAUTY × NYKAA

Nykaa Launches Huda Beauty in India via Nykaa Imports…To cater to India's Gen Z Consumer's growing desire for emerging, globally renowned brands.

An import brand is able to avail of a full suite of offerings provided by Nykaa. From regulatory aspects, to pricing & commercial strategy, and omnichannel distribution across both online, and its network of owned multi-brand stores.

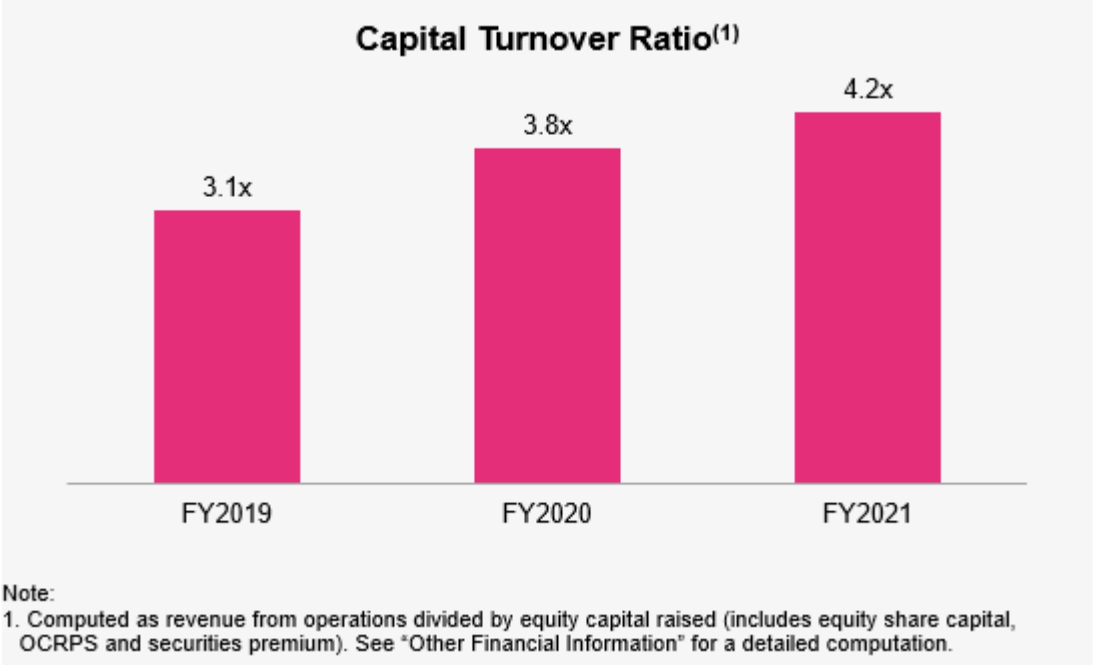
Nykaa's deep understanding of the Indian market and consumer, allows it to tailor a highly localized content and marketing strategy to build brand awareness.

Huda Beauty launched in India with Nykaa in January 2018. With ~6,000 Liquid Matte Lipsticks sold in 24 hours, Huda Beauty clocked the highest revenue for a brand on its launch day on our platform. Huda Beauty continues to be a leading luxury brand and over 300,000 unique customers have purchased a Huda Beauty product since launch. The brand is widely distributed across 69 Nykaa stores across Tier I-3 cities. Given the success of this launch, Nykaa and Huda Beauty have expanded their relationship with the launch of Wishful and Kayali, both new skincare and fragrance brands from Huda Beauty.

Resilient, capital efficient business with a combination of strong growth and profitability

We have built a scaled business with strong growth and profitability. In the Financial Year 2021, our GMV was ₹40,459.8 million with revenue from operations of ₹24,408.96 million and a 6.61% EBITDA margin. Our revenue from operations grew 38.10% in the Financial Year 2021 as compared to the Financial Year 2020, despite the adverse impact of COVID-19 on our business. Our restated profit for the year in the Financial Year 2021 was ₹619.45 million, as compared to a restated loss of ₹163.40 million for the Financial Year 2020.

For the three months ended June 30, 2021, our GMV was ₹14,696.1 million with revenue from operations of ₹8,169.91 million and a 3.30% EBITDA margin. Our revenue from operations grew 183.05% for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. Our restated profit for the three months ended June 30, 2021 was ₹35.22 million, as compared to a restated loss of ₹545.07 million for the three months ended June 30, 2020.



Our capital turnover ratio has improved from 3.1 times in the Financial Year 2019 to 4.2 times in the Financial Year 2021. We have focused on capital efficiency and unit economics, while simultaneously building for scale and growth. We have been able to achieve this scale with only ₹5,777.38 million primary investment into our Company as of March 31, 2021.

Our proprietary technology stack

Over the years we have invested in building our own proprietary platform, the Nykaa technology platform. We continue to evolve it keeping in mind not only today's challenges but also factoring for future agility. Our platform architecture comprises small, maintainable, scalable building blocks following the principles of a service oriented architecture. This has enabled us to support multiple business models, execute new initiatives and make operational efficiency gains across offerings, new and existing. At the same time, the architecture retains the flexibility to customize technology requirements for individual businesses. For example, we were able to quickly launch and scale-up our fashion business using the same Nykaa technology platform while customizing discovery for the fashion vertical.

Our data analytics capabilities powered by scalable data engineering allows us to consume a large number of data points across consumer interactions, product attributes, consumer demographics, marketing campaigns, inventory and pricing. Our in-house data team is able to leverage this information to create dynamic hyper-personalized experiences for our consumers across their journeys on our platform. Our online platform has various differentiated technology driven features such as virtual try-on of make-up products, in-app store-in-store concepts, in-app personalized content feed, live streaming and time bound commercial offerings that prompt consumers to explore and purchase.

Founder-led company supported by a professional management team

Our sustainable growth in business has been achieved through our founder-led management team with relevant experience and complementary skill sets. We are led by our Founder, Executive Chairperson, Managing Director and Chief Executive Officer, Falguni Nayar, who started the business in 2012. She is driven by a desire to transform the traditional and transactional ways of lifestyle e-commerce in India. She has been the driving force in developing and growing our business. Her understanding of the consumer, intuitive entrepreneurship and involvement in key aspects of our business has helped accelerate and drive our profitable growth. Falguni is complemented by a professional management team which shares the same vision and values as hers to drive our growth.

Our Growth Strategy

The key elements of our strategy to further grow our business are summarized below.

Continue to acquire new consumers and increase consumer loyalty

We have built our consumer base over the years and continue to aim to attract new consumers to our platform by providing an engaging shopping experience. As we refine our content engine, technology capabilities and assortment, we increase engagement with every new visit to our platform, thereby increasing our ability to acquire new consumers. We use levers of "voice, video and vernacular" to improve our reach and acquire consumers.

We also plan to deepen our existing consumer relationships to enhance our revenues by increasing our wallet share from such consumers. We believe we can increase purchase frequency and AOV by improving personalization, improved targeting and by continuing to refine our data analytics.

Deepen and broaden our brand relationships

We believe in our track record of being brand custodians, and not solely being focused on transactional commerce, resonates with brands around the world. As part of our continuous efforts to offer a curated assortment of brands and products to our consumer base, we will continue to invest in entering into new brand relationships.

We will also continue to nurture our existing brand relationships. We endeavor to improve sales and hence create value for our brand relationships through improved merchandising, refined marketing and new data driven brand specific experiences. We want to ensure that that our platform maintains its position as a go-to lifestyle destination for its diverse brand relationships.

Leveraging on art of retailing to expand into lifestyle adjacencies and launch new channels

We started as a beauty and personal care platform for women, and have expanded to lifestyle offerings across beauty and personal care, grooming, fashion and home products, for consumers across a variety of demographics. Our understanding and customized execution of multiple categories and sub-categories within lifestyle retail enables us to foray into other lifestyle adjacencies to target that our platform becomes the single largest destination for lifestyle needs of our diverse consumers. We recently launched The Global Store, an online channel that enables Indian consumers to buy select beauty and personal care products of several prominent foreign brands from accredited overseas retailers.

Further expand Omnichannel capabilities

We aim to invest further towards expansion of our physical store network to serve more consumers across the country with our Omnichannel experience. At the same time, we seek to further leverage the synergies between the offline and online channels to create a seamless journey across touchpoints. We will continue to invest in people and infrastructure to build further capabilities for delivering an integrated online-offline shopping experience. As an extension of our Omnichannel capabilities, we commenced Nykaa PRO, a membership-based program for beauty professionals and makeup artists, providing them access to products, offers and classes, including, educational content. We are also conducting trials of SuperStore, an online channel with a separate mobile application for standalone local retailers in India to offer them select beauty and personal care products to offer to their consumers.

Invest in our owned brand portfolio

Our experience shows that the lifestyle consumer base is rapidly evolving. The success of our owned brand portfolio so far has come from identifying market gaps and building innovative products to address consumer needs by leveraging our marketing and consumer insights. We aim to increase the product offerings in our current owned brand portfolio across our business verticals and add newer long-term focused brands. At the same time, we intend that our owned brands portfolio will continue to uphold the product quality and authenticity standards that we stand for.

Focused, selective international expansion as well as acquisitions and joint ventures in India

We have gained experience in India of localizing global trends for specific sub-markets and tastes. As we grow our consumer base in India, we will also aim to explore expansion selectively and prudently into international markets.

Further, our experience in acquisitions and joint ventures has provided us insights and growth opportunities, and we intend to continue to consider such transactions in India, particularly to supplement our market leading position, product offerings, channels and owned brands as well as expand in other lifestyle adjacencies.

Recent Developments

Acquisition of a Majority Stake in Dot & Key Wellness Private Limited

On September 28, 2021, our Company acquired 51% of the outstanding equity shares of Dot & Key Wellness Private Limited ("Dot & Key") through the subscription and purchase of equity shares. Dot & Key is engaged in the business of manufacturing, marketing, branding and sale of skincare and personal care products, including serums, toners, cleansers, face masks and face creams. Dot & Key has also recently launched a few products in the nutraceuticals category. Its products are listed on our and other online retailers' platforms as well as in our physical retail stores. Following this investment, Dot & Key became one of our owned brands and this investment will allow us to expand our skincare, personal care and nutraceuticals offerings. See also "— *Our Owned Brands*" on page 212.

Financial Results for Quarter Ended September 30, 2021

Our Company, after the completion of this Offer, and with listing of our Equity Shares, within 45 days from the completion of the previous quarter, will be required to publish our quarterly financial results for the quarter ended September 30, 2021. While we have not yet prepared our results of operations for the quarter ended September 30, 2021, we may incur a loss primarily due to higher marketing costs for the quarter ended September 30, 2021 as compared to the quarter ended June 30, 2021, due to (i) a mass media marketing campaign aimed at building brand awareness and (ii) higher customer acquisition costs to acquire new customers. See "*Risk Factors— If we fail to acquire new consumers or fail to do so in a cost-effective manner, we may not be able to increase revenue or maintain profitability."*

DESCRIPTION OF OUR BUSINESS

Our Business Relationships

We operate our businesses primarily through arrangements with beauty, personal care and fashion brands, delivery companies, manufacturers, distributors and other vendors, including suppliers of packaging material. Additionally, we have arrangements with other intermediaries such as digital services providers who provide certain digital services including digital marketing and search engine optimization services, payment gateway operators who facilitate consumer payments on our platform, manpower service providers who provide personnel for services such as loading, unloading, packaging, security and housekeeping. Our consumer sales arrangements are based on the terms and conditions listed on our mobile applications and websites.

Our general arrangements with beauty, personal care and fashion brands, delivery companies, manufacturers, distributors and other vendors are set out below.

Vendor Agreements and Service Agreements with Third Party Vendors

Our subsidiaries, Nykaa E-retail Private Limited, FSN Brands Private Limited and Nykaa Fashion Private Limited, have entered into standardised vendor agreements with the vast majority of our third party vendors. Vendors are obliged to provide accurate product listing information. Purchase Orders are issued to the vendors towards which products are delivered to our warehouses. The vendor agreements can be terminated without cause by either party with 30 days' written notice, and can be terminated immediately by either party if the other party commits a breach of the agreement which is

incapable of remedy, or a breach capable of remedy but which has not been remedied within the time period specified within the agreement.

In addition, we have also entered into standardised service agreements with several third party vendors under which we agree to provide certain marketing services to the third party vendors, such as social media posts promoting the vendors' products and on our marketing publications, in consideration for service fees payable by the third party vendors. The service agreements can be terminated without cause by either party with 30 days' written notice, and can be terminated immediately by us upon the occurrence of certain events, such as (a) if the vendor fails to remedy a breach of the agreement within the time period specified in the agreement; (b) if the vendor suffers an insolvency event (such as if an application is filed against the vendor for insolvency or bankruptcy); or (c) if there is a material breach of the agreement by the vendor.

Distribution Agreements with Overseas and Indian Beauty and Personal Care Brands

Our subsidiaries, FSN Brands Private Limited and Nykaa E-retail Private Limited, have entered into distribution agreements with a number of overseas beauty and personal care brands under which we have the right to sell specified cosmetics, skin care and personal care products of such brands in India. Such agreements provide us the right to import and sell specified beauty and personal care products in India. These agreements require us to maintain inventory of products that is sufficient to meet planned sales for the specified period. We are also bound by obligations under these agreements to sell the relevant products only through our approved online and/or our physical stores.

Marketplace Agreements and Just-in-Time Agreements with Third Party Fashion Product Sellers

Our subsidiaries, Nykaa Fashion Private Limited and Nykaa E-retail Private Limited, have entered into a mix of marketplace agreements and just-in-time ("JIT") agreements with third party sellers. Under the marketplace agreements, which are generally on similar terms, we list and display their products on our mobile application and website, and the third party seller undertakes that the product listing information it provided is accurate and complete in all respects. The seller is also under an obligation to keep the products listed as ready to ship in-stock for fulfilment of any Order. Delivery is by way of a drop-ship model wherein the seller is in connection with the Order responsible for packing and shipping the product directly to the consumer through one of our delivery company couriers. The seller is required to issue a dispatch report on the shipment. Generally, the marketplace agreements can be terminated by mutual consent of the parties, and can be terminated immediately by us upon the occurrence of specified termination events, such as if the seller is in breach of any of its obligations under the agreement.

Under the JIT agreements, which are generally on similar terms, the third party vendor provides product listing information to us which we then list on our mobile application and website, and the vendor undertakes that the product listing information is accurate and complete in all respects. Third party vendors under the JIT agreements are required to keep their listed products in stock at most times. Under the JIT model, we buy the product from the vendor in connection with the Order, receive the product at our warehouse and then ship the product to the consumer through one of our delivery company couriers. Generally, the JIT agreements can be terminated by mutual consent of the parties, and can be terminated immediately by us upon the occurrence of specified termination events, such as if the vendor is in breach of any of its obligations under the agreement.

Agreements with Manufacturers or Distributors to Manufacture or Distribute Our Owned Brands

Our Company, together with our subsidiary, Nykaa KK Beauty Private Limited, are licensed under the Drugs and Cosmetics Act to manufacture cosmetics products through contracted third party manufacturers. In this regard, we have entered into manufacturing agreements with several manufacturers in India, most of which are on generally similar terms, for the manufacture of cosmetics and personal care products which are to be marketed and sold under our owned brands such as "*Nykaa Cosmetics,*" "*Nykaa Naturals*" and "*Kay Beauty*". Generally, pursuant to these agreements, we would place orders with the manufacturer on a regular basis specifying, among other things, the nature of the products to be manufactured, detailed specifications of the product characteristics and quality, the quantities of the products to be manufactured, as well as the date of delivery of the products. Under the agreements, the manufacturers would be required to ensure that good manufacturing practices that are

generally prevailing in the industry are followed during the manufacturing process and that quality control and testing is performed on the products. In the event that the manufactured products are not in conformity with the relevant specifications, we have the right to reject the products. Generally, these agreements are stipulated to be for a fixed term of five years and are terminable by mutual consent.

Additionally, we have also entered into loan and license agreements with manufacturers, which are on broadly similar terms, to provide for the manufacture on a loan and licence basis of beauty and personal care products to be sold under our owned brands. Generally, under the loan and license agreements, the manufacturer undertakes to manufacture the products according to the specifications and standards provided by us, and to allow for examination of the products by such company's representatives during the manufacturing process for the purposes of complying with the Drugs and Cosmetics Act. The loan and license agreements are stipulated to be for a fixed term of five years.

Also, we have entered into distribution agreements which are largely similar in terms with several distributors for the distribution of our owned brand products. Generally, under the distribution agreements, the distributor agrees to buy the specified products at the agreed pricing rates as stipulated in the agreement, at such quantity as specified by the distributor by way of a purchase order. The distributor also agrees not to sell the products on any online website without our approval, and to appoint sub-distributors only with our prior approval. Generally, the distribution agreements are stipulated to be for a fixed term of five years.

Agreements with Delivery Companies

We enter into contracts with delivery companies pursuant to which such companies undertake the delivery of products to our consumers. We instruct the delivery companies to collect products from specified locations and deliver to our consumers in accordance with their Orders. For cash on delivery Orders, the delivery companies also collect the sale consideration in cash from the consumers and remit such amounts to us.

Our Owned Brands

We have a portfolio of 15 owned brands. Our owned brands play a key role in increasing the assortment of products for our consumers.

The manufacturing for such brands is carried out by third party vendors. While our Company and Nykaa KK Beauty Private Limited have entered into several manufacturing and loan and license agreements with third parties for the manufacturing of our owned brand products, such manufacturing is done as per our specifications and requirements. We procure the raw materials, the ingredients for the products and the packaging materials, and the finished products are stored at our warehouses. The manufacturing operations are based in several states such as Uttarakhand, Maharashtra and Uttar Pradesh.

Our owned brand portfolio is developed by identifying gaps in the market, both across various consumer requirements and multiple price points and building brands to suit these needs, with a focus on quality products. Most of our brands are offered by third party retailers as well by our channels. Some of such brands are:

- ***Nykaa Cosmetics***: Early in 2015, we identified a gap in the market for on-trend, performing and quality beauty products curated for Indian consumers. Starting with nail paints as the first SKU in 2015, today Nykaa Cosmetics is a comprehensive makeup and beauty accessories brand present across lips, face, nails, eyes and beauty tools, which has an appeal owing to its product formulations and quality standards. In 2019, pursuant to a trademark license agreement, we collaborated with fashion designer, Masaba Gupta to launch Masaba by Nykaa, a beauty range featuring lips, nails and fragrances.

- ***Nykaa Naturals***: Nykaa Naturals is a naturally derived ingredients focused brand for skincare products launched in 2016. The product portfolio caters to a variety of skins and skin concerns, such as from acne to anti-ageing. Nykaa Naturals consists of three sub-brands, Wanderlust, Skin Secrets and Nykaa Hair. Wanderlust consists of bath and body offerings for both men and women. Skin Secrets consists of a range of masks powered by Korean technology and a blend

of Indian natural ingredients. In 2021, we launched Nykaa Hair, which addresses the demand for products featuring natural ingredients specifically for Indian consumers.

- ***Kay Beauty***: Pursuant to an agreement entered in 2018, Kay Beauty is jointly developed between one of India's Bollywood actors, Katrina Kaif, and our Company. Kay Beauty offers premium range beauty products across lips, eyes, face and nails categories. All products are vegan and cruelty free.

- ***Dot & Key***: Acquired in September 2021, Dot & Key is a new-age brand focussed on providing solutions to skincare problems and offers premium skincare products across serums, toners, cleansers and face masks. The products are dermatologically tested and cruelty free. The brand has recently expanded into nutraceuticals under the brand "IKWI".

- ***Twenty Dresses***: Acquired in 2019, Twenty Dresses utilizes latest runway trends to create stylish apparel for consumers through prints, silhouettes and details catered to appeal to the modern women. The product line includes western wear across dresses, jumpsuits, tops, pants skirts as well as footwear, bags, and accessories.

- ***Nykd by Nykaa***: Built with an aim to simplify a complex product for Indian consumers, launched in 2020, Nykd by Nykaa offers quality, technologically advanced and competitively priced lingerie. With a focus on creating products for everyday comfort, product line includes bras, panties, sleepwear, shapewear and athleisure.

- ***Pipa Bella***: Pipa Bella is a brand for contemporary and personalised fashion jewelry for our consumers. Pipa Bella was acquired in March 2021 and offers on-trend aesthetic jewelry at accessible prices. It is a brand focusing on quality and functionality, with products such as earrings, necklaces, bracelets, rings and hair accessories.

- ***RSVP***: Launched in October 2019, RSVP aims to be the go-to brand for elevated women's western wear. RSVP offers several product categories, including dresses, jumpsuits, tops and skirts as well as footwear and bags.

- ***Gajra Gang***: Launched in August 2021, Gajra Gang aims to build a niche between trendy fast fashion and luxury, Indian wear. Gajra Gang offers several product categories, including kurta sets, ethnic dresses, saree, tops and accessories.

Our Stores

As of August 31, 2021, we operated 80 physical stores (comprising 79 stores for beauty and personal care products and one store for fashion products) in 40 cities of India across three formats.

Nykaa Luxe: The Nykaa Luxe store format offers a luxury beauty experience. The format showcases prestige and luxury international and domestic brands. These stores are approximately 1,134 sq. ft. in size on an average and are present in grade A malls and high streets. As of August 31, 2021, we operated 38 Nykaa Luxe stores across India in cities such as Mumbai, Delhi and Kolkata.

Nykaa On-Trend*:* The Nykaa On-Trend stores offer a differentiated experience for our consumers with the current best-selling products chosen across beauty and personal care brands. This curation is a selection of products that are trending on our online channels based on sales, reviews and ratings. Along with the best-selling products, these stores also combine beauty knowledge and brands to showcase latest beauty trends and new product launches. These stores are on average 732 sq. ft. in size. As of August 31, 2021, we operated 32 Nykaa On-Trend stores across India in cities such as Coimbatore, Chennai and Jaipur.

Nykaa Kiosks*:* The Nykaa Kiosks are free standing units usually in the atriums of shopping malls. We predominantly sell our owned brands through these kiosks. As of August 31, 2021, we operated nine Nykaa Kiosks stores across India in cities such as Bengaluru, Indore and Mohali.

Marketing

We use digital marketing to target users across the entire marketing funnel, right from creating awareness, driving consideration and conversion by communicating what the brand stands to deliver. Through our marketing media initiatives, a deliberate retention program and presence across social media, we have not only shaped how consumers perceive the brand Nykaa, but also, how the Indian consumer perceives beauty.

Over the years, we have developed initiatives that target a consumer's retention life cycle. We have also designed branding initiatives that focus on achieving top of the mind awareness in the minds of our consumers. These initiatives have resulted in a shift in our marketing source of Orders and visits from paid media to unpaid channels. Our marketing initiatives have been consistent across several forms of media, aided by organized and rigorous calendar planning across various channels and content formats, with the brand identity at its core. This has allowed us to build a robust engagement driven marketing approach that is efficient and productive. Currently, a large portion of our consumer traffic comes organically or from re-engaging with our inactive consumers.

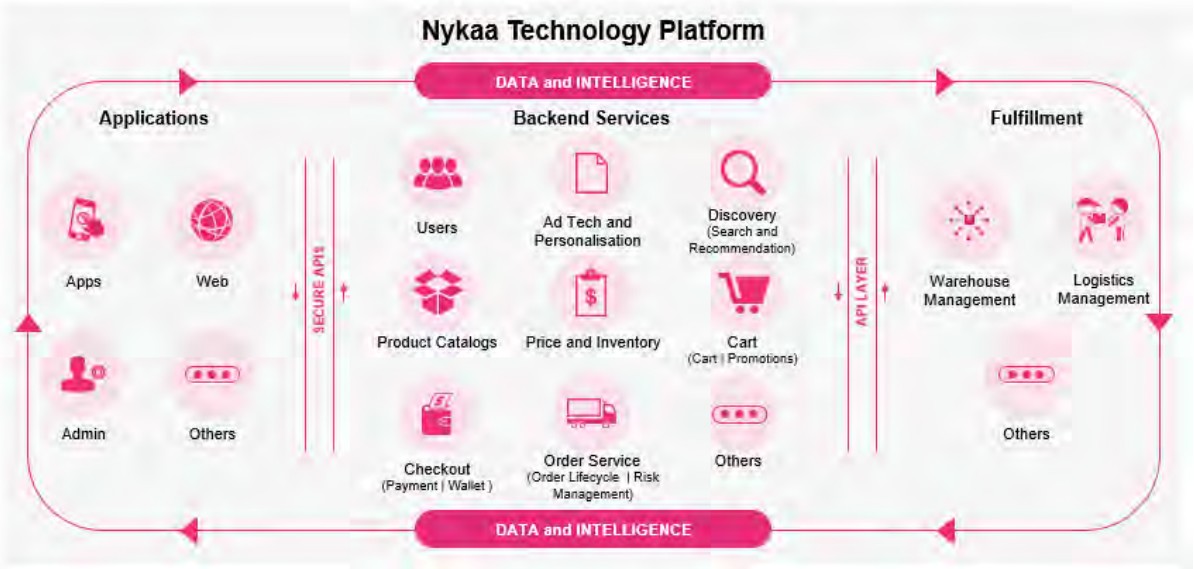
Personalised consumer relationship management and application engagement campaigns help drive a high number of concurrent users on our mobile application. A majority of the impressions are delivered through automated campaigns that are based on the consumers' journeys, targeting micro level needs. We are able to deploy multiple hyper-personalised campaigns through data-driven algorithms. This is done through combining elements of a user's past behaviour, their onsite navigation along with commercial and catalogue-based offers.

Our non-digital marketing initiatives include television campaigns, beauty bars and masterclasses at our physical stores and event sponsorships such as Nykaa Femina Beauty Awards and Vogue X Nykaa Fashion: The Power List 2019.

Technology

We consider our technology platform to be a key enabler and pillar to our business strategy. We operate a proprietary, custom built and component based technology platform that connects our consumers, brand partners, influencers and internal teams, catering to the needs of our different lifestyle businesses, and deliver a comprehensive Omnichannel ecommerce experience. We have a technology team that focuses on enhancing the platform capabilities and the consumer shopping experience.

We have built our platform in a simple, fault-tolerant, scalable, maintainable and secure manner. This approach enables us to efficiently launch new businesses or provide richer experiences to our users within existing businesses. Our platform design follows the 'Service Oriented Architecture' approach, consisting of 4 key components - applications, backend services, data and security.



Applications

Our platform supports multiple applications that we broadly split into two categories - consumer facing applications and internal applications.

Consumer facing applications are the mobile applications and the websites through which our end-users engage with us. We have different applications focusing on our beauty and personal care, fashion and men's lifestyle businesses. Each of these applications are regularly evolving to optimise the product discovery and purchase journey.

Our internal applications help us automate and streamline our internal processes. The users of these applications are our internal teams, brand relationships and vendors. Examples of some of the key internal applications are point of sale installed at each of our physical stores or tools to drive operations across catalogue management, consumer support and visual design.

Backend Services

We have built modular backend services that enable us to improve every step of the consumer journey - from the way products are uploaded to our catalogues, to how search and discovery of products is powered, to a seamless checkout and payments experience, to how intelligently our warehouses allocate inventory to optimise delivery time and cost. All our consumer facing and internal applications are powered by the same set of backend services. Each of these services is decoupled from each other and are built with multi-tenancy, resilience and security in mind.

Data

Every touchpoint in our platform generates data, based on which we develop consumer insights and recommendations using proprietary machine learning algorithms. These insights help us create personalised consumer journeys and drive operational efficiencies adding value to the participants in the Nykaa ecosystem.

We invest in building our data science capabilities to better our merchandising, targeting and product discovery while keeping in mind our consumer security and privacy.

Information Security and Data Privacy

We lay a strong emphasis on information security and data privacy. We have an established program based on the NIST Cybersecurity Framework. This helps us secure our technology platform and data stored in the platform.

The foundation of our information security program is our information security policies. These policies set forth guidelines for protection against security threats to safeguard the integrity of our information systems. The policies are implemented by setting controls across all platforms and infrastructure using security solutions and a dedicated team that focuses on application, network and system security, as well as security compliance and awareness.

To ensure the security of our technology platform and applications, we have a vulnerability management program. We also have a disclosure program to allow security researchers to report any vulnerabilities on our platform. Additionally, we engage third party specialists to conduct periodic independent security reviews of our information technology infrastructure and applications. We encrypt all data in transit using secure cryptographic protocols and encrypt critical data at rest as well.

To ensure that our employees adhere to the policies for the protection of information and assets, we have implemented a comprehensive training programme for our employees. This includes compulsory online training, phishing simulations, regular security awareness mailers containing reminders on information security tips and training for new employees.

To ensure the protection of consumer data we have a privacy program that lays down privacy policies and procedures. We have a dedicated privacy team that works on ensuring the protection of consumer data across all platforms and applications. To ensure data protection we have put in access control mechanisms, encryption of critical data, multi-factor authentication, and secure remote access.

See "*Risk Factors – Internal Risk Factors – Our technology infrastructure and the technology infrastructure of our third-party providers are susceptible to security breaches and cyber-attacks. This could potentially result in damage to our operations, employees, consumers, third-party providers, our reputation and adversely affect our financial condition and results of operations"* on page 60.

Supply Chain

As of August 31, 2021, we had an integrated supply chain comprising of 20 warehouses (of which two are outsourced) across India, with a total capacity of 665,371 sq. ft., supported by 80 physical stores.

We also work with delivery companies such as Aramex India Private Limited, Blue Dart Express Limited, Delhivery Private Limited, Ecom Express Private Limited, Busybees Logistics Solutions Private Limited and Shadowfax Technologies Private Limited to execute our deliveries and ensure smooth and efficient courier delivery of products to our consumers.

In order to maximise efficiency in our supply chain, we have implemented an allocation engine which minimises inventory liquidation, split shipments and delivery lead times.

Further, as our fashion vertical is based primarily on a marketplace model where we provide a platform to market third party vendors' products and facilitate their sale and delivery or employ a just-in-time delivery model that does not entail inventory risk, this enables our supply chain to be nimble as we are able to adapt our product catalogue to current trends and consumers' needs without taking on the risk of obsolescence, and make objective determinations on new categories without taking on inventory risk.

Inventory Management

Our inventory management is guided by supply chain forecast which depends on factors such as historical sales trends by region, lead time, safety stock, minimum order quantity and replenishment frequency agreed with our brand relationships and vendors. We have negotiated stock correction and return to vendor clauses in our agreements in third party vendors to mitigate the exposure of excess inventory and close of expiry products. Pursuant to our experience in inventory management, we did not experience any material loss on account of obsolescence and expired products in the Financial Years 2019, 2020 and 2021 and the five months ended August 31, 2021.

Health, Safety and Environmental Matters

We are committed to ensuring the high standards of health, safety and environmental practices within our organisation and our offices. We aim to comply with applicable health, safety and environmental regulations and other requirements in our operations. We have developed a health, safety and environment framework that is aimed at ensuring safety at workplace, safety of warehousing and logistical operations, road safety, and proper management of scrap/waste generated by our operations. In the Financial Year 2021, we entered into an agreement with Rapidue Technologies Pte. Limited (RECYKAL) , a registered waste management company, to help us in handling plastic waste and comply with Extended Producer Responsibility under Plastic Waste Management Rules, 2016.

We are also committed to the emotional well-being of our employees and we organize support for emotional and wellness of our employees. In the Financial Year 2021, we have organized wellness programs as well as provided COVID-19 support to our employees, such as a helpdesk, vaccination camp and a number of oxygen concentrators, among others.

We are committed to ensuring that the appropriate resources are provided, and that appropriate actions are taken, to implement and maintain sustainable health, safety and environmental practices and effective management systems.

Our CSR Initiatives

Corporate social responsibility has been important to us, and we are committed to giving back and making a positive social impact. To this end, we have engaged in numerous corporate social initiatives throughout the years.

Some of our corporate social initiatives in recent years include the following:

- Financial Year 2022 – During the second wave of the COVID-19 pandemic, we contributed to Give India Foundation to provide medical essentials to hospitals in Maharashtra. We worked towards arranging access to medical equipment such as N-95 masks, PPE kits, sanitizers and pulse oximeters, to help medical staff in hospitals.

- Financial Year 2021 – During the COVID-19 pandemic, we supported the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund by contributing to help relieve the suffering of Indians whose health and economic security was/is under threat as a result of the COVID-19 pandemic. We further supported the Relief Projects India, by contributing towards expansion of school infrastructure in Puthupatti, Usilampatti Taluk, Madurai, Tamil Nadu, and providing access to supplemental educational training to the underprivileged children.

- Financial Year 2020 – For our "Through the Women's Day" campaign, we tied up with the Society for Nutrition, Education and Health Action (SNEHA), a non-profit organization, which focuses on various areas such as maternal healthcare, child nutrition, prevention of violence and women empowerment.

- Financial Year 2019 – We supported the Planning Rural-Urban Development through Education (P.R.I.D.E India), a non-governmental organization, in their Joy of Giving Week campaign and contributed towards their programme focusing on providing home salon skills training to the rural women and girls in the Raigad district of Maharashtra.

- Financial Year 2018 – We contributed to the Planning Rural-Urban Development through Education (P.R.I.D.E India), a non-governmental organization, which focuses on upliftment of marginalized communities living in rural and urban poverty by adopting an integrated approach with emphasis on, *inter alia*, health, sanitation, disaster relief and empowerment.

Employees

As of August 31, 2021, we had 2,295 employees, of which 47% were women. We also engage contractors and consultants to provide us temporary workforce, consisting of 353 contract employees as of August 31, 2021. None of our employees are represented by a labour union and we believe that our employee relations are strong. The following table provides a breakdown of our employee base by function as of August 31, 2021:

Function	As of August 31, 2021
Business Operations	1,130
Business Support	398
Corporate Functions	307
Technology	460
Total	**2,295**

Intellectual Property

Our various house marks such as "*Nykaa*", "*Nykaa Cosmetics*", "*Nykaa Naturals*", "*Kay Beauty*", "*Twenty Dresses*" and "*Pipa Bella*" have been registered under multiple classes. We have successfully filed the petition for inclusion of our house brand "*NYKAA*" as a well-known mark in May 2021.

As of October 12, 2021, we had 465 registrations in India. In our intent to expand outside India, we have eight registrations overseas in countries such as the United Kingdom, UAE, Mauritius and Singapore. Further, we had in total of 165 pending applications as of October 12, 2021. We also have various domain names which are registered under our name, including "Nykaa.com" and "Nykaafashion.com".

We undertake watch notice service for our house mark "*Nykaa*" and "*Kay Beauty*" to ensure that no third party obtains rights to mark same/similar to ours. We file oppositions against such identified third parties for their potential conflicting marks. and we expect we will continue to be subject to such disputes in the future. See "*Risk Factors – Internal Risk Factors – We may be accused of infringing or misappropriating intellectual property rights or confidential know how of third parties"* on page 68.

Insurance

We maintain insurance policies to cover, among other things, losses caused to stock and furniture by fire and burglary, losses caused by commercial crime, losses to our electronic equipment and directors' and officers' liability. We also maintain insurance policies for, among others, commercial general liability and product recall, cyber security, and group personal accident and medical claim insurance covering our employees. While we believe that the level of insurance we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we do not have insurance policies to cover all possible events. See "*Risk Factors – Internal Risk Factors – We do not have insurance policies to cover all possible events, and our current insurance policies may be insufficient to cover all future costs and losses the incurrence or magnitude of which are unforeseen or unpredictable and could result in an adverse effect on our business operations and results of operations*" on page 75.

Properties and Facilities

As of August 31, 2021, we operated entirely out of leased premises. We lease our offices, warehouses and physical stores in India, and while we do not own the underlying property, we invest in furniture, fixtures and equipment, IT infrastructure. Typically, the term of our leases ranges from four to nine years, and we are required to pay security deposits, specified monthly rentals and common area maintenance charges for the duration of the relevant agreement, subject to periodic adjustments at agreed rates. Our registered office is being used on a leave and license basis, pursuant to a leave and license agreement, dated February 7, 2020 for a term of five years.

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company and our Material Subsidiaries. The information in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962, the relevant goods and services tax legislation and applicable shops and establishments statutes apply to our Company and our Material Subsidiaries as they do to any other company in India.

The information detailed in this chapter, is based on the current provisions of Indian law, which are subject to changes, amendments or modifications by subsequent legislative actions, regulatory, administrative or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Material Subsidiaries are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "Government and Other Approvals" beginning on page 418.

Industry-specific legislations applicable to our Company and our Material Subsidiaries

The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, ("**DoIT**") Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between

them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Intermediary Rules**") requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules further requires the intermediaries to provide for a grievance redressal mechanism and also appoint a nodal officer and a resident grievance officer.

Personal Data Protection Bill, 2019 ("PDP Bill")

The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the Indian Government, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been mooting legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology formed a committee of experts ("**NPD Committee**") to recommend a regulatory regime to govern non-personal data ("**NPD**"). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for "data businesses", being business that collect, process or store data, both personal and non-personal.

Payment and Settlements Systems Act, 2007

The Payment and Settlement Systems Act 2007, set up by the Reserve Bank of India (RBI), provides for the regulation and supervision of payment systems in India and designates the apex institution (RBI) as the authority for that purpose and all related matters with the objectives of promoting safety and efficiency by monitoring existing and planned systems, assessing them against these objectives and, where necessary, inducing change. By overseeing payment and settlement systems, RBI helps to maintain systemic stability and reduce systemic risk, and to maintain public confidence in payment and settlement systems. The Payment and Settlement Systems Act, 2007 and the Payment and Settlement Systems Regulations, 2008 framed thereunder, provide the necessary statutory backing to the Reserve Bank of India for undertaking the oversight function over the payment and settlement systems in the country.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, *inter alia* to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with "e-commerce" defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakh. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

Consumer Protection (E-Commerce) Rules, 2020 ("E-Commerce Rules") and the proposed amendments to the E-Commerce Rules

The Ministry of Consumer Affairs issued the E-Commerce Rules under the Consumer Protection Act, 2019 on July 23, 2020. The E-Commerce Rules provide a framework to regulate the marketing, sale and purchase of goods and services online. These rules apply to (a) good/services purchases or sold vide digital or electronic network, including digital products; (b) marketplace and inventory e-commerce entities; (c) all e-commerce retailing; and (d) forms of unfair trade practices across all e-commerce models. It specifies the Duties of E-commerce Entities, specific duties and liabilities of marketplace e-commerce entities and those of inventory e-commerce entities, and duties of sellers on marketplace. The E-Commerce Rules further requires the e-commerce entity to appoint grievance officer and provide for a grievance redressal mechanism. Any violation of these rules attracts penal action under the Consumer Protection Act, 2019. Further, the Ministry of Consumer Affairs has amended the E-Commerce Rule *via* Consumer Protection (E-Commerce) (Amendment) Rules, 2021, pursuant to which the e-commerce entities are required to appoint a nodal officer or an alternate seniors designated functionary who is a resident in India to ensure compliance with the provisions of the Consumer Protection Act, 2019 and the rules made thereunder.

The Ministry of Consumer Affairs, Food and Public Distribution has on June 21, 2021 released proposed amendments to the E-Commerce Rules, 2020, for comments, which, amongst others,, imposes new registration requirements for online retailers, mandatory partnering with the National Consumer helpline, a ban on "specific" flash sales and mandating sharing of information with Government agencies. Specific flash sales or back-to-back sales, which limit customer choices, increase prices and prevent a level playing field, will not be allowed. Further, the proposed changes would require that e-commerce businesses should mention the name and details of any importer from whom it has purchased such goods or services alongside providing alternative suggestions to customers before they make a purchase to ensure fair opportunity for domestic goods. Additionally, the e-commerce entity shall not allow display or promotion of any misleading advertisement or engage in mis-selling of goods on the platform. The rules have also introduced the concept of "fall-back liability", which says that e-commerce businesses will be held liable in case a seller on their platform fails to deliver goods or services due to negligent conduct, which causes loss to the customer. Additionally, they would be required to share information within 72 hours with government agency which is lawfully authorised for investigative or protective or cyber security activities, for the purposes of verification of identity, or for the prevention, detection, investigation, or prosecution, of offences under any law for the time being in force, or for cyber security incidents.

Draft E-Commerce Policy, 2019 ("2019 Draft Policy")

In March 2019, the DPIIT had invited comments from stakeholders and the public on the 2019 Draft Policy. Among other items, the 2019 Draft Policy proposed that measures should be taken to regulate cross-border data flow, establish a level playing field for domestic and foreign e-commerce players, boost sale of domestic products through e-commerce, and generally regulate e-commerce in India. DPIIT is currently working on a revised draft policy.

Food Safety and Standards Act, 2006 ("FSSA") and regulations framed thereunder

The FSSA is an integrated food law that lays down standards and guidelines for consumer safety, protection of consumer health and regulation of the food sector. It consolidates the laws relating to food and provides for establishment of the Food Safety and Standards Authority of India ("**FSSAI**"). The FSSAI is responsible for laying down science-based standards for articles of food and to regulate their manufacture, packaging, storage, distribution, sale, and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of

records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

Drugs and Cosmetics Act, 1940 ("DCA") and the Cosmetics Rules, 2020

The DCA is the statute governing the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful.

Cosmetic Rules, 2020 introduced the concept of a 'new cosmetic' which was not provided for under the Drugs and Cosmetic Rules, 1945. A 'new cosmetic' contains a novel ingredient which has not been used anywhere in the world or is not recognized for use in cosmetics in any national and international literature. The new rules mandate importers/ manufacturers of a 'new cosmetic' to make an application and seek approval from the Central Licensing Authority ("**CLA**") before such a 'new cosmetic' can be imported or manufactured in India. Such an application should be accompanied with requisite data on safety and effectiveness. Testing of each batch of the raw materials used for manufacturing the cosmetics, and also each batch of the final product along with maintaining records or registers showing the particulars in respect of such tests, is a requirement under the rules. Also, it needs to be ensured that if cosmetics are manufactured at more than one premises, a separate application for each of such premises is made and a separate license is obtained for each such premises. The Cosmetic Rules further prescribes the labelling and packaging requirements to be followed for sale or distribution of cosmetics of Indian origin. Additionally, before any cosmetics are imported, a declaration signed by or on behalf of the manufacturer or importer that the cosmetics comply with the provisions of Chapter III of the Drugs and Cosmetics Act, 1940, and the rules made thereunder, shall be supplied to the Commissioner of Customs. The new rules prohibit the import and/or manufacture of cosmetics which do not comply with the prescribed specifications and other standards of safety and quality.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia,* the labelling and packaging of commodities, appointment of government-approved test centres for verification of weights and measures used, and lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodity Rules define "pre-packaged commodity" as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The Packaged Commodity Rules prescribes the regulations for imports, pre-packing and the sale of commodities in a packaged form intended for retail sale, whole sale and for export and import, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations to be made on every package, the size of label and/or importers and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia*, the name and address of the manufacturer, the dimensions of the commodity, the maximum retail price, generic name of the product, the country of origin and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules, . The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers especially relating to e-commerce entities. Pursuant to the amendments, the inventory e-commerce entity itself will be made liable and punishable for failure to make relevant declarations on its platform as required under the Act and the Rules.

Laws relating to Country of Origin

Currently, Legal Meteorology (Packaged Commodities) Rules, 2011 ("**Packaged Commodity Rules**") require a declaration of 'country of origin' or 'country of manufacture' or 'country of assembly' on the imported products. This is aimed at curbing false and misleading claims by the brands to deceive the customers, as also to give complete information of the product to a potential buyer. The Packaged

Commodity Rules were vide and amendment made applicable to the product listing information on e-commerce platforms and inter alia, mandates the specification of Country of Origin on the product listing page. Demands for specifying the Country of Origin ("**COO**") of products sold online has gained ground in view of Prime Minister's vision "Make in India". The Government had asked e-commerce entities to adhere to the Packaged Commodity Rules and display Country of Origin of products listed on their platform/s by August 01, 2020. In the recently draft of proposed amendment to the Consumer Protection (E-Commerce) Rules, 2020, inter alia, requires and e-commerce entity that offers imported goods or services for sale, to identify goods based on their country of origin, provide a filter mechanism on their e-commerce website and display notification regarding the origin of goods at the pre-purchase stage, at the time of goods being viewed for purchase, suggestions of alternatives to ensure a fair opportunity for domestic goods and further to provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and seller.

Indian Contract Act, 1872

Indian Contract Act governs the conditions for validity of contracts formed through electronic means; communication and acceptance of proposals; competency of people to contract, additionally, revocation, and contract formation between consumers, sellers, and intermediaries. The terms of service, privacy policy, and return policies of any online platform are legally binding agreements and often governed by provisions of the Indian Contract Act, 1872. However, the law is not updated yet to deal with electronic contracts, where there is absence of online signatures.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA") and the Foreign Trade (Regulation) Rules, 1993 and the Foreign Trade Policy, 2015-20

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as in specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till September 30, 2021) provides that no person or company can make exports or imports without having obtained an importer exporter code ("**IEC**") number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**"). An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Indecent Representation of Women Act, 1986 ("IRWA")

The IRWA prohibits indecent representation of women through advertisements, publications, writings, paintings, figures or in any other manner. It states that no person shall publish or release any advertisements involving an obscene portrayal of women or agree to participate in the publication or show, in any form. The Indecent Representation of Women (Prohibition) Amendment Bill, 2012 ("IRW Amendment Bill") was introduced in the Rajya Sabha in December, 2012 which referred the Bill to the department-related Parliament Standing Committee for consideration. Observations made by a Parliamentary Standing Committee and recommendations from the National Commission for Women (NCW) intend to widen the scope of the Act in order to include indecent representation of women on digital platforms, audiovisual and electronic communications media and to address the issue of female objectification. IRW Amendment Bill also enhances penalties for various offences. The IRW Amendment Bill is currently pending.

Legislations relating to sale of goods

***The Sale of Goods Act, 1930* (the "Sale of Goods Act")**

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods , rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the

subject matter of the provision of the Sale of Goods Act

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative discussion of labour laws which may be applicable to our Company due to the nature of its business activities:

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "EPF Act")

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. In accordance with the provisions of the EPF Act, the employers are required to contribute to the Employees' Provident Fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employees shall also be required to make an equal contribution to the fund. The Central Government under Section 5 of the EPF Act framed the Employees Provident Scheme, 1952.

Employees' State Insurance Act, 1948 (the "ESI Act")

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury and includes provisions for certain other matters in relation thereto. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided thereunder. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and links the calculation for the payment of bonus payable with production and productivity.

Payment of Gratuity Act, 1972 (the "Gratuity Act")

The Gratuity Act applies, *inter alia* to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months. The Gratuity Act may also apply in case of such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government may notify. A shop or establishment to which the Gratuity Act becomes applicable shall be continued to be governed by it irrespective of the number of persons employed in such shop or establishment falling below ten at any time thereafter. The Gratuity Act provides for gratuity to be payable to an employee on termination of his/her employment after he/she has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

The provisions of the Gratuity Act are applicable in consonance with the Payment of Bonus (Amendment) Act, 2015, which increased the wage threshold for determining applicability of the Act from ₹10,000 to ₹21,000 per month. Additionally, the wage ceiling for calculation of bonus was increased from ₹3,500 to ₹7,000 per month.

Maternity Benefit Act, 1961 (the "Maternity Act")

The Maternity Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Maternity Act is applicable to every establishment *inter alia* to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the State Government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of the Maternity Act to any specific establishments or class of establishments, industrial,

commercial, agricultural or otherwise.

The Maternity Benefit (Amendment) Act, 2017 amended the Maternity Act to provide for increase of paid maternity leave from 12 to 26 weeks, unless the mother has two or more surviving children and introduced a mandatory provision for creche facilities for employers with more than 50 employees.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Prevention of Sexual Harassment Act") and rules thereunder

In order to curb the rise in sexual harassment of women at workplace, the Prevention of Sexual Harassment Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms "sexual harassment" and "workplace" are both defined in the Prevention of Sexual Harassment Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of females at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, providing necessary facilities to the internal or local committee for dealing with the complaint, and any other procedural requirements to assess the complaints. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 framed under the Prevention of Sexual Harassment Act provides for *inter alia* manner of submission of complaints in relation to sexual harassment, procedure for dealing with the complaints and details to be reflected in the annual report to be prepared by the complaints committee as required under the provisions of the Prevention of Sexual Harassment Act.

Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA")

The CLRA is applicable to every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, and to every contractor who employees or who employed on any day of the preceding twelve months twenty or more workmen. Under the CLRA, a 'principal employer' is defined to include (in the case of establishments other than factories, mines, or Government offices/ departments) as any person responsible for the supervision and control of the establishment. The CLRA provides for, *inter alia* registration of establishments employing contract labour, licensing of contractors as well as circumstances in which such licenses can be revoked, as well as provisions in relation to welfare and health of contract labour. Under the CLRA, if any amenity is not provided by the relevant contractor to the contract labour in accordance with the provisions of the Act, such amenity is required to be provided by the principal employer. The Central Government or the relevant State Government is empowered to frame rules for carrying out the various provisions of the CLRA.

In addition to the aforementioned, the following labour codes have received the assent of the President of India, and will come into force as and when notified in the Gazette, pursuant to which the abovementioned Labour Legislations will be subsumed by the following labour codes:

The Code on Wages, 2019 (the "Wage Code")

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Ministry of Labour and Employment vide notification dated December 18, 2020 notified certain provisions of the Wage Code. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-

State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The code proposes to provide for *inter alia* standards for health, safety and working conditions for employees of the establishments. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020 ("Social Security Code")

The Social Security Code received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The new code proposes to set up a National Social Security Board and State Unorganized Workers Board to administer schemes for unorganized workers. The Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employee-employee work-arrangements (including in online and digital platforms such as ours), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits, old age protection, under schemes framed under the Social Security Code from time to time. Further, the Social Security Code provides that such schemes may *inter alia*, be partly funded by contributions from platforms such as ours. The provisions of this code will be brought into force on a date to be notified by the Central Government.

Other Labour law legislations:

In addition to the aforementioned material legislations which are applicable to our Company, some of the other labour legislations that may be applicable to the operations of our Company include:

1. State-wise Labour welfare fund legislations and rules made thereunder;
2. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the rules made thereunder;
3. Equal Remuneration Act, 1976;
4. Rights of Persons with Disabilities Act, 2016; and
5. Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.

Intellectual Property Laws

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961, and as a member of the World Trade Organisation, India also is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights ("**TRIPS**").

Copyright Act, 1957 and the rules thereunder

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "**Copyright Laws**") serve

to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. The Copyright Laws prescribe fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Patents Act, 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. Being a signatory to the TRIPS, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. Further, the Patents Act also provides for the recognition of product patents in respect of food, medicine and drugs; that import of patented products will not be considered as an infringement; and that under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

The Trademarks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also governs the statutory protection of trademarks and also prohibits any registration of deceptively similar trademarks or chemical compounds, among others. Indian law permits the registration of trademarks for both goods and services It also provides for infringement, falsifying and falsely applying for trademarks. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

Design Act, 2000

It is an Act to consolidate and amend the law relating to the protection of designs which came into force on May 11, 2001. Design Act is a complete code in itself and is statutory in nature and protects new or original designs from getting copied which cause loss to the proprietor. The proprietor upon registration gets 'copyrights in design' for the period of 10 years from the date of registration which can be renewed for a second period of five years, before the expiration of original period of 10 years. The controller registers a design under this Act after verifying that the design of any person, claiming to be the proprietor, is the new or original design not previously published anywhere in any country and is not

against any public policy or morality. Any obvious or fraudulent imitation of a design, which is already registered, without the consent of its proprietor, is unlawful. It also prohibits the import of any material which closely resembles a registered design.

Laws governing foreign investments

Foreign investment in India is governed by the provisions of The Foreign Exchange Management Act, 1999 ("**FEMA**"), the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("**FEMA NDI Rules**") along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

The consolidated Foreign Direct Investment Policy of 2020 (the "Consolidated FDI Policy")

The Department for Promotion of Industry and Internal Trade ("**DPIIT**"), Ministry of Commerce and Industry on October 28, 2020 issued Consolidated FDI Policy. In terms of the FEMA NDI Rules and the Consolidated FDI Policy, up to 100% foreign investment is currently permitted in a company engaged in manufacturing activities in India (including contract manufacturing in India).

Overseas Direct Investment ("ODI")

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is permitted to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

Laws relating to taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
- The Customs Act, 1962;
- Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-specific legislations made thereunder;
- The Integrated Goods and Service Tax Act, 2017;
- State-specific legislations in relation to professional tax; and
- Indian Stamp Act, 1899 and various state-specific legislations made thereunder.

Laws relating to Environment

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent

orders from the National PCBs or State PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Plastic Waste Management Rules, 2016

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. The waste generator shall also take steps to minimize generation of plastic waste. The Plastic Waste Management Rules, 2016 also requires the producers, importers and brand owners to collect back the plastic waste generated due to their products.

Laws relating to various Municipal Corporations

The respective state legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which included protection of environment. We are subject to various municipal corporations act and regulations as the operation of our establishments might have an impact on the environment in which they are situated.

Regulations that impact the business operations

The National Digital Communications Policy, 2018 (the "NDCP 2018")

The NDCP 2018 was notified by the Ministry of Communications, Department of Telecommunications vide gazette notification dated October 22, 2018. The policy seeks to support India's transition to a digitally empowered economy and society. The NDCP 2018 aims to accomplish the following strategic objectives by 2022: (i) provision of broadband for all; (ii) creating four million additional jobs in the digital communications sector; (iii) enhancing the contribution of the digital communications sector to eight percent of India's GDP; (iv) propelling India to the top 50 nations in the ICT Development Index published by the United Nations International Telecommunication Union; (v) enhancing India's contribution to global value chains; and (vi) ensuring digital sovereignty. The NDCP 2018 further also contemplates, among others, (i) establishment of a national digital grid by creating a National Fibre Authority; (ii) establishing common service ducts and utility corridors in all new cities and highway road projects; (iii) creating a collaborative institutional mechanism between the central government, the state governments and the local bodies for common rights of way, (iv) standardization of costs and timelines; (v) removal of barriers to approvals; and (vi) facilitating development of open access next generation networks.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated on April 24, 2012 as 'FSN E-Commerce Ventures Private Limited' under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 24, 2012, issued by the RoC. Subsequently, pursuant to a resolution of our Board dated July 15, 2021 and a resolution of our Shareholders dated July 16, 2021, our Company was converted from a private company to a public company and consequently, our name was changed from 'FSN E-Commerce Ventures Private Limited' to 'FSN E-Commerce Ventures Limited', and a fresh certificate of incorporation under the Companies Act, 2013 was issued upon a change in name by the RoC on July 28, 2021.

The Registered Office of our Company is located at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400013, Maharashtra.

Changes in our Registered Office

Effective date of change	Details of Change	Reason(s) for change
September 4, 2012	The registered office of our Company was changed from 9 Rushilla, 17 C Carmichael Road, Mumbai 400026 to 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400013, Maharashtra.	Operational convenience

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

Clause	Particulars
3(a) (1)	To carry on the business of purchasing, selling, distributing, trading, acting as an agent, franchising, collaborating exporting, importing, merchandising, manufacturing, designing, packaging and dealing with all kinds of products, goods, commodities, merchandise, accessories and equipment's relating to, which includes but is not limited to, beauty, fitness, personal health care, skin care, hair care, diet related, home remedies, homeopathy, ayurvedic, herbal and other alternative medical or therapeutic treatments, wellness products and equipment's and any other women centric products on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.
3(a) (2)	To carry on the business of providing suggestions, advice, consultancy, training programs and other related services including after sales support services in any form and through any medium, including through online portals, websites, magazines, newsletters, periodicals, journals in any language, relating to financial products or any other products and equipment's referred to, sold or distributed directly or indirectly by the Company, undertake marketing and publicity of the products and activities of the Company, and hiring or employing expert personnel as and when considered necessary to provide such services.

The main objects, as contained in our MoA, enable our Company to carry on the businesses presently being carried out.

Amendments to our Memorandum of Association since its incorporation

The following changes have been made to our Memorandum of Association since its incorporation:

Date of Shareholders' resolution	Particulars
March 20, 2014	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company. The authorized share capital of our Company was increased from ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each to ₹ 150,000,000 divided into 15,000,000 equity shares of ₹ 10.
November 26, 2019	Clause V of the MoA was amended to reflect the reclassification of the share capital of our Company. The authorized share capital of our Company was changed from ₹ 150,000,000 divided into 15,000,000 equity shares of ₹10 each to ₹ 150,000,000 divided into 14,500,000 equity shares and 500,000 preference shares of ₹ 10 each
February 13, 2020	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company. The authorized share capital of our Company was increased from ₹ 150,000,000 divided into 14,500,000 equity shares of ₹ 10 each and 500,000 preference shares of ₹ 10 each to ₹ 200,000,000 divided into 19,500,000 equity shares of ₹ 10 each and 500,000 preference shares of ₹ 10 each.
June 17, 2021	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company. The authorized share capital of our Company was increased from ₹ 200,000,000 divided into 19,500,000 equity shares of ₹ 10 each and 500,000 preference shares of ₹ 10 each to ₹ 3,250,000,000 divided into 275,000,000 equity shares of ₹10 each and 50,000,000 preference shares of ₹ 10 each.
July 16, 2021	Clause V of the MoA was amended to reflect the sub-division of the equity shares and preference shares of our Company from 275,000,000 equity shares of ₹10 each and 50,000,000 preference shares of ₹ 10 each to 2,750,000,000 Equity Shares of ₹1 each and 500,000,000 preference shares of ₹ 1 each.
July 16, 2021	Clause I of the MoA was amended to reflect the change in name of our Company from 'FSN E-Commerce Ventures Private Limited' to 'FSN E-Commerce Ventures Limited' pursuant to the conversion of our Company from a private limited company to a public limited company.

Major events and milestones

The table below sets forth some of the major events and milestones in our history:

Calendar year	Major events and milestones
2012	Incorporation of FSN E-Commerce Ventures Private Limited.
2014	Opened its first physical store at T3 International Airport, New Delhi.
2015	Hosted the Nykaa.com Femina Beauty Awards.
2015	Launched our makeup and beauty accessories brand '*Nykaa Cosmetics*'.
2016	Estee Lauder launched on Nykaa's platform.
2016	Launched our naturally derived ingredients focused skincare brand '*Nykaa Naturals*'.
2018	Huda Beauty launched exclusively on Nykaa for the first time in India.
2018	Launched '*Nykaa Fashion*' as curated and managed marketplace.
2018	Entered into an agreement with Katrina Kaif to launch "*Kay Beauty*"
2019	Launched our beauty range '*Masaba by Nykaa*' in collaboration with Masaba Gupta.
2019	Collaborated with Vogue India to present 'The Vogue x Nykaa Fashion: Power List 2019'.
2019	Acquired the clothing brand '20 *Dresses*'.
2020	Launched our own intimate wear brand '*Nykd by Nykaa*'.
2020	Charlotte Tilbury launched exclusively on Nykaa.

Calendar year	Major events and milestones
2021	Opened Nykaa Fashion Store in Ambience Mall, New Delhi.
2021	Acquired the jewellery brand '*Pipa Bella*'.
2021	Launched our first MBO store for Nykaa Fashion.
2021	Launched '*The Global Store'.*
2021	Acquired skincare brand, 'Dot & Key'

Key awards, accreditations or recognitions

The table below sets forth some of the awards, accreditations or recognitions received by us:

Calendar year	Particulars
2017	Nykaa.com was awarded the Health & Beauty Retailer of the Year Award at the Star Retailer Awards.
2018	Nykaa was awarded the Best use of Intelligent Content (Digital Presence) Award at the Content Marketing Summit and Awards.
2018	Nykaa Network was awarded the Best Launch of the Year Award at the Content Marketing Summit and Awards.
2018	Nykaa Beauty Book was awarded the Best In-House Magazine Award by ET Now Star of the Industry Awards for Excellence In Branding & Marketing.
2018	Nykaa Network was awarded the Best Launch of the Year Award by ET Now Star of the Industry Awards for Excellence In Branding & Marketing.
2019	Nykaa was awarded the Best use of Content to Commerce Award at the Content Marketing Summit Asia.
2019	Nykaa.com was awarded the Best use of Omni-Channel Content Award at the Content Marketing Summit Asia.
2019	Nykaa.com was awarded the Best Omni-Channel Content Strategy Award by National Awards for Marketing Excellence.
2019	Nykaa was awarded the Best use of Intelligent Content (Digital Presence) Award by the Content Marketing Summit and Awards.
2019	Nykaa was awarded the Most Innovative Content Distribution Strategy Award at the Content Marketing Summit and Awards.
2020	Nykaa was awarded the Retailer of the Year (Beauty, Wellness & Fitness) Award by ET Now Global Awards for Retail Excellence.
2020	Nykaa was awarded the IBG Annual Business Excellence Awards in the "Startup" category by the India Business Group.
2020	Nykaa was awarded the Special Jury Recommendation - The Disruptors Award by CNBC-TV18's India Business Leaders Awards.

Our holding company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Our subsidiaries and joint ventures

As on the date of this Red Herring Prospectus, our Company has seven direct subsidiaries, namely, Nykaa E-Retail, FSN Brands, Nykaa Fashion, Nykaa–KK Beauty, FSN International FSN Distribution and Dot & Key, and two step down subsidiaries, namely, FSN Global and Nykaa International. For details with respect to our Subsidiaries, see "*Our Subsidiaries*" on page 238. As on the date of this Red Herring Prospectus, except for Nykaa-KK Beauty, which is one of our Subsidiaries, our Company does not have any joint venture.

Time and cost overrun in setting up projects by our Company

As on the date of this Red Herring Prospectus, our Company has not experienced any time or cost overruns in setting up any projects.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Company, and our Subsidiaries have not defaulted on repayment of any loan availed from any banks or financial institutions. Further, the tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets since its incorporation

Except as disclosed below, our Company has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking since its incorporation.

E-Commerce business transfer to Nykaa E-Retail Private Limited

Our Company undertook an internal restructuring of its assets and liabilities, and consequently executed a business transfer agreement dated March 30, 2017 with Nykaa E-Retail Private Limited ("**Business Transfer Agreement**"). Pursuant to the Business Transfer Agreement, our Company transferred the e-commerce business including business assets, business liabilities, business contracts, business receivables, business licenses, employees, books and records, tax benefits, other fiscal benefits, as well as rights, claims and credits as a going concern, on a slump sale basis, for a lump sum of ₹ 95 million to Nykaa E-Retail Private Limited, without assigning value to each asset and liability of the business undertaking.

Revaluation of assets

Our Company has not undertaken any revaluation of assets since its incorporation.

Financial and/or strategic partners

Our Company does not have any financial and / or strategic partners as of the date of this Red Herring Prospectus.

Details of shareholders' agreements

Except as disclosed below, our Company does not have any other subsisting shareholders' agreements among our Shareholders *vis-a-vis* our Company.

Amended and Restated Shareholders Agreement dated April 21, 2020, and subsequently, amended on May 22, 2020 by and amongst our Company, Promoters, Adwaita Nayar and Anchit Nayar, and the investors namely, Harindarpal Singh Banga jointly with Indra Banga (collectively, "HB"), Lighthouse India Fund III, Limited ("Lighthouse"), Sachin Kumar Bhartiya, in his capacity as the trustee of Lighthouse India III Employee Trust ("Co-Investment Trust"), Sunil Kant Munjal ("SKM"), Shefali Munjal ("SM"), Narotam Sekhsaria ("NS"), TPG Growth IV SF Pte. Ltd ("TPG") (collectively, "Investors") ("Restated Shareholders Agreement"), as amended by way of an amendment agreement dated July 15, 2021 ("First Amendment Agreement", and second amendment agreement dated September 18, 2021 ("Second Amendment Agreement", collectively with the First Amendment Agreement, "Amendment Agreements")

Our Company entered into a Share Subscription Agreement dated March 24, 2020 ("SSA") by and amongst our Company and Steadview Capital Mauritius Limited ("**Steadview***"*). Pursuant to the SSA, Steadview subscribed to 165,029 equity shares of our Company for a sum aggregating to ₹1,000 million and consequently, the parties executed the Restated Shareholders' Agreement. The Restated Shareholders' Agreement lays down the rights and mutual obligations of our Company, of the Promoters, and the investors who have invested pursuant to six series of funds raised by our Company (collectively "**Previous Investors**"), in supersession of all agreements entered into in this regard. The Restated Shareholders' Agreement sets out:

<u>Board of Directors</u>

Of the total 12 members of the board of directors, with each of HB, NS, Lighthouse, Munjals, and TPG shall having right to appoint one director on the board of directors, subject to HB holding 5% of the equity share capital of our Company and NS, Lighthouse, Munjals and TPG holding 2% equity share capital of our Company, respectively, in supersession of all agreements entered into in this regard and the Promoters shall have the right to appoint five directors to the board of directors ("**Promoter Director**"). Further, HB, NS, Lighthouse, Munjals and TPG also have a right to nominate an alternate director. Further, at all Board meetings there shall be at least two directors with at least one promoter director, to constitute quorum, except for certain matters which require quorum of at least two nominee directors.

Identified Investor Reserved Matters:

In relation to certain identified matters, in relation to our Company and our Subsidiaries, prior consent or affirmative vote of HB, NS, the Munjals, Lighthouse, Co-Investment Trust and TPG ("**Identified Investors**") holding in aggregate, such number of equity securities as is equal to more than 50% of the aggregate of all equity securities held by all Identified Investors, on a fully diluted basis ("**Identified Investor Threshold**") is required to be taken. These matters include, amongst others, (i) increase in the number of shares reserved under our Company's employee stock option plan ("**ESOP**") or any other **ESOP** plan approved by our Board, including issuance of equity shares under the ESOP scheme to the Promoters or affiliates of the Promoters; (ii) any buy-back, reduction, sub-division of equity shares; (iii) any amendments or modifications to the Memorandum and Articles of Association of our Company, other than to the extent required to give effect to an initial public offering, (iv) undertaking any new business other than as set out in the objects of the Memorandum of Association of our Company; and (v) entering into any transactions with related parties other than in the ordinary course of business.

Financial Indebtedness:

Any incurrences of financial indebtedness in the aggregate in excess of INR equivalent of USD 15,000,000 requires the prior consent or affirmative vote of Identified Investors holding, in the aggregate, such number of equity shares as is equal to the Identified Investor Threshold.

Anti – Dilution:

The Restated Shareholders' Agreement provides for the anti-dilution triggers that would be applicable for each of the six rounds of investment in case the Promoters are issued additional shares at a price lower than a specific series round price per share.

Right of First Offer for Investors:

Right of first offer is available to Promoters, in case of transfer of shares by an Investor or any investor who holds less than 3% of the equity share capital of our Company, excluding Promoters or affiliates of the Promoters ("**Minority Investor**"), whereby they shall inform the Promoters of their intent to sell their equity shares, and within 15 business days of receipt of the shareholders notice, the Promoters shall have the right to acquire or not less than all, the offered equity shares of face value of ₹ 10 each, by providing a written notice to the Investor or Minority Investor, setting out the price and the other terms at which the Promoters are willing to purchase such offered equity shares from the Shareholder.

Tag Along and Drag Along Rights

If any of the Promoters propose to sell their equity shares, in excess of up to such number of equity shares representing, in the aggregate, 5% of the equity share capital on a fully diluted basis, the Investors or the Minority Investor and each of their respective nominees and affiliates (collectively "**Tag Shareholders**") shall have the right, but not an obligation ("**Tag Shareholder's Tag Along Right**"), to sell their portion of equity shares held in our Company to such purchase along with the Promoters, subject to up to such number of equity shares held by such Tag Shareholder as bears the same proportion to the total number of equity shares held by such Tag Shareholder as the number of Promoter equity shares being proposed to be sold bears to the total number of equity shares held by such Promoter. If the total shares sold / proposed to be sold by any of the Promoters (a) exceed 10% of the fully diluted equity share capital, or; (b) would result in the Promoter shares representing less than 35%

of the fully diluted equity share capital, or; (c) would result in change in promoter management; or (d) transfer of any shares by Promoters / affiliates / Anchit Nayar / Adwaita Nayar to a competitor of our Company (as defined in the Agreement), then Investors / Minority Investors shall have the right to exercise full tag along right and accordingly sell all equity shares held by them.

Further, in the event, pursuant to sale of any Promoter Shares to a purchaser, the shareholding of the Promoters in our Company falls below 35% of the equity share capital of our Company, calculated on a fully diluted basis and the Tag Shareholders do not exercise the Tag Shareholder's Tag Along Right,, the Promoters shall have the right to require the relevant drag shareholders (*i.e.,* any Tag Shareholder who does not exercise the Tag Shareholder's Tag Along Right) ("**Drag Shareholders**") to sell all the equity securities (excluding the OCRPS) held by the Drag Shareholders on the same terms and conditions at which the Promoters propose to sell their equity shares to such purchaser. For the purposes of the Restated Shareholders' Agreement, "**Promoter Shares**" have been defined to mean equity shares of face value of ₹ 10 each held by the Promoters in our Company, equity shares of face value of ₹ 10 each that may be acquired by Adwaita Nayar and/or her Family Trust after October 3, 2015 (including by way of secondary transfer by a Promoter or an affiliate of the Promoter, and equity shares of face value of ₹ 10 each that may be acquired by Anchit Nayar and/or his Anchit Nayar's Family Trust after November 23, 2018 (including by way of a secondary transfer by a Promoter or affiliate of the Promoter).

Dilution of Promoter holding resulting from a Primary Issuance or Change in Promoter Management resulting from a Primary Issuance

If a proposed primary issuance to any person other than existing shareholders as on the date of such primary issuance results in: (i) the Promoter shareholding to fall below 30% of the fully diluted squity share capital, or (ii) change in promoter management, then each shareholder (other than Promoters / Anchit Nayar / Adwaita Nayar) shall have a right but not obligation to transfer to such acquirer up to all the equity shares held by them at a price per equity share equal to the per equity share price at which such primary issue is being undertaken. In case of multiple acquirers, the exiting Shareholders shall have a right to transfer the equity shares to all such multiple acquirers on a pro-rata basis, at a price per equity share equal to the per equity share price at which such primary issue is being undertaken.

Amendment Agreements

By way of the Amendment Agreements, the parties have agreed to waive and amend certain terms of the SHA including, amongst others, anti-dilution rights, tag along rights, information rights, drag along rights for issuance and transfer of equity shares pursuant to the Offer.

In terms of the Amendment Agreements, the Restated Shareholders Agreement shall automatically terminate on the date on which the equity shares of our Company are admitted to listing and trading on the Stock Exchange pursuant to the Offer.

Further, the Amendment Agreements shall continue until the earlier of (a) termination by the mutual written agreement of all parties; (b) with regard to any shareholder who is party to the Restated Shareholders Agreement, upon such shareholder, either directly or together with their respective affiliates, ceasing to hold any equity securities in our Company; (c) upon the promoters ceasing to hold any equity securities in our Company; (d) upon the equity shares of our Company being admitted to listing and trading on the Stock Exchanges pursuant to an initial public offering; or (e) in the event that the equity shares of our Company are not admitted to listing and trading on the Stock Exchanges pursuant to an initial public offering within a period of 12 months from the date on which SEBI's observations on the DRHP filed by our Company with SEBI in connection with an initial public offering are received by our Company, or such other extended date as mutually agreed to amongst the parties in writing.

Additionally, in terms of Part B of our Articles of Association, effective from the date of receipt of listing and trading approvals from the Stock Exchanges on which the Equity Shares of our Company are proposed to be listed pursuant to the Offer, our Promoters, collectively, shall have the rights to (a) nominate up to 50% of the number of Directors to the Board, subject to compliance with applicable laws and our Promoters and Promoter Group holding at least in excess of 25% of the paid-up equity share capital of our Company; (b) nominate up to 1/3rd of the number of Directors to the Board, subject to

compliance with applicable law, and as long as any of Falguni Nayar, Sanjay Nayar, Falguni Nayar Family Trust and Sanjay Nayar Family Trust continuing to be classified as promoters of the Company; and (c) nominate the Chairperson of our Board (however, such Chairperson shall not have a casting vote) as long as any of Falguni Nayar, Sanjay Nayar, the Falguni Nayar Family Trust and the Sanjay Nayar Family Trust continue to be classified as promoters of our Company. These rights shall be subject to the approval of the Shareholders passed through a special resolution in the first general meeting held after the date of listing of our equity shares on the Stock Exchanges pursuant to the Offer.

Additionally, in terms of Part B of our Articles of Association, the Chairperson of the Board shall be entitled to take the chair at every general meeting.

For further details, please refer to "*Description of Equity Shares and Terms of Articles of Association*" on page 480 of this Red Herring Prospectus.

Other agreements

Except as disclosed below, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business. Further, neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Business Transfer Agreement between Outletwise Retail Private Limited ("Outletwise") and Nykaa Fashion Private Limited ("Nykaa Fashion") dated February 28, 2019 ("20 Dresses Business Transfer Agreement") and Trademark Assignment Agreement between Outletwise and Nykaa Fashion dated March 11, 2019 ("20 Dresses Assignment Agreement").

Nykaa Fashion pursuant to the 20 Dresses Business Transfer Agreement acquired the business undertaking of Outletwise as a going concern, on a slump sale basis, for a lump sum total consideration of ₹ 5 million. Consequently, wide the 20Dresses Assignment Agreement Outletwise transferred all its rights, title, interest and benefit in the trademarks "20D", "20 Dresses" and "www.20dresses.com" to Nykaa Fashion for a total consideration of ₹ 1,000.

Trademark License Agreement between House of Masaba Lifestyle Private Limited ("Masaba") and FSN E-Commerce Ventures Private Limited dated March 25, 2019 ("Masaba Trademark License Agreement")

Pursuant to the Trademark License Agreement, our Company acquired an exclusive license for cosmetics, to use the trademark, 'MASABA' as word and label ("**Masaba Trademark**") in the countries forming part of the South Asian Association for Regional Corporation group i.e. Afghanistan, Bangladesh, India, Nepal, Maldives, Pakistan and Sri Lanka ("**Territory**"). Further, our Company has agreed to grant Masaba, a non-exclusive license to use the trademark 'NYKAA' word and 'NYKAA' label in the Territory, in respect of the business of promotion, advertising of the co-branding logo 'MASABA by Nykaa'. Our Company has been granted right to use the Masaba Trademark in relation to selling products under various categories, as per the terms and conditions set out in the Masaba Trademark License Agreement. The Trademark License Agreement has been entered into for a period of five years, with an option to extend for another five years on mutually agreeable terms. Each party has a right to terminate by giving a six months' prior written notice to the other party.

Business Transfer Agreement between Pipa Bella Accessories Private Limited ("Pipa Bella") and Nykaa Fashion Private Limited ("Nykaa Fashion") dated March 3, 2021 ("Pipa Bella Business Transfer Agreement")

Pursuant to the Pipa Bella Business Transfer Agreement, Nykaa Fashion acquired the business undertaking of Pipa Bella as a going concern, on a slump sale basis, for a lump sum total consideration of ₹ 19 million.

Deed of Assignment of Trademarks between Pipa Bella Accessories Private Limited ("Assignor") and Nykaa Fashion Private Limited ("Assignee") dated March 4, 2021 ("Deed of

Assignment")

Pursuant Pipa Bella Business Transfer Agreement the dated March 3, 2021, and this Deed of Assignment, the Assignor agreed to transfer all its rights, title, interest and property in and/or the trademarks "Pipa Bella", "Karma Bangles" and "Lily and Dew", along with the copyrights in relation to the said trademarks, to the Assignee for a total consideration of ₹ 1,000.

Deed of Assignment of Trademarks ("Deed") between Pipa Bella PTE. Limited ("Assignor"), Shuchi Pandya and Nykaa Fashion Private Limited ("Assignee") dated March 30, 2021 ("Deed of Assignment 2")

Pursuant to this Deed of Assignment 2, the Assignor has agreed to transfer all its rights, title, and interest in: (i) the registered trademark "Pipa Bella" which is valid and subsisting in Singapore; (ii) the copyrights in relation to the trademarks; (iii) the design of a bangle registered in Singapore and; and (iv) the domain name 'pipabella.com' to the Assignor. A total consideration of ₹ 31 million was paid to the Assignor for all its rights, title, and interest in these intellectual properties.

Agreement between Nykaa Fashion Private Limited and Conde Nast (India) Private limited ("CNIPL") executed on April 20, 2020 and effective from December 1, 2019 ("Conde Nast Agreement")

Nykaa Fashion entered into an agreement with CNIPL to execute the "Vogue x Nykaa Fashion – The Power List Awards" ("**Event**"). Under this agreement the parties agreement to conceptualise 25 award categories and winners for the Event, whereby Nykaa Fashion has agreed to pay a total consideration of ₹13.23 million to CNIPL. The contract is valid up to March 31, 2022.

For details of the Joint Venture Agreement amongst Katrina Kaif, Matrix India Entertainment Consultants Private Limited, Nykaa-KK Beauty and our Company, and the Share subscription and purchase agreement dated September 19, 2021 and shareholders agreement dated September 19, 2021 amongst Dot & Key, Suyash Saraf, Anisha Saraf, our Company and other shareholders please refer to "*Our Subsidiaries*" on page 238.

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OUR SUBSIDIARIES

As on the date of this Red Herring Prospectus, our Company has nine Subsidiaries:

Direct Subsidiaries

1. Nykaa E-Retail Private Limited;
2. FSN Brands Marketing Private Limited;
3. Nykaa Fashion Private Limited;
4. FSN International Private Limited;
5. FSN Distribution Private Limited;
6. Nykaa–KK Beauty Private Limited; and
7. Dot & Key Wellness Private Limited.

Step-down Subsidiaries

8. FSN Global FZE; and
9. Nykaa International UK Limited.

Details of our Subsidiaries are below:

Direct Subsidiaries

1. Nykaa E-Retail Private Limited ("Nykaa E-Retail")

Corporate Information

Nykaa E-Retail was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated February 22, 2017 issued by the RoC. Its CIN is U74999MH2017PTC291558 and its registered office is situated at 104, Vasan Udyog Bhavan, S Bapat Road, Lower Parel, Mumbai 400013, Maharashtra.

Nature of Business

Nykaa E-Retail is authorised to engage in the business of selling beauty, hygiene and wellness products through online channels i.e. its online platforms or websites, and other online applications as well as through offline channels, *i.e.*, stores, stalls, etc.

Capital Structure

The capital structure of Nykaa E-Retail is as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
12,000,000 equity shares of face value of ₹10 each	120.00
Issued, subscribed and paid-up capital	
9,510,000 equity shares of face value of ₹10 each	95.10

Shareholding of Nykaa E-Retail

The shareholding pattern of Nykaa E-Retail is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
Company	9,510,000*	100.00
Total	**9,510,000**	**100.00**

**Held along with Nihir Parikh as the nominee holding one equity share.*

2. FSN Brands Marketing Private Limited ("FSN Brands")

Corporate Information

FSN Brands was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated February 19, 2015 issued by the RoC. Its CIN is U74120MH2015PTC262096 and its registered office is situated at A-1, 135 Shah and Nahar Industrial Estate, Sitaram Jadhav Marg, Lower Parel, Delisle Road, Mumbai 400013, Maharashtra.

Nature of Business

FSN Brands is authorised to engage in the business of import, purchase, selling and distribution of beauty and wellness, personal care, health care, skin care, hair care and other related products through retail outlets, general trade and modern trade.

Capital Structure

The details of the capital structure of FSN Brands are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
125,000,000 equity shares of face value of ₹10 each	1,250.00
Issued, subscribed and paid-up capital	
102,000,000 equity shares of face value of ₹10 each	1,020.00

Shareholding of FSN Brands

The shareholding pattern of FSN Brands is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
Company	102,000,000*	100.00
Total	102,000,000	**100.00**

**Held along with Falguni Nayar as the nominee holding 10 equity share.*

3. Nykaa Fashion Private Limited ("Nykaa Fashion")

Corporate Information

Nykaa Fashion was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated February 4, 2019 and commenced its business pursuant to a certificate for commencement of business dated February 6, 2019, each issued by the RoC. Its CIN is U18102MH2019PTC320627 and its registered office is situated at 104, Vasan Udyog Bhavan, S Bapat Road, Lower Parel, Mumbai 400013, Maharashtra.

Nature of Business

Nykaa Fashion is authorised to engage in the business of selling and distribution of fashion garments and fashion accessories on online platforms or websites such as through e-commerce, m-commerce, internet and intranet as well as through stalls, *etc.*

Capital Structure

The details of the capital structure of Nykaa Fashion are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
100,000,000 equity shares of face value of ₹10 each	1000.00
Issued, subscribed and paid-up capital	
25,010,000 equity shares of face value of ₹10 each	250.10

Shareholding of Nykaa Fashion

The shareholding pattern of Nykaa Fashion is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
Company	25,010,000*	100.00
Total	25,010,000	100.00

**Held along with Adwaita Nayar as the nominee holding one equity share.*

4. FSN International Private Limited ("FSN International")

Corporate Information

FSN International was incorporated as a private limited company, under the Companies Act, 2013, pursuant to a certificate of incorporation dated December 10, 2019, and commenced its business pursuant to a certificate for commencement of business dated January 6, 2020, each issued by the RoC. Its CIN is U52100MH2019PTC334211and its registered office is situated at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400013, Maharashtra.

Nature of Business

FSN International is authorised to engage in the business of selling beauty, wellness, fitness, personal care, health care, skin care, hair care and other related products on / through e-commerce, m-commerce, internet, stores, stalls, *etc.*

Capital Structure

The details of the capital structure of FSN International are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
10,000,000 equity shares of face value of ₹ 10 each	100.00
Issued, subscribed and paid-up capital	
5,100,000 equity shares of face value of ₹ 10 each	51.00

Shareholding of FSN International

The shareholding pattern of FSN International is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
Company	5,100,000*	100.00
Total	5,100,000	**100.00**

**Held along with Falguni Nayar as the nominee holding 10 equity share.*

5. FSN Distribution Private Limited ("FSN Distribution")

Corporate Information

FSN Distribution was incorporated as a private limited company, under the Companies Act, 2013, pursuant to a certificate of incorporation dated July 30, 2021 issued by the RoC. Its CIN is U51909MH2021PTC364942 and its registered office is situated at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400013, Maharashtra.

Nature of Business

FSN Distribution is authorised to engage in the business of selling beauty, hygiene and wellness products through its distribution network to the wholesalers and retailers using online and offline channels of sales.

Capital Structure

The details of the capital structure of FSN Distribution are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
150,000 equity shares of face value of ₹ 10 each	1.50
Issued, subscribed and paid-up capital	
10,000 equity shares of face value of ₹ 10 each	0.10

Shareholding of FSN Distribution

The shareholding pattern of FSN Distribution is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
Company	10,000*	100.00
Total	10,000	**100.00**

**Held along with Falguni Nayar as the nominee holding one equity share.*

6. Nykaa-KK Beauty Private Limited ("Nykaa-KK Beauty")

Corporate Information

Nykaa-KK Beauty was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued on July 13, 2018 by the RoC. Its CIN is U24290MH2018PTC311880 and its registered office is situated at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400013, Maharashtra.

Nature of Business

Nykaa-KK Beauty is authorised to engage in the business of manufacturing, selling & distribution of '*Kay Beauty*' products on the online platforms or websites such as e-commerce, m-commerce, internet as well as through physical stores, stalls, general trade and modern trade etc.

Capital Structure

The details of the capital structure of Nykaa-KK Beauty are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
1,000,000 equity shares of face value of ₹10 each	10.00

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
Issued, subscribed and paid-up capital	
1,000,000 equity shares of face value of ₹10 each	10.00

Shareholding of Nykaa-KK Beauty

The shareholding pattern of Nykaa-KK Beauty is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
Company	510,000*	51.00
Katrina Kaif	415,000	41.50
Matrix India Entertainment Consultants Private Limited	75,000	7.50
Total	**1,000,000**	**100.00**

**Held along with Falguni Nayar as the nominee holding 10 equity shares.*

Joint Venture amongst Katrina Kaif, Matrix India Entertainment Consultants Private Limited, Nykaa-KK Beauty and our Company

Pursuant to a joint venture agreement dated December 11, 2018, ("**JV Agreement**") Katrina Kaif, Matrix India Entertainment Consultants Private Limited, our Company (collectively, "**JV Partners**") and Nykaa-KK Beauty, entered into an agreement to establish the brand 'Kay Beauty' (the "**Brand**") under our Subsidiary, Nykaa KK-Beauty. Pursuant to the JV Agreement, Katrina Kaif granted Nykaa-KK Beauty, an exclusive, non-sub-licensable, non-transferable right to use promotional material, which includes advertising campaigns, any material promoting, endorsing or publicizing the brand and products, audio and/or visual commercials, photographs, in the media for the promotion of products.

The JV Partners have a lock-in period of three years, during which the JV Partners shall not sell, assign, transfer or dispose of or, in any way, encumber the preference shares and/or equity shares of Nykaa-KK Beauty without the approval of the other JV Partner(s) in writing. However, such lock-in shall cease with respect to our Company if our Company files a draft red herring prospectus with any stock exchange to undertake an initial public offering or if our Company undergoes a process of merger, amalgamation, reconstruction or compromise with any of its affiliates.

In the event a third party offers to purchase our Company's shareholding in Nykaa-KK Beauty, we have the right but not the obligation to require Katrina Kaif and Matrix India Entertainment Consultants Private Limited to sell their entire shareholding on the same terms and conditions on which our Company's shareholding is being transferred to such third party.

7. Dot & Key Wellness Private Limited ("Dot & Key")

Corporate Information

Dot & Key was originally incorporated as Bare Wellness LLP, a limited liability partnership under the Limited Liability Partnership Act, 2008 ("**LLP Act**"), pursuant to the certificate of incorporation issued by Ministry of Corporate Affairs on December 11, 2017. Subsequently, the name of Bare Wellness LLP was changed to Dot & Key Wellness LLP pursuant to a board resolution passed by the partners of Bare Wellness LLP on August 2, 2019, a fresh certificate of incorporation under the LLP Act was issued on August 14, 2019. Dot & Key was converted into a private company under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 16, 2020 issued by the Registrar of Companies, Kolkata. Its CIN is U24110WB2020PTC236913 and its registered office is situated at 2/7, 3rd Floor Sarat Bose Road, Vasundhara, Kolkata 700020, West Bengal.

Nature of Business

Dot & Key is currently engaged in the business of manufacturing, marketing, branding and sale of

skincare, personal care and nutraceutical products, including serums, toners, cleansers, face masks, face creams and meltables.

Capital Structure

The details of the capital structure of Dot & Key are as follows:

Particulars	Aggregate Nominal Value (₹ in million)
Authorised share capital	
1,550,000 equity shares of face value of ₹ 10 each	15.50
500,000 preference shares of face value ₹10 each	5.00
Total	**20.50**
Issued, subscribed and paid-up capital	
1,357,143 equity shares of face value of ₹ 10 each	13.57
Total	**13.57**

Shareholding of Dot & Key

The shareholding pattern of Dot & Key is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
Company*	692,143	51.00
Suyash Saraf	201,272	14.83
Anisha Saraf	195,067	14.37
Ashok Saraf	166,328	12.26
Rekha Saraf	102,333	7.54
Total	**1,357,143**	**100.00**

**Includes one equity share each held by Adwaita Nayar and Anchit Nayar as the nominees of our Company.*

Dot & Key became a subsidiary of the Company on September 28, 2021 which was post the date of the Restated Financial Statements. Accordingly, there are no amounts of accumulated profits or losses of Dot & Key are accounted for by the Company in the Restated Financial Statements.

Share subscription and purchase agreement dated September 19, 2021 ("Dot & Key SSPA") and shareholders agreement dated September 19, 2021 ("Dot & Key SHA") amongst Dot & Key, Suyash Saraf, Anisha Saraf, our Company and other shareholders under the Dot & Key SSA & Dot & Key SHA.

Pursuant to the Dot & Key SSPA and Dot & Key SHA, our Company purchased 335,000 equity shares of face value of ₹10 each from the existing shareholders of Dot & Key for a consideration of approximately ₹469 million, and further subscribed to 357,143 equity shares of face value of ₹10 for a consideration of approximately ₹500 million. Under the Dot & Key SHA our Company has the right to appoint directors on the board, and committees of the board of Dot & Key. Further, under the Dot & Key SHA, both, the Promoters of Dot & Key, i.e. Suyash Saraf and Anisha Saraf, and our Company have affirmative vote on matters which are: (i) to raise debt, or avail any other financial assistance, including any guarantee or loans, in excess of ₹ 400 million and (ii) approval of annual business plan for any financial year subject to certain conditions based on metrics like revenue growth, marketing expenditure, etc. as laid down in the Dot & Key SHA.

Step-down Subsidiaries

8. FSN Global FZE ("FSN Global")

Corporate Information

FSN Global was incorporated as a limited liability company pursuant to Law No 09 of 1992 and implementation Regulations issued thereunder by Jebel Ali Free Zone, pursuant to certificate of incorporation issued on June 21, 2020 by the Registrar, Jebel Ali Free Zone. Its registration number is 223590 and its registered office is situated at Workstation LB181002WS31, Building 18, Jebel Ali Free Zone, Dubai, United Arab Emirates.

Nature of Business

FSN Global is authorised to engage in the business of trading in perfumes, cosmetics, beauty, personal care, skin care, hair care, beauty and personal care products and equipment.

Capital Structure

The details of the capital structure of FSN Global are as follows:

Particulars	Aggregate Nominal Value (AED in million)
Authorised share capital	
150 equity shares of face value of AED 1,000 each	0.15
Issued, subscribed and paid-up capital	
150 equity shares of face value of AED 1,000 each	0.15

Shareholding of FSN Global

The shareholding pattern of FSN Global is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
FSN International	150	100.00
Total	150	**100.00**

9. Nykaa International UK Limited ("Nykaa International")

Corporate Information

Nykaa International was incorporated as a private limited company under the Companies Act, 2006 pursuant to certificate of incorporation dated November 15, 2020 issued by the Registrar of Companies of England and Wales. Its company number is 13020573 and its registered office is situated at 5 Lloyds Avenue, 3rd Floor, London, United Kingdom.

Nature of Business

Nykaa International is authorised to engage in the business of retail sale of cosmetic and toilet articles in specialised stores.

Capital Structure The details of the capital structure of Nykaa International are as follows:

Particulars	Aggregate Nominal Value (£ in million)
Authorised share capital	
10,000 equity shares of face value of £ 1 each	0.01
Issued, subscribed and paid-up capital	
10,000 equity shares of face value of £ 1 each	0.01

Shareholding of Nykaa International

The shareholding pattern of Nykaa International is as follows:

Name of the Shareholder	Number of equity shares held	Percentage of the total shareholding (%)
FSN International	10,000	100.00
Total	10,000	**100.00**

Other confirmations

There are no accumulated profits or losses of any of our Subsidiaries, which are not accounted for by the Company.

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

Business interest of our Subsidiaries in the Company

Our Subsidiaries do not have any interest in our Company's business, other than as stated in '*Our Business'*, '*History and Other Corporate Matters*', and '*Offer Document Summary- Summary of -Related Party Transactions*' on pages 190, 230 and 22, respectively.

Common pursuits

Based on the business activities undertaken by our Subsidiaries, there are certain common pursuits amongst our Subsidiaries and our Company. Our Company, Nykaa-KK Beauty and Dot & Key manufacture cosmetics under the 'Nykaa', Kay-Beauty' and 'Dot & Key' brands, respectively. Nykaa E-Retail and FSN Brands undertake retail selling operations for several cosmetic brands, including the 'Dot & Key' brand, in the online and physical retail spaces, respectively. Dot & Key also undertakes retail selling operations for the 'Dot & Key' brand. Each entity, other than 'Dot & Key', undertakes its sales under the 'Nykaa' brand, which rights are licensed to them. Also, some of the common brands are sold through inter-company purchase /sale process. FSN Global, FSN Brands and Nykaa E-Retail all undertake retail sales of imported third party brands in India.

However, our Subsidiaries do not compete with our Company and, accordingly, there is no conflict of interest between our Company and our Subsidiaries. Further, our Company and our Subsidiaries will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

OUR MANAGEMENT

In terms of the Companies Act and the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors, provided that our Shareholders may appoint more than 12 Directors upon passing a special resolution to that effect, in a general meeting.

As on the date of this Red Herring Prospectus, our Board comprises of ten Directors including our Executive Chairperson, Managing Director and Chief Executive Officer, two Executive Directors, two Non-Executive Non-Independent Directors, five Independent Directors (including two women Directors). Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and its committees thereof.

The following table sets forth the details of our Board as of the date of this Red Herring Prospectus:

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
1.	**Falguni Nayar** ***Designation***: Executive Chairperson, Managing Director and Chief Executive Officer ***Date of Birth***: February 19, 1963 ***Address*:** 9 Rushilla Building, 17C Carmichael Road, Malabar Hill, Cumballa Hill, Mumbai 400026 ***Occupation*:** Business ***Current term***: Re-designated as the Managing Director, Executive Director and Chief Executive Officer effective from February 12, 2021 for a period of five years ***Period of Directorship***: Re- designated as the Managing Director, Executive Director and Chief Executive Officer with effect from February 12, 2021 for a period of five years ***Nationality***: Indian ***DIN***: 00003633	58	**Indian Companies:** Private Companies: 1. Golf Land Developers Private Limited; 2. Heritage View Developers Private Limited; 3. Sea View Probuild Private Limited; 4. Sealink View Probuild Private Limited; and 5. Nykaa E- Retail Private Limited Public Companies: 1. ACC Limited; 2. Dabur India Limited; and 3. Kotak Securities Limited. Section 8 Companies (*erstwhile section 25 companies)* 1. Sanjay & Falguni Nayar Foundation
2.	**Sanjay Nayar** ***Designation***: Non-Executive Director(1) ***Date of Birth***: October 13, 1960 ***Address*:** Rushilla, Flat no.9, 17/C Carmichael Road, Mumbai 400026 ***Occupation*:** Business ***Current term***: Liable to retire by rotation ***Period of Directorship***: Since April 9, 2021	61	**Indian Companies:** Private Companies: 1. Avendus Capital Private Limited 2. Epimoney Private Limited; 3. FSN Distribution Private Limited; 4. FSN International Private Limited; 5. Grameen Impact Investments India Private Limited; 6. Heritage View Developers Private Limited; 7. Radiant Life Care Private Limited; 8. Sealink View Probuild Private Limited; 9. Sea View Probuild Private Limited; and

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Nationality: Indian ***DIN***: 00002615		10. Seynse Technologies Private Limited; Public Companies: 1. Indigrid Investment Managers Limited; 2. J B Chemicals and Pharmaceuticals Limited; and 3. Max Healthcare Institute Limited. Section 8 Companies (*erstwhile section 25 companies)* 1. Pratham Education Foundation; 2. Pratham Institute for Literacy Education and Vocational Training. 3. Sanjay & Falguni Nayar Foundation Companies limited by guarantees 1. Indian School of Business. **Foreign Companies:** 1. Nykaa International UK Limited
3.	**Adwaita Nayar** ***Designation***: Executive Director ***Date of Birth***: August 16, 1990 ***Address*****:** 9 Rushilla, Carmichael Road, Cumballa Hill, Mumbai 400026 ***Occupation*****:** Business ***Current term***: For a period of five years with effect from July 1, 2021[(2)] ***Period of Directorship***: Since January 22, 2018 ***Nationality***: Indian ***DIN***: 07931382	31	**Indian Companies:** Private Companies: 1. Epimoney Private Limited; 2. Nykaa Fashion Private Limited; and 3. Nykaa-KK Beauty Private Limited.
4.	**Anchit Nayar** ***Designation***: Executive Director ***Date of Birth***: August 16, 1990 ***Address*****:** 9 Rushilla Building, 17C Carmichael Road, Malabar Hill, Cumballa Hill, Mumbai 400026 ***Occupation*****:** Service	31	**Indian Companies:** Private Companies: 1. FSN Brands Marketing Private Limited; 2. Nykaa E- Retail Private Limited; and 3. Dot & Key Wellness Private Limited

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Current term: For a period of five years with effect from July 1, 2021[(2)] ***Period of Directorship***: Since August 13, 2019 ***Nationality***: Indian ***DIN***: 08351358		
5.	**Anita Ramachandran** ***Designation***: Independent Director ***Date of Birth***: April 28, 1955 ***Address*****:** 2401-2402, Raheja Atlantis, G.K. Marg, Lower Parel, Mumbai 400013 ***Occupation*****:** Business ***Current term***: For a period of five years with effect from July 15, 2021[(3)] ***Period of Directorship***: Since October 12, 2015 ***Nationality***: Indian ***DIN***: 00118188	66	Indian Companies: Private Companies: 1. Cerebrus Consultants Private Limited. Public Companies: 1. Aditya Birla Housing Finance Limited; 2. Essel Mining & Industries Limited; 3. Grasim Industries Limited; 4. Godrej and Boyce Manufacturing Company Limited; 5. Happiest Minds Technologies Limited; 6. Kotak Mahindra Life Insurance Company Limited; 7. Metropolis Healthcare Limited; 8. Rane (Madras) Limited; and 9. Utkarsh Small Finance Bank Limited.
6.	**Milan Khakhar** ***Designation***: Non-Executive Director ***Date of Birth***: January 18, 1961 ***Address*****:** A/7, Anand Darshan CHS, 4th Floor, Peddar Road, Mumbai 400026 ***Occupation*****:** Business ***Current term***: Liable to retire by rotation ***Period of Directorship***: Since September 28, 2015 ***Nationality***: Indian ***DIN***: 00394065	60	**Indian Companies:** Private Companies: 1. Solid Realty Company Private Limited. Public Companies: 1. Global Instile Solid Industries Limited; 2. Universal Tiles & Stone Company Limited; and 3. Solid Stone Company Limited.
7.	**Alpana Parida** ***Designation***: Independent Director ***Date of Birth***: January 22, 1963 ***Address*****:** 2nd Floor, Anand Kamal Mahal Compound, 17 Carmichael Road, Cumballa Hill, Mumbai 400026	58	**Indian Companies:** Private Companies: 1. FSN Brands Marketing Private Limited; 2. Nykaa Fashion Private Limited; 3. Isagro (Asia) Agrochemicals Private Limited; and

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Occupation**:** Entrepreneur ***Current term***: For a period of three years with effect from July 15, 2021[(3)] ***Period of Directorship***: Since September 28, 2015 ***Nationality***: Indian ***DIN***: 06796621		4. Tiivra Ventures Private Limited. <u>Public Companies:</u> 1. Brilloca Limited; 2. Cosmo Films Limited; 3. GRP Limited; and 4. Prime Securities Limited; .
8.	**Pradeep Parameswaran** ***Designation***: Independent Director ***Date of Birth***: July 1, 1974 ***Address*****:** A2-602 World Spa East, Sector 30, Gurgaon, Haryana 122001 ***Occupation*****:** Service ***Current term***: For a period of three years with effect from July 15, 2021 ***Period of Directorship***: Since July 15, 2021 ***Nationality***: Indian ***DIN***: 07206780	47	**<u>Indian Companies:</u>** <u>Private Companies:</u> 1. Nykaa E-Retail Private Limited
9.	**Seshashayee Sridhara** ***Designation***: Independent Director ***Date of Birth***: February 1, 1966 ***Address*****:** 94 Distillery Warf, Parrs Way, Hammermsith, W6 9GD West London, United Kingdom ***Occupation*****:** Service ***Current term***: For a period of three years with effect from July 26, 2021 ***Period of Directorship***: Since July 26 , 2021 ***Nationality***: British ***DIN***: 09247644	55	NIL
10.	**Milind Sarwate** ***Designation***: Independent Director ***Date of Birth***: September 23, 1959	62	**<u>Indian Companies:</u>** <u>Private Companies:</u> 1. Halite Personal Care India Private Limited

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Address**:** E 201/ 202 Sita Vihar, Near Damani Estate, LBS Marg, Near Hotel Shubha, Naupada, Thane West, Thane 400602 ***Occupation*****:** Corporate director and advisor ***Current term***: For a period of 5 years with effect from July 15, 2021 ***Period of Directorship***: Since July 15, 2021 ***Nationality***: Indian ***DIN***: 00109854		2. WheelsEMI Private Limited <u>Public Companies:</u> 1. Eternis Fine Chemicals Limited; 2. Omniactive Health Technologies Limited; 3. Hexaware Technologies Limited; 4. Mahindra And Mahindra Financial Services Limited; 5. Matrimony.com Limited; 6. Metropolis Healthcare Limited; and 7. Sequent Scientific Limited. <u>Section 8 Companies (*erstwhile section 25 companies)*</u> 1. Increate Foundation.

(1) Pursuant to the resolution passed by our Board on April 9, 2021, Sanjay Nayar was appointed as an additional non-executive director. Subsequently, pursuant to the resolution passed by our Shareholders on September 29,2021, he has been appointed as a non-executive director.

(2) Pursuant to the resolution passed by our Board on July 15, 2021 and the resolution passed by our Shareholders on July 16, 2021, Anchit Nayar and Adwaita Nayar were designated as an Executive Directors of our Company.

(3) Pursuant to the resolution passed by our Board on July 15, 2021 and the resolution passed by our Shareholders on July 16, 2021, Anita Ramachandran and Alpana Parida were designated as Independent Directors our Company.

Brief profiles of our Directors

Falguni Nayar is the founder, Executive Chairperson & Managing Director and Chief Executive Officer of our Company. She holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has over 26 years of experience in e-commerce, investment banking and broking. Prior to founding our Company, she was associated with Kotak Mahindra Capital Company Limited for 18 years where she also served as a managing director. She has also served on the boards of various companies, including Tata Motors Limited and Aviva Life Insurance Company India Limited Presently, she serves as an independent on the boards of various companies including, Kotak Securities Limited, ACC Limited and Dabur India Limited. She has won many awards, including 'EY Entrepreneur of the Year 2019 – Start-up' by Ernst and Young and '*Businesswoman of the Year*' at the Economic Times Awards for Corporate Excellence, 2019. She was listed as one of Asia's Power Businesswomen, 2019 by Forbes Asia and named as '*Business Person of the Year',* 2019 by Vogue India.

Sanjay Nayar is a Non-Executive Director of our Company. He holds a bachelor's degree in science in mechanical engineering from the University of Delhi and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 35 years of experience in the banking, and private equity. He was associated with Citibank N.A. for over 23 years, where he also served as the as chief executive officer of the bank in India over six years. He was chief executive officer of KKR India Advisors Private Limited from 2009 to 2020. Presently he serves as a chairman of KKR India and also serves on the board of various companies, including Indigrid Investment Managers Limited, Max Healthcare Institute Limited, J B Chemicals and Pharmaceuticals Limited and Avendus Capital Private Limited.

Adwaita Nayar is an Executive Director of our Company, since July 1, 2021. She also serves as the chairperson and chief executive officer of Nykaa Fashion. She co-founded our Company and has been involved in the areas of marketing, operations and product development. She holds a bachelor's degree in applied mathematics from the Yale University where she graduated Cum Laude and a master's degree in business administration with distinction from the Harvard Business School. Post her academic pursuits, she re-joined FSN Brands in the year 2017 as chief executive officer in FSN Brands to create

and strengthen the offline retail footprint of 'Nykaa'. Since 2018, she has established the Nykaa Fashion's business and currently oversees nykaafashion.com as well as many of our Company's owned & partner brands.

Anchit Nayar is an Executive Director of our Company, since July 1, 2021. He also serves as the chairman and chief executive officer of Nykaa E-Retail. He holds a bachelor's degree from Columbia University. Anchit has previously served as the vice president of the Investment Banking Division at Morgan Stanley, New York. He is currently responsible for the beauty business and also serves as a member of the investor relations team. He joined FSN Brands in 2018 as the chief executive officer and has overseen the expansion of retail Nykaa stores. He was also the chief marketing officer of our Company for the period from May 31, 2020 to January 12, 2021.

Anita Ramachandran is an Independent Director of our Company. She holds a bachelor's degree in commerce and a master's degree in management studies from the University of Bombay. She has over 45 years of experience as a management consultant. She founded Cerebrus Consultants Private Limited in 1995. She has previously worked with A.F. Ferguson & Co. (a former KPMG network company in India). Presently, she serves as a director on the board of various companies including, Aditya Birla Housing Finance Limited, Essel Mining & Industries Limited, Grasim Industries Limited, Godrej and Boyce Manufacturing Company Limited, Happiest Minds Technologies Limited, Kotak Mahindra Life Insurance Company Limited, Metropolis Healthcare Limited, Rane (Madras) Limited and Utkarsh Small Finance Bank Limited.

Milan Khakhar is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce and law from the University of Bombay. He was awarded a merit certificate in under the National Scholarship Scheme by the Government of Maharashtra in 1983. He has over 30 years of experience in natural stones and building material industry sector. Currently he is the chairman and managing director of Solid Stone Company Limited, a BSE listed entity.

Alpana Parida is an Independent Director of our Company. She holds a bachelor's degree in arts (honours course) from the University of Delhi and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has over 20 years of experience in the retail, luxury, branding and design sector. She is founder & chief executive officer of Tiivra Ventures Private Limited. She has served as managing director of DMA Yellow Works Limited. She has also been associated with Titan Industries Limited. Previously, she has also been on the board of SH Kelkar and Company Limited and Prime Research and Advisory Limited and presently she serves as a director on the board of various companies including Prime Securities Limited, COSMO Films Limited, and Brilloca Limited.

Pradeep Parameswaran is an Independent Director of our Company. He holds a bachelor's degree in engineering (instrumentation engineering) and a master's degree in management studies from the University of Mumbai. He also holds master of business administration from Vanderbilt University. He has over 15 years of experience in engineering, automobile and marketing. He is associated with Uber India Technology Private Limited as senior director, RGM Rides – APAC. He was associated with DEN Networks Limited as the chief executive officer, McKinsey & Company, Inc and Hindustan Unilever Limited.

Seshashayee Sridhara is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from the Nagpur University. He has several years of experience in product, engineering, data and artificial intelligence, operations, cybersecurity and compliance sector. He also serves as a member of the management board for Allegro.pl. Previously, he was associated with various organisations including TUI Travel Plc, and D-Market Elektronik Hizmetlter ve Ticaret AS Kustepe Mah. Mecidiyekoy Yolu Cad (Dogan Online).

Milind Sarwate is an Independent Director of our Company. He is a chartered accountant from the Institute of Chartered Accountants of India, a cost accountant from the Institute of Cost Accountants of India and a company secretary from the Institute of Company Secretaries of India. He was a participant of the Fulbright-CII fellowship for leadership in management program at the Carnegie Mellon Graduate School of Industrial Administration, U.S.A. He also holds a bachelor's honours degree in commerce from the University of Bombay. Presently, he serves as an independent director on the boards of the following companies viz. Mahindra & Mahindra Financial Services Limited, Metropolis Healthcare Limited, SeQuent Scientific Limited, Matrimony.com Limited, Hexaware Technologies Limited,

OmniActive Health Technologies Limited, Eternis Fine Chemicals Limited and WheelsEMI Private Limited. He is also the founder & designated partner of Increate Value Advisors LLP and Increate Social Value Advisors & Resourcers LLP. He is also a promoter director of Increate Foundation, a Section 8 company, and a member of the advisory board for Educo, a public charitable trust. He has about 37 years of post-qualification experience, including with two consumer product companies, viz. Godrej Soaps Limited (since restructured to form Godrej Consumer Products Limited) and Marico Limited. He has also served as an independent director on the boards of Mindtree Limited, Glenmark Pharmaceuticals Limited, Andhra Paper Limited, House of Anita Dongre Limited, CARE Ratings Limited and Geometric Limited, over the past 15 years. He was awarded the 'ICAI Awards 2011 in CFO-FMCG sector' by the Institute of Chartered Accountants of India in 2011 and the 'Best Performing CFO Award' in FMCG & retail sector by CNBC-TV18 in 2012. He was inducted into the "CFO India Hall of Fame" by the CFO India magazine in 2013.

Relationship between our Directors

Except as disclosed below none of our other Directors are related to each other:

- Falguni Nayar and Sanjay Nayar are spouses;
- Anchit Nayar and Adwaita Nayar are siblings; and
- Falguni Nayar and Sanjay Nayar are the parents of Anchit Nayar and Adwaita Nayar.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Red Herring Prospectus, during the term of his/her directorship in such company.

Except for Milind Sarwate, in relation to whom details are mentioned below, none of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company:

Particulars	Details
Name of the company	Hexaware Technologies Limited
Name of the stock exchange(s) on which the company was listed	BSE and NSE
Date of delisting on stock exchanges	With effect from November 9, 2020
Whether delisting was compulsory or voluntary	Voluntary
Reasons for delisting	To obtain full ownership of the company resulting in increased flexibility to support company's business
Whether the company has been relisted	No
Date of relisting on given name of stock exchange	Not applicable
Term of directorship (along with relevant dates) in the above company	In the capacity of independent director, for a period of three years, with effect from April 25, 2020

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed as a Director or member of senior management.

Service contracts with Directors

Our Company has entered into service contract agreements dated July 24, 2021("**Agreement**") with Falguni Nayar, Executive Chairperson & Managing Director and Chief Executive Officer, Adwaita Nayar, Executive Director and Anchit Nayar, Executive Director respectively which provides for their fixed compensation, variable pay, benefits and scope of other increments and revisions.

Terms of appointment of Executive Directors

a) Falguni Nayar:

Falguni Nayar was appointed as the Director with effect from April 24, 2012 and Chief Executive Officer pursuant to the Board resolution dated April 27, 2018. She was further re-designated as the Executive Chairperson, Managing Director and Chief Executive Officer of our Company for a period of five years with effect from February 12, 2021 until February 11, 2026 pursuant to the Nomination and Remuneration Committee resolution dated February 9, 2021, Board resolution dated February 12, 2021 and shareholders' resolution dated March 8, 2021. The details of the remuneration approved by the Shareholders pursuant to their resolution dated March 8, 2021 and the agreement are set out below:

Fixed Compensation	₹ 50 million per annum
Variable Pay	2% of the profit before tax of our Company on consolidated basis, subject to applicable statutory limits
Perquisites / Benefits	Standard perquisites of car, driver, medical, insurance, club membership and other benefits as per the policy of our Company
Further increments and revisions	To be reviewed annually in accordance with performance, market and applicable statutory limits

Further, pursuant to the resolutions passed by our Board on February 12, 2021 and our Shareholders on March 8, 2021 it was approved that, the remuneration mentioned hereinabove shall be paid: (a) entirely by our Company or,(b) in such ratio as may be determined by the Nomination and Remuneration Committee in compliance with applicable provisions of law: (1) partly by Our Company and partly by our Company's wholly owned subsidiary, Nykaa E-Retail, or (2) partly by our Company and partly by any other subsidiary of our Company.

Further, pursuant to the resolutions passed by the Board on February 12, 2021 and our Shareholders on March 8, 2021, the payment of variable pay for FY 2020 and payment of ex-gratia were approved. The variable pay for FY 2020 equals to six months of fixed pay amounting to ₹ 11.89 million and an ex-gratia amount of ₹ 70 million.

The remuneration paid to Falguni Nayar in FY 2021 was ₹ 108.44 million including an ex-gratia amount of ₹ 70.00 million. The remuneration paid to Falguni Nayar does not include provisions made for gratuity and compensated absences as it is determined on an actuarial basis for the group as a whole.

b) Adwaita Nayar

Adwaita Nayar was appointed as the Non-Executive Director with effect from January 22, 2018 pursuant to the Board resolution dated January 22, 2018. Pursuant to the Nomination and Remuneration Committee resolution dated June 28, 2021, the Board resolution dated June 30, 2021 and the Shareholders' resolution dated July 16, 2021, she was designated as an Executive Director for a period of five years with effect from July 1, 2021. The details of the remuneration approved by the Shareholders pursuant to their resolution dated July 16, 2021 and the agreement are set out below:

Fixed Compensation	₹ 20 million per annum
Variable Pay	0.5% commission of profit before tax of our Company on a consolidated basis, subject to applicable statutory limits
Perquisites / Benefits	Standard perquisites and benefits as per Company's policy in this regard
Further increments and revisions	To be reviewed annually in accordance with performance, market and applicable statutory limits

Further, pursuant to the resolutions passed by our Board on June 30, 2021 and our Shareholders on July 16, 2021 it was approved that, the remuneration mentioned hereinabove shall be paid: (a) entirely by our Company or,(b) in such ratio as may be determined by the Nomination and Remuneration Committee in compliance with applicable provisions of law: (1) partly by our Company and partly by the Company's wholly owned subsidiary, Nykaa Fashion, or (2) partly by our Company and partly by any other subsidiary of our Company.

c) Anchit Nayar

Anchit Nayar was appointed as the Non-Executive Director with effect from August 13, 2019 pursuant to the Board resolution dated August 13, 2019. Pursuant to the Nomination and Remuneration Committee resolution dated June 28, 2021, the Board resolution dated June 30, 2021 and the Shareholders' resolution dated July 16, 2021, he was designated as an Executive Director for a period of five years with effect from July 1, 2021. The details of the remuneration approved by the Shareholders pursuant to their resolution dated July 16, 2021 and the agreement are set out below:

Fixed Compensation	₹ 20 million per annum
Variable Pay	0.5% commission of profit before tax of our Company on a consolidated basis, subject to applicable statutory limits
Perquisites / Benefits	Standard perquisites and benefits as per Company's policy in this regard
Further increments and revisions	To be reviewed annually in accordance with performance, market and applicable statutory limits

Further, pursuant to the resolutions passed by the Board on June 30, 2021 and our Shareholders on July 16, 2021 it was approved that, the remuneration mentioned hereinabove shall be paid: (a) entirely by our Company or,(b) in such ratio as may be determined by the NRC in compliance with applicable provisions of law: (1) partly by Our Company and partly by the Company's wholly owned subsidiary, Nykaa E-Retail, or (2) partly by our Company and partly by any other subsidiary of our Company.

Commission to the Non-Executive Directors and Independent Directors

The Shareholders at the Annual General Meeting held on September 30, 2020, approved commission to the Non-Executive Directors for FY 2021, which is set out as follows:

1. ₹ 1 million per annum to Anita Ramachandran in her capacity as permanent chairperson of Nomination and Remuneration Committee inclusive of membership of other committees of the Board of Directors.

2. ₹ 0.5 million per annum to Alpana Parida in her capacity of member of other committees of the Board of Directors.

Further pursuant to the special resolution passed by our Shareholders at the EGM held on July 28, 2021, the Shareholders approved commission to be paid to the Independent Directors not exceeding 1% of the profits of our Company and our Subsidiaries and sitting fees, as applicable, for the year or such limits as may be prescribed under the Companies Act, 2013, provided that such sitting fees and commission is recommended by the Nomination and Remuneration Committee of the Board and approved by our Board and our shareholders of our Company or of the subsidiaries, as applicable.

Payments or benefits to Non- Executive Directors and Independent Directors by our Company

The Shareholders at the Annual General Meeting held on September 30, 2020 approved the payment of the sitting fees to Anita Ramachandran and Alpana Parida, and in supersession to the resolution passed at the Annual General Meeting held on September 30, 2020. The Shareholders at the Extra Ordinary General Meeting held on July 28, 2021 approved the payment of the sitting fees to Independent Directors for attending Board meetings and meetings of the committees of our Board and Subsidiaries.

The sitting fees for FY 2021 were paid as under:

Sr. No.	Board/Committee	Sitting Fee (in ₹)
1.	Board	₹ 50,000 per meeting
2.	Audit Committee	₹ 30,000 per meeting
3.	Corporate Social Responsibility & Environmental, Social, and Governance Committee	₹ 20,000 per meeting
4.	Nomination and Remuneration Committee	₹ 20,000 per meeting
5.	Finance Cum Management Committee	₹ 20,000 per meeting
6.	Investment Committee	₹ 20,000 per meeting
7.	Share Allotment cum Transfer Committee	₹ 20,000 per meeting
8.	Risk Management Committee	₹ 20,000 per meeting
9.	Stakeholders Relationship Committee	₹ 20,000 per meeting

Sr. No.	Board/Committee	Sitting Fee (in ₹)
10.	IPO Committee	₹ 20,000 per meeting
11.	Fundraise Committee	₹ 20,000 per meeting

Except as disclosed below, our Company and our Subsidiaries have not paid any compensation or granted any benefit to any of our Directors (including contingent or deferred compensation) in all capacities in FY 2021.

1. Non-Executive Non-Independent Directors

Sr. No.	Name of the Director	Sitting fees paid (in ₹ million)	Commission Paid (in ₹ million)	Total Remuneration (in ₹ million)[#]
1.	Alpana Parida	0.34	0.50	0.84
2.	Anita Ramachandran	0.34	1.00	1.34

[#]Paid in the capacity of being the Non-Executive Directors. Pursuant to the resolution passed by our Board on July 15, 2021 and the resolution passed by our Shareholders on July 16, 2021, Anita Ramachandran and Alpana Parida were designated as Independent Directors of our Company.

2. Independent Directors

There were no independent directors on our Board in FY 2021 and accordingly, no remuneration was paid.

Remuneration paid by our Subsidiaries

Except as disclosed below, none of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries in FY 2021.

- Nykaa E-Retail, one of our Subsidiaries, has paid an amount of ₹ 13.70 million as remuneration to Falguni Nayar, our Executive Chairperson & Managing Director and Chief Executive Officer.
- Nykaa Fashion, one of our Subsidiaries, has paid an amount of ₹ 16.97 million as remuneration to Adwaita Nayar, an Executive Directors on our Board.
- FSN Brands, one of our Subsidiaries, has paid an amount of ₹ 18.60 million as remuneration to Anchit Nayar, an Executive Directors on our Board.

Shareholding of the Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. The table below sets forth details of Equity Shares held by the Directors as on date of this Red Herring Prospectus:

Sr. No.	Name of the Director	Number of equity shares held	Percentage
1.	Alpana Parida[#]	1,79,967	0.04 %
2.	Anchit Nayar	1,60,080	0.03 %
3.	Adwaita Nayar	30,060	0.01%
4.	Anita Ramachandran*	73,064	0.02 %
5.	Milind Sarwate	10,526	Negligible
6.	Pradeep Parameswaran	5,264	Negligible

 # 10,527 Equity Shares held Jointly held with Samaresh Parida.
** All Equity Shares held Jointly held with Krishnan Ramachandran.*

Borrowing Powers

Pursuant to our Articles of Association and applicable provisions of the Companies Act and pursuant to a resolution passed by our Board at their meeting held on July 26, 2021, and by Shareholders at their meeting held on July 28, 2021 our Board has been authorised for borrowing of funds from Banks, bodies

corporate, financial institutions, and creation of charges or mortgages and hypothecation of movable and immovable properties of our Company subject to such limits as may be approved by the Members of our Company, from time to time, in one or more tranches in terms of our Companies Act, 2013, for a limit up to ₹ 10,000 million.

Bonus or profit-sharing plan for our Directors

Other than the variable pay plan as envisaged in the service contracts entered into with the Company by Falguni Nayar, Adwaita Nayar and Anchit Nayar, individually, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Interest of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as the sitting fees and commission, if any, payable to them for attending meetings of our Board and/or committees thereof as approved by our Board/ Shareholders, the reimbursement of expenses payable to them, as approved by our Board.

Our Directors, Falguni Nayar, Adwaita Nayar, Anchit Nayar, Alpana Parida and Anita Ramachandran may also be interested to the extent of their respective shareholding in our Company and to the extent of any dividend payable to them and other distributions in respect of such shareholding and to the extent of Equity Shares, if any, that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Interest in promotion or formation of our Company

Except for Falguni Nayar, our Founder and an initial subscriber to our MoA, and Adwaita Nayar, our co-founder and our Non - Executive Director, Sanjay Nayar, who is one of the Promoters of our Company, none of our Directors are interested in the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

Except as disclosed below, our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company in the three years preceding the date of this Red Herring Prospectus:

1. Our Company has entered into leave and licence agreements dated February 7, 2020 with Rashmi Mehta *(who is a relative of Falguni Nayar)*, for the lease of a properties for business and commercial activities of our Company, pursuant to which our Company has agreed to monthly license fee of ₹ 0.24 million as consideration. This licence fees shall be subject to increase by 5% on completion of every 12 months.

2. Our Company has entered into a leave and licence agreement dated December 14, 2020 for the tenure of five years, with Sealink View Probuild Private Limited *(in which Falguni Nayar and Sanjay Nayar have significant influence)* for the lease of a property for business and commercial activities of our Company, pursuant to which our Company has agreed to pay a monthly license fee of ₹ 2.87 million as consideration. This licence fees shall be subject to increase by 5% on completion of every 12 months.

3. Nykaa E-Retail has entered into a leave and licence agreement dated July 19, 2018 with Golf Land

Developers Private Limited (*in which Falguni Nayar and Sanjay Nayar have significant influence*) for the lease of a property for business and commercial activities of our Company, for a period of five years. Nykaa E-Retail has agreed pays ₹ 2.05 million every month to Golf Land Developers Private Limited. This licence fees shall be subject to increase by 5% on completion of every 12 months.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, except as disclosed in '*Offer Document Summary- Summary of -Related Party Transactions*' on page 22, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business interest

Except as stated in '*Offer Document Summary- Summary of -Related Party Transactions*' on page 22, our Directors do not have any other interest in our Company or in any transaction by our Company.

Changes to our Board in the last three years

Name of Director	Date of appointment/ change in designation/ cessation	Reason
Sanjay Nayar	September 29, 2021	Appointed as a Non-Executive Director
Yogesh Mahansaria	July 30, 2021	Ceased to be a Director
Seshashayee Sridhara	July 28,2021	Appointed as an Independent Director
Yogesh Mahansaria	July 28, 2021	Designated as an Independent Director
Anchit Nayar	July 16, 2021	Designated as an Executive Director
Adwaita Nayar	July 16, 2021	Designated as an Executive Director
Milind Sarwate	July 16, 2021	Appointed as an Independent Director
Pradeep Parameswaran	July 16, 2021	Appointed as an Independent Director
Anita Ramachandran	July 16, 2021	Designated as an Independent Director
Alpana Parida	July 16, 2021	Designated as an Independent Director
Padmini Somani	July 15, 2021	Ceased to be a Nominee Non-Executive Director
Akshay Tanna	July 15, 2021	Ceased to be a Nominee Non-Executive Director
Shefali Munjal	July 15, 2021	Ceased to be a Nominee Non-Executive Director
William Sean Sovak	July 15, 2021	Ceased to be a Nominee Non-Executive Director
Sanjay Nayar	April 9, 2021	Appointment as Additional Non-Executive Director
Vikram Sud	April 9, 2021	Ceased to be a Non-Executive Director
Falguni Nayar	February 12, 2021	Designated as Managing Director, Executive Director and Chief Executive Officer
Anchit Nayar	September 30, 2020	Appointed as a Non-Executive Director
Anchit Nayar	August 13, 2019	Appointed as an Additional Director
Padmini Somani	August 13, 2019	Appointed as a Nominee Non-Executive Director
Akshay Tanna	June 4, 2019	Appointed as a Nominee Non-Executive Director
Shefali Munjal	June 4, 2019	Appointed as a Nominee Non-Executive Director
Shefali Munjal	April 26, 2019	Ceased to be a Director

Corporate Governance

The provisions of the Companies Act along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, pertaining to the constitution of the Board and committees thereof and formulation and adoption of policies Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the

Companies Act, 2013.

Committees of our Board

Our Board has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Risk Management Committee; and

(e) Corporate Social Responsibility & Environmental, Social, and Governance Committee.

In addition to the above, our Board of Directors may, from time to time, constitute committees to delegate certain powers for various functions, in accordance with applicable laws.

Audit committee

The Audit committee was constituted by a resolution of our Board at their meeting held on February 6, 2019 and was re-constituted by our Board at their meetings held on July 26, 2021 and July 30, 2021. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee
Milind Sarwate	Chairperson
Anita Ramachandran	Member
Alpana Parida	Member
Anchit Nayar	Member
Milan Khakhar	Member
Seshashayee Sridhara	Member

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

(i) The Audit Committee shall have powers, which should include the following:
- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee of the Company;
- (c) To obtain outside legal or other professional advice;
- (d) To secure attendance of outsiders with relevant expertise if it considers necessary; and
- (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
(ii) Changes, if any, in accounting policies and practices and reasons for the same;
(iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
(iv) Significant adjustments made in the financial statements arising out of audit findings;
(v) Compliance with listing and other legal requirements relating to financial statements;
(vi) Disclosure of any related party transactions; and
(vii) Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Explanation*: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(p) Discussion with internal auditors of any significant findings and follow up there on;

(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(u) Reviewing the functioning of the whistle blower mechanism;

(v) Approval of the appointment of the Chief Financial Officer of the Company ("**CFO**") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(w) Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;

(x) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;

(y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(aa) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiaries, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

(bb) To consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders; and

(cc) Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor.

(f) Statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

(g) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and

(h) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a resolution of our Board at their meeting held on September 21, 2016 and was re-constituted by our Board at their meetings held on July 9, 2021 and July 30, 2021. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee
Anita Ramachandran	Chairperson
Falguni Nayar	Member
Milan Khakhar	Member
Alpana Parida	Member

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters including the compensation strategy;

(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Recommending the remuneration, in whatever form, payable non-executive directors and to the senior management personnel and other staff (as deemed necessary);

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(k) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:

i. Determining the eligibility of employees to participate under the ESOP Scheme;
ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
iii. Date of grant;
iv. Determining the exercise price of the option under the ESOP Scheme;
v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
x. The grant, vest and exercise of option in case of employees who are on long leave;
xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
xii. The procedure for cashless exercise of options;
xiii. Forfeiture/ cancellation of options granted;
xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(l) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,

by the Company and its employees, as applicable;

(n) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;and

(o) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations or applicable laws or by other regulatory authority.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board at their meeting held on July 9, 2021. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of Director	Position in the Committee
Alpana Parida	Chairperson
Adwaita Nayar	Member
Anchit Nayar	Member

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

(g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority;

(h) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

(i) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

(j) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and

(k) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated July 9, 2021 and was reconstituted by our Board at their meetings dated July 15, 2021 and July 30, 2021. The current constitution of the Risk Management Committee is as follows:

Name of Director	Position in the Committee
Sanjay Nayar	Chairperson
Pradeep Parameswaran	Member
Sanjay Suri	Member

The terms of reference of the Risk Management Committee are as follows:

(a) To periodically review the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(b) To i a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes;

(c) The policy i include:

1. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;

2. Measures for risk mitigation including systems and processes for internal control of identified risks;

3. Business continuity plan.

(d) To approve the process for risk identification and mitigation;

(e) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;

(f) To monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;

(g) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(h) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(i) To approve major decisions affecting the risk profile or exposure and give appropriate directions;

(j) To consider the effectiveness of decision making process in crisis and emergency situations;

(k) To balance risks and opportunities;

(l) To generally, assist the Board in the execution of its responsibility for the governance of risk;

(m) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(n) To consider the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

(o) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

(p) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

(q) To attend to such other matters and functions as may be prescribed by the Board from time to time; and

(r) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Corporate Social Responsibility & Environmental, Social, and Governance Committee

The Corporate Social Responsibility Committee was constituted by a resolution passed by circulation of our Board dated March 4, 2021. It was reconstituted and renamed as Corporate Social Responsibility & Environmental, Social, and Governance Committee by a resolution of our Board dated July 9, 2021. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of Director	Position in the Committee
Anita Ramachandran	Chairperson
Adwaita Nayar	Member
Sanjay Nayar	Member

The terms of reference of the Corporate Social Responsibility & Environmental, Social, and Governance Committee framed in accordance with Section 135 of the Companies Act, are as follows:

(a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to

be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;

(c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the corporate social responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

(h) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.

(i) The corporate social responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

  (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
  (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
  (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  (iv) monitoring and reporting mechanism for the projects or programmes; and
  (v) details of need and impact assessment, if any, for the projects undertaken by the Company.

(j) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

IPO Committee

The IPO committee was constituted by a resolution of our Board dated February 12, 2021. It was reconstituted by a resolution of our Board dated July 9, 2021 and July 30, 2021. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Sanjay Nayar	Chairperson
Anchit Nayar	Member
Milan Khakhar	Member

The IPO Committee has been authorized to approve and decide upon all activities in connection

with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time. The terms of reference of the IPO Committee are as follows:

(i) To decide in consultation with the GCBRLMs and the BRLMS, the size, timing, pricing and all other terms and conditions of the issue and transfer of the Equity Shares for the Offer, including the number of Equity Shares to be offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under applicable laws that may be fixed and determined in accordance with the applicable law, and to accept any amendments, modifications, variations, or alterations thereto;

(ii) To amend the terms of participation by the Selling Shareholders in the Offer for Sale;

(iii) To decide, negotiate and finalize, in consultation with the GCBRLMs and the BRLMs, all matters regarding the Pre-IPO Placement, if any, including entering into discussions and execution of all relevant documents with investors;

(iv) To make applications to seek clarifications and obtain approvals from, where necessary, the SEBI, the Reserve Bank of India and any other governmental or statutory/regulatory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

(v) To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;

(vi) All actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, in accordance with the applicable laws;

(vii) To appoint and enter into arrangements with the GCBRLMs and BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank, refund bank(s) to the Offer, public issue account bank(s) to the Offer, advertising agencies, legal counsel and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the GCBRLMs and the BRLMs' mandate letter, negotiation, finalisation, execution and, if required, amendment of the Offer agreement with the GCBRLMs and the BRLMs and the underwriting agreement with the underwriters;

(viii) To negotiate, finalise, settle, execute and deliver or arrange the delivery of Offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, GCBRLMs and BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforestated documents;

(ix) To decide in consultation with the GCBRLMs and the BRLMs and Selling Shareholders on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;

(x) To finalise, approve, adopt, file, deliver and arrange for, in consultation with the GCBRLMs and the BRLMs and Selling Shareholders, submission of the draft red herring prospectus ("**DRHP**"), red herring prospectus ("**RHP**") and the Prospectus (including amending, varying or modifying

the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the issue of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all applicable law;

(xi) To approve the relevant restated financial statements to be issued in connection with the Offer;

(xii) To seek, if required, the consent of the lenders of the Company and its subsidiaries, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;

(xiii) To make applications to seek clarifications and obtain approvals from, if necessary, the SEBI, the Stock Exchanges, RBI, the Registrar of Companies or any other statutory or governmental authorities in connection with the Offer and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the prospectus;

(xiv) To open and operate bank account(s) of the Company in terms of the cash escrow and sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xv) To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(xvi) To approve code of conduct as may be considered necessary or as required under applicable laws for the Board, officers of the Company and other employees of the Company;

(xvii) To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;

(xviii) To approve suitable policies in relation to the Offer as may be required under applicable laws;

(xix) To approve suitable policies on insider trading, whistle –blowing, risk management, and any other policies, as may be required under applicable law and the listing agreement to be entered into by the Company with the relevant stock exchanges;

(xx) To approve any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws, in connection with the Offer;

(xxi) To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;

(xxii) To authorise and approve notices, advertisements in such newspapers and other media as it may deem fit and proper in relation to the Offer in consultation with the relevant GCBRLMs and the BRLMs and any other intermediaries appointed for the Offer;

(xxiii) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xxiv) To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer price for anchor

investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the prospectus, in consultation with the GCBRLMs and the BRLMs and Selling Shareholders;

(xxv) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(xxvi) To withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with applicable laws and in consultation with the GCBRLMs and the BRLMs;

(xxvii) To make applications for listing of Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

(xxviii) To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the afore-stated documents;

(xxix) To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the GCBRLMs and the BRLMs and Selling Shareholders, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws;

(xxx) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under applicable laws to the officials of the Company;

(xxxi) To take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company;

(xxxii) To approve the expenditure in relation to the Offer;

(xxxiii) To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing; and

(xxxiv) To submit undertaking/certificates or provide clarifications to the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed; and

(xxxv) To take all other actions as may be necessary in connection with the Offer.

Management organisation chart

Board of Directors

Anita Ramachandran
Independent Director

Alpana Parida
Independent Director

Seshashayee Sridhara
Independent Director

Pradeep Parmeswaran
Independent Director

Milind Sarwate
Independent Director

Milan Khakhar
Non-Executive Director

Sanjay Nayar
Non-Executive Director

Falguni Nayar
Executive Chairperson,
Managing Director & CEO

Adwaita Nayar
Executive Director

Anchit Nayar
Executive Director

Key Management Personnel

Falguni Nayar
Executive Chairperson, Managing Director & CEO

Adwaita Nayar
Chief Executive Officer - Fashion

Anchit Nayar
Chief Executive Officer - Beauty E-commerce

Reena Chhabra
Chief Executive Officer - Private Label

Nihir Parikh
Chief Executive Officer - NykaaMan

Vikas Gupta
Chief Executive Officer - eB2B (Distribution)

Arvind Agarwal
Chief Finance Officer

Sanjay Suri
Chief Technology Officer

Surender Mehta
Group Chief Human Resource Officer

Shalini Raghavan
Chief Marketing Officer

Manoj Jaiswal
Chief Officer - Supply Chain

Gopal Asthana
Chief Business Officer - Fashion

Kingshuk Basu
Sr. VP - Retail Operations

Rajendra Punde
Head - Company Secretary & Legal Compliance Officer

Key Managerial Personnel

The details of our Key Managerial Personnel as on the date of this Red Herring Prospectus are as set forth below:

Falguni Nayar is the Executive Chairperson, Managing Director and Chief Executive Officer of our Company. Adwaita Nayar and Anchit Nayar are Executive Directors of our Company. For details, see "*-Brief profiles of our Directors*" beginning on page 250. For details of compensation paid to our Executive Directors during FY 2021, see "- *Terms of appointment of Executive Directors*" on page 252. The details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are as set forth below:

Arvind Agarwal is the Chief Financial Officer of our Company. He has been associated with our Company since June 1, 2020. He holds a bachelor's degree in commerce from the Jai Narain Vyas University, Jodhpur. He has completed the senior management programme from the Indian Institute of Management, Ahmedabad. He is an associate member of the Institute of Chartered Accountants of India. He is a qualified company secretary from the Institute of Company Secretaries of India. He has over 21 years of experience in various fields, including accounting, finance, regulatory and strategic planning. Previously, he was associated with Amazon Seller Service Private Limited, Vodafone India Limited, Tata Teleservices Limited, YOU Telecom and Adani Port Limited. The total remuneration paid to him in FY 2021 was ₹ 19.58 million.

Rajendra Punde is the Head - Company Secretary & Legal and Compliance Officer of our Company. He has been associated with our Company since October 22, 2020. He holds a bachelor's degree in commerce and law from the University of Bombay. He is an associate member of the Institute of Company Secretaries of India. He has more than 17 years of experience in legal, compliance and company secretarial. Previously, he was associated with Flipkart Internet Private Limited, e-Bay India Private Limited, Bharti Cellular Limited, Bharti Wal-Mart Private Limited and Asian Paints (India) Limited. The total remuneration paid to him in FY 2021 was ₹ 4.96 million.

Manoj Jaiswal is the Chief Officer-Supply Chain of our Subsidiary, Nykaa E-Retail Private Limited. He has been associated with our Company since November 1, 2013. He holds a bachelor's degree in business administration and a master's degree in business administration from the All Institute of Engineering & Management. He has over 8 years of experience in supply chain management. Previously, he was associated with Seventymm Services Private Limited and Ibibo Web Private Limited. The total remuneration paid to him in FY 2021 was ₹ 15.24 million.

Nihir Parikh is the chief executive officer–Nykaa Man business arm of Nykaa E-Retail. He has been associated with our Company since May 6, 2015. He holds a bachelor's degree in chemical engineering from University of Mumbai and a master's degree in business administration from INSEAD. He has over 11 years of experience in technology and e-commerce sector. Previously, he was associated with Genentech Inc, USA, and GE Healthcare Pte. Ltd. The total remuneration paid to him in FY 2021 was ₹ 28.29 million.

Reena Chhabra is the chief executive officer - private label division of our Company. She has been associated with FSN Brands since May 9, 2016. She holds a bachelor's degree in arts (general) from Punjab University. She has more than 23 years of experience in cosmetic industry and e-commerce sector. Prior to joining our Company, she was associated with Colorbar Cosmetics Private Limited, Hindustan Unilever Limited Marico Industries Limited, Kodak India Limited, and Eli Lilly Ranbaxy Limited. The total remuneration paid to her in FY 2021 was ₹ 30.62 million.

Sanjay Suri is the chief technology officer of Nykaa E-Retail. He has been associated with our Company since August 17, 2016. He holds a bachelor's degree in arts in mathematics (honours) from St. Stephens College, University of Delhi and master's degree in science in computer science from University of California. He has over 14 years of experience in the technology sector. Previously, he was associated with TriVium India Software Private Limited, Ibibo Web Private Limited, Oracle India Private Limited, Info Edge (India) Limitedand Amazon Software Development Centre (Bangalore) Private Limited. The total remuneration paid to him in FY 2021 was ₹ 23.86 million.

Shalini Raghavan is the Chief Marketing Officer of our Company. She has been associated with our

Company since January 12, 2021. She holds a bachelor's degree in arts in economics from the University of Madras and a post graduate diploma in management in marketing from Bhavan's SP Jain Institute of Management and Research, Mumbai. She has over 15 years of experience in the cosmetic industry, marketing and e-commerce. Previously, she was associated with L'Oreal India Private Limited, Hindustan Unilever Limited and Britannia Industries Limited. The total remuneration paid to her in FY 2021 was ₹ 3.85 million.

Surender Mehta is the Group Chief Human Resource Officer of our Company. He has been associated with our Company since December 23, 2020. He holds a bachelor's degree in business studies from the University of Delhi and a post graduate diploma in business management from Institute of Management Technology, Ghaziabad. He has completed the advanced management program from Harvard Business School. He has over 21 years of experience in the human resource management. Previously, he was associated with Vodafone India Services Private Limited as the head of human resource business & India centre and ITC Hotels Limited. Previously he has also served as a director on the boards of Vodafone India Services Private Limited and Vodafone Global Services Private Limited. He has been recognised as Diversity & Inclusion HR Leader of the Year. The total remuneration paid to him in FY 2021 was ₹ 7.07 million.

Vikas Gupta is the chief executive officer of the eB2B business of our Company. He has been associated with our Company since May 3, 2021. He holds a bachelor's degree in mechanical engineering from the University of Delhi and a post-graduate diploma in management from the Indian Institute of Management Society, Lucknow. He has over 23 years of experience in marketing sector. Previously, he was associated with Flipkart Internet Private Limited and Unilever Indonesia. Since he joined our Company in FY 2022, there was no remuneration paid to him for FY 2021.

Kingshuk Basu is the senior vice president- retail operations of FSN Brands. He has been associated with FSN Brands since December 7, 2020. He holds a bachelor's degree in technology in electrical engineering from the Indian Institute of Technology, Kanpur and master's degree in business administration from the Michigan State University. He has over 18 years of experience in retail operations, marketing, sales and e-commerce. Previously he was associated with many companies, including Wellness Forever Medicare Private Limited, Conscious Food Private Limited, Spencer's Retail Limited, **Daymon Worldwide.** The total remuneration paid to him in FY 2021 was ₹ 2.85 million.

Gopal Asthana is the chief business officer (fashion) of Nykaa Fashion. He has been associated with Nykaa Fashion since November 11, 2019. He holds a bachelor's degree in electrical engineering from Rani Durgavati Vishwavidyalaya, Jabalpur and a post graduate in management from the Indian School of Business. He is a member of the Council of Chartered Financial Analysts. He has completed the course on 'Competitive Marketing Strategy & Corporate Development: Mergers and Acquisitions' from the Wharton School, University of Pennsylvania. He has over 22 years of experience in retail & e-commerce. Previously, he has been associated with Future Retail Limited, Shoppers Stop Limited. The total remuneration paid to him in FY 2021 was ₹ 19.13 million.

All our Key Managerial Personnel are permanent employees of our Company, except Manoj Jaiswal Nihir Parikh, Sanjay Suri, Kingshuk Basu and Gopal Asthana, who are employees of our Subsidiaries.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel have entered into any contracts or arrangement with our Company relating to their appointment pursuant to which they would receive any benefits on their retirement or on termination of their employment with our Company.

Relationship between Key Management Personnel

Except as disclosed in "*-Relationship between our Directors*" on page 252, none of our other Key Management Personnel are related to each other.

Family relationships of Directors with Key Management Personnel

Except as disclosed in "*-Relationship between our Directors*" on page 252, there are no family relationships between any of our Directors and any of our Key Management Personnel.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any Shareholders, customers or suppliers or others.

Shareholding of the Key Managerial Personnel

Except as disclose below, none of our Key Managerial Personnel holds any Equity Shares as on date of this Red Herring Prospectus.

S.No.	Name of Key Managerial Personnel	Shareholding	Percentage
1.	Reena Chhabra	2,100,000	0.44%
2.	Nihir Parikh	2,058,750	0.44%
3.	Sanjay Suri	1,811,250	0.38%
4.	Manoj Jaiswal	5,05,380	0.11%
5.	Arvind Agarwal	2,85,000	0.06%
6.	Gopal Asthana	153,750	0.03%

In addition to the Equity Shares held, certain of our Key Managerial Personnel have been granted certain options under the ESOP Schemes. For details in relation to the options granted to our Key Managerial Personnel see, "*Capital Structure"* on page 112.

Service Contracts agreement with Key Managerial Personnel

Except Falguni Nayar Adwaita Nayar and Anchit Nayar, none of our Key Managerial Personnel have not entered into any service contracts agreement with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Other than the performance bonus component of their remuneration, our Key Managerial Personnel are not parties to any bonus or profit sharing plan of our Company.

Interest of Key Managerial Personnel

Other than as disclosed in *"Offer Document Summary- Summary of Related Party Transactions"* and "*-Interest of Directors*" on page 22 and 256, respectively, and the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service our Key Managerial Personnel do not have any other interest in our Company.

No benefits in kind (apart from stock options granted and shares allotted pursuant to an ESOP Scheme) were granted to our Key Managerial Personnel on an individual basis by our Company for services in all capacities to our Company.

Other than as disclosed in *"Offer Document Summary- Summary of -Related Party Transactions"* on page 22*,* our Key Managerial Personnel are not interested in any contract, agreement or arrangement entered into by our Company and no payments have been made in respect of these contracts, agreements or arrangements or are proposed to be made.

No loans have been availed by our Key Management Personnel from the Company as on date of this Red Herring Prospectus.

Changes in the Key Managerial Personnel:

Other than as mentioned below and as disclosed in *"-Changes to our Board in the last three years"* on page 257, there have been no other changes to our Key Managerial Personnel in the immediately preceding three years:

Sr No	Name of Key Managerial Personnel	Date of Change	Reasons
1	Rajendra Punde	July 15,2021	Designated as Compliance Officer and Company Secretary
2	Sachin Parikh	May 15, 2021	Cessation as business head-distribution
3	Vikas Gupta	May 3, 2021	Appointment as chief executive officer-eB2B
4	Falguni Nayar	February 12, 2021	Appointed as an Executive Chairperson, Managing Director & CEO
5	Shalini Raghavan	January 12, 2021	Appointed as chief marketing officer
6	Nihir Parikh	January 1, 2021	Appointed as chief executive officer-NykaaMan (Organization restructure)
7	Anchit Nayar	January 1, 2021	Appointed as chief executive officer-Beauty E-Commerce (Organization restructure)
8	Anchit Nayar	January 1, 2021	Ceased to be chief marketing officer (Organization restructure)
9	Anchit Nayar	January 1, 2021	Ceased to be chief executive officer-retail (Organization restructure)
10	Surender Mehta	December 23, 2020	Appointed as group chief human resource officer
11	Nirav Jaggad	December 23, 2020	Ceased to be chief people officer (Organization restructure)
12	Kingshuk Basu	December 7, 2020	Appointed as a Sr.VP - retail operations
13	Rajendra Punde	November 5, 2020	Appointed as Company Secretary (KMP)
14	Pratik Bhujade	November 5, 2020	Ceased to be company secretary (Organization restructure)
15	Arvind Agarwal	June 1, 2020	Appointed as Chief Financial Officer
16	Anchit Nayar	May 31, 2020	Appointed as chief marketing officer
17	Hitesh Malhotra	May 31, 2020	Ceased to be chief marketing officer
18	Sachin Parikh	May 22, 2020	Ceased to be chief financial officer (Organization restructure)
19	Gopal Asthana	November 11, 2019	Appointed as a chief business officer - Fashion
20	Anchit Nayar	November 1, 2018	Appointed as chief executive officer - Retail
21	Adwaita Nayar	November 1, 2018	Appointed as chief executive officer - Fashion

The attrition of the Key Managerial Personnel of our Company is not high as compared to the industry.

For more information, please see "*Risk Factors- We depend on the performance of management and other highly-qualified and skilled personnel, and if we are unable to attract, retain, and motivate these and other well-qualified employees, our business could be harmed.*" on page 70.

Payment or Benefit to officers of our Company (non-salary related)

Except as disclosed in this section, no amount or benefit has been paid or given in the two years preceding the date of this Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our directors and Key Managerial Personnel.

Employee Stock Options

For details of our Company's ESOS Schemes, please see *"Capital Structure"* on page 112.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

As on the date of this Red Herring Prospectus, our Promoters are:

1. Falguni Nayar;

2. Sanjay Nayar;

3. Falguni Nayar Family Trust; and

4. Sanjay Nayar Family Trust.

As on the date of this Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Promoter	No. of Equity Shares	% of pre-Offer issued, subscribed and paid-up Equity Share Capital
1.	Falguni Nayar	Nil	Nil
2.	Sanjay Nayar	Nil	Nil
3.	Falguni Nayar Family Trust*	104,305,770	22.32
4.	Sanjay Nayar Family Trust*	110,618,920	23.67
	Total	**214,924,690**	**45.99**

**held through its trustees, Falguni Nayar and Sanjay Nayar.*

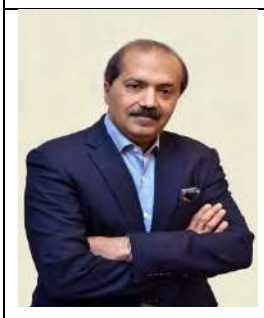
For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Details of shareholding of our Promoters and members of the Promoter Group in our Company*", on page 142.

Details of our individual Promoters

Falguni Nayar

Falguni Nayar, aged 58 years, is the Executive Chairperson, Managing Director and Chief Executive Officer of our Company. She is an Indian national. For details of her educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see "*Our Management*" on page 246. Other than the entities forming part of the Promoter Group, Falguni Nayar is not involved in any other ventures.

Her PAN is ABHPN4229N and her Aadhar card number is 6829 0432 5388. She does not hold a valid driving license as on the date of filing of this Red Herring Prospectus.



Sanjay Nayar

Sanjay Nayar, aged 61 years is a Non-Executive Director of our Company. He is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see "*Our Management*" on page 246. Other than the entities forming part of the Promoter Group, Sanjay Nayar is not involved in any other ventures.

His driving license number is MH01 19890009183, his PAN is

	ACMPN4670P and his Aadhar card number is 3761 5842 8965.

Our Company confirms that the PANs, bank account numbers and passport numbers of Falguni Nayar and Sanjay Nayar have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with them.

Details of our Promoter Trusts

(a) *Falguni Nayar Family Trust*

(i) Trust information

Our Promoter, Falguni Nayar Family Trust, was settled pursuant to a deed of trust dated January 20, 2018 between Sanjay Nayar (as settlor) and Sanjay Nayar and Falguni Nayar (as trustees). The office of Falguni Nayar Family Trust is situated at A2 Cnergy IT Park, 4th floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India.

(ii) Board of trustees

The trustees of Falguni Nayar Family Trust consist of: **(A)** Falguni Nayar; and **(B)** Sanjay Nayar.

(iii) Beneficiaries

The beneficiaries of Falguni Nayar Family Trust are: **(A)** Falguni Nayar, **(B)** Adwaita Nayar Family Trust, **(C)** Anchit Nayar Family Trust, **(D)** Adwaita Nayar and her lineal descendants, and **(E)** Anchit Nayar and his lineal descendants.

(iv) Objects and function

The objects and purpose of Falguni Nayar Family Trust include the following:

(A) To hold the trust fund/trust property for the benefit of the beneficiaries;
(B) To nurture and monitor the growth of investee entities;
(C) To act as a mechanism to keep the family together; and
(D) To avoid conflicts between various beneficiaries of the family.

(b) *Sanjay Nayar Family Trust*

(i) Trust information

Our Promoter, Sanjay Nayar Family Trust was settled pursuant to a deed of trust dated January 20, 2018 between Falguni Nayar (as settlor) and Sanjay Nayar and Falguni Nayar (as trustees). The office of Sanjay Nayar Family Trust is situated at A2 Cnergy IT Park, 4th floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India.

(ii) Board of trustees

The trustees of Sanjay Nayar Family Trust consist of: **(A)** Sanjay Nayar, and **(B)** Falguni Nayar.

(iii) Beneficiaries

The beneficiaries of Sanjay Nayar Family Trust are: **(A)** Sanjay Nayar, **(B)** Adwaita Nayar-Sanjay Nayar Family Trust, **(C)** Anchit Nayar-Sanjay Nayar Family Trust, **(D)** Adwaita Nayar and her lineal descendants, and **(E)** Anchit Nayar and his lineal descendants.

(iv) Objects and functions

The objects and purpose of Sanjay Nayar Family Trust include the following:

(A) To hold the trust fund/trust property for the benefit of the beneficiaries;
(B) To nurture and monitor the growth of investee entities;
(C) To act as a mechanism to keep the family together; and
(D) To avoid conflicts between various beneficiaries of the family.

Our Company confirms that the PANs and bank account numbers of the abovementioned trusts has submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Changes in control

Other than as disclosed in "*Capital Structure – Build-up of the Promoters' shareholding in our Company*" on page 142, there has not been any effective change in the management and control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

Falguni Nayar and Sanjay Nayar are the original promoters of our Company. Falguni Nayar Family Trust and Sanjay Nayar Family Trust are not the original promoters of our Company and became promoters of our Company pursuant to the acquisition of Equity Shares of our Company from Falguni Nayar and Sanjay Nayar in 2019. For further details, see "*Capital Structure – Details of shareholding of our Promoters and members of the Promoter Group in our Company*", on page 142. There has been no change in the control of Falguni Nayar Family Trust and Sanjay Nayar Family Trust in the last three years preceding the date of this Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent: (1) that they have promoted our Company; (2) of their respective shareholding, the shareholding of their relatives and entities in which the Promoters are interested and which hold Equity Shares in our Company and the dividend payable upon such shareholding, if any, and other distributions in respect of the Equity Shares held by them, their relatives or such entities, if any; (3) of being Directors and/or Key Management Personnel of our Company and the sitting fees /remuneration, benefits and reimbursement of expenses, payable to them, as per the terms of their employment agreement, as applicable, payable by our Company to them; and (4) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares or have an interest, if applicable. For further details, see "*Capital Structure*", "*Our Management*", and "*Offer Document Summary – Summary of Related Party Transactions* " on pages 112, 246 and 22, respectively.

Further, our Promoters are also directors on the boards, or are shareholders, trustees, proprietors, members or partners, of certain entities forming part of the Promoter Group, Group Companies and other entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to such entities forming part of the Promoter Group, Group Companies and such other entities. For the payments that are made by our Company to certain entities forming part of the Promoter Group, Group Companies and other related parties, see "*Offer Document Summary – Summary of Related Party Transactions*" on page 22.

Except as disclosed in "*Offer Document Summary – Summary of Related Party Transactions*" on page 22, our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

Except for leave and licence agreements entered into by our Company with Rashmi Mehta *(who is a relative of Falguni Nayar)* and Sealink View Probuild Private Limited and Nykaa E-Retail with Golf Land Developers Private Limited, for the lease of a property for business and commercial activities, our Promoters are not interested in the properties acquired or proposed to be acquired by our Company and/or our Subsidiaries in the three years preceding the date of filing of this Red Herring Prospectus. Sanjay Nayar and Falguni Nayar, along with their family members, hold the entire share capital in Golf Land Developers Private Limited and Sealink View Probuild Private Limited through one of the members

of the Promoter Group, Sanjay Nayar-Falguni Nayar Family Trust. For further details regarding the payments made by our Company to the entities mentioned above, see "*Offer Document Summary – Summary of Related Party Transactions*" on page 22.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Except as stated in "*Offer Document Summary – Summary of Related Party Transactions*" on page 22, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of this Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Except as set out below, our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Red Herring Prospectus:

Sanjay Nayar

Name of company or firm from which promoter has disassociated	Reasons for and circumstances leading to disassociation	Date of disassociation
EPI Ventures Partners LLP	Ceasing to hold any profit share in the partnership	March 17, 2021
Valleyview Probuild Private Limited	Resignation from the post of a director and stake sale by Sanjay Nayar Falguni Nayar Family Trust	August 26, 2021

Falguni Nayar

Name of company or firm from which promoter has disassociated	Reasons for and circumstances leading to disassociation	Date of disassociation
Valleyview Probuild Private Limited	Resignation from the post of a director and stake sale by Sanjay Nayar Falguni Nayar Family Trust	August 26, 2021

Confirmations

Our Promoters have not been declared as Wilful Defaulters.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

As on the date of this Red Herring Prospectus, one of our Promoters, Falguni Nayar Family Trust has pledged 20,311,800 Equity Shares in favour of a systemically important NBFC, Infina Finance Private Limited ("**Infina Finance**"), aggregating to 4.35 % of our Company's pre-Offer Equity Share capital. This pledge is against a total loan of ₹ 1,873.20 million availed by Falguni Nayar Family Trust, Anchit Nayar Family Trust and Adwaita Nayar Family Trust. Pursuant to the terms of the sanction letters and other loan documents, Infina Finance has temporarily released their pledge on these Equity Shares on the day prior to the filing of this Red Herring Prospectus with the RoC with a condition to re-pledge these Equity Shares to Infina Finance within 1 (one) business day from the date of lock-in being marked by the Depository and in any case before the listing of the Equity Shares, time being the essence of the

contract. Except for the personal guarantee extended by Falguni Nayar, each being in relation to the total loan of ₹ 1,873.20 million availed by Falguni Nayar Family Trust, Anchit Nayar Family Trust and Adwaita Nayar Family Trust from Infina Finance Private Limited, no material guarantees have been given to third parties by our Promoters with respect to the Equity Shares of our Company.

Our Promoters are not involved in any venture that is in the same line of activities or business as that of our Company.

Promoter Group

Persons constituting the Promoter Group (other than our Promoters) of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations 2018 are set out below:

Natural persons forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the individuals
Falguni Nayar	
1.	Rashmi Mehta (Mother)
2.	Indira Nayar (Mother-in-law)
3.	Anchit Nayar (Son)
4.	Adwaita Nayar (Daughter)
Sanjay Nayar	
1.	Indira Nayar (Mother)
2.	Rashmi Mehta (Mother-in-law)
3.	Anchit Nayar (Son)
4.	Adwaita Nayar (Daughter)

Entities forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the entities
1.	72 Ventures LLP
2.	Adwaita Nayar Family Trust
3.	Adwaita Nayar-Sanjay Nayar Family Trust
4.	Anchit Nayar Family Trust
5.	Anchit Nayar-Sanjay Nayar Family Trust
6.	ASFM Enterprises
7.	Epimoney Private Limited
8.	FlexiLoans Technologies Private Limited
9.	Golf Land Developers Private Limited
10.	Heritage View Developers Private Limited
11.	Pratham Institute for Literacy Education and Vocational Training
12.	Sanjay & Falguni Nayar Foundation
13.	Sanjay Nayar-Falguni Nayar Family Trust
14.	Sea View Probuild Private Limited
15.	Sealink View Probuild Private Limited

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than our Subsidiaries) with which there were related party transactions during the periods covered in the Restated IND AS Consolidated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

Further, pursuant to the resolution dated July 30, 2021 passed by our Board, other than the companies categorized under (i) above, a company shall be considered "material" and will be disclosed as a "group companies" if such companies form part of the Promoter Group and with which there were transactions in the most recent financial year, which individually or in the aggregate, exceed 5% of the total consolidated restated revenue of our Company, as per the Restated IND AS Consolidated Financial Information.

Accordingly, on the basis of the Materiality Policy for identification of Group Companies, the following companies have been identified as our Group Companies ("**Group Companies**"):

1. Sealink View Probuild Private Limited; and

2. Golf Land Developers Private Limited.

Details of our Group Companies

1. *Sealink View Probuild Private Limited ("**SVPPL**")*

Corporate Information

SVPPL was incorporated on March 23, 2015 as a private limited company with the Registrar of Companies, Maharashtra at Mumbai under the Companies Act. The registered office of SVPPL is located at Flat no. 9, Rushilla, 5th Floor, Rushilla Co-op Housing Society, Carmichael Road, Mumbai – 400 026, Maharashtra, India. The corporate identification number of SVPPL is U70102MH2015PTC262925.

Nature of Activities

SVPPL is engaged in the business of development of real estate and related activities.

Financial Performance

The financial information derived from the latest audited financial statements on a standalone basis for FY 2021, 2020 and 2019 are set forth below:

(₹ in million except per share data)

Particulars	Financial Year		
	2021	2020	2019
Equity capital	0.10	0.10	0.10
Reserves (excluding revaluation reserve)	46.95	34.14	21.88
Income	29.93	27.66	21.88
Profit/(Loss) after tax	12.81	12.26	6.23
Earnings per share – Basic (face value of ₹ 10)	1,280.58	1,226.46	623.16
Earnings per share – Diluted (face value of ₹ 10)	1,280.58	1,226.46	623.16
Net asset value	47.05	34.24	21.98

There are no significant notes (modifications / qualifications) by the auditors in relation to the above mentioned financial statements for the last three FYs.

2. *Golf Land Developers Private Limited ("**GLDPL**")*

Corporate Information

GLDPL was incorporated as a private limited company on March 23, 2016 with the Registrar of Companies, Delhi under the Companies Act. The registered office of GLDPL is located at F-14, First Floor, Jungpura Extension, New Delhi-110 014, Delhi, India. The corporate identification number of GLDPL is U70101DL2016PTC293105.

Nature of Activities

GLDPL is in the business of development of real estate and related activities.

Financial Performance

The financial information derived from the latest audited financial statements on a standalone basis for FYs 2021, 2020 and 2019 are set forth below:

(₹ in million except per share data)

Particulars	Financial Year		
	2021	2020	2019
Equity capital	0.10	0.10	0.10
Reserves	12.93	6.15	1.14
Income	25.16	24.59	14.32
Profit/(Loss) after tax	6.78	5.00	1.28
Earnings per share – Basic (face value of ₹ 10)	678.49	500.42	128.09
Earnings per share – Diluted (face value of ₹ 10)	678.49	500.42	128.09
Net asset value	13.03	6.25	1.24

There are no significant notes (modifications / qualifications) by the auditors in relation to the above mentioned financial statements for the last three FY.

Litigation

There is no pending litigation involving any Group Company which has a material impact on our Company.

Group Companies which are sick industrial companies

None of our Group Companies have become a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Group Companies under winding up/insolvency proceedings

None of our Group Companies are under winding up/insolvency proceedings under the Insolvency and Bankruptcy Code, 2016, as amended.

Loss making Group Companies

Our Group Companies have not incurred any losses in the last audited FY.

Nature and extent of interest of Group Companies

Our Group Companies do not have any interest in the promotion of our Company.

Our Group Companies are not interested in any property acquired by our Company in the three years

preceding the filing of this Red Herring Prospectus or proposed to be acquired by our Company.

Except as mentioned below, our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.:

1. SVPPL has provided office premises to our Company on lease. Currently, our Company is paying a rental fee amounting to ₹ 2.87 million every month to SVPPL. Such fee is subject to an increase of 5% on completion of every 12 months.

2. GLDPL has provided office premises to Nykaa E-Retail on lease. Currently, Nykaa E-Retail is paying a rental fee amounting to ₹ 2.05 million every month to GLDPL. Such fee is subject to an increase of 5% on completion of every 12 months.

For further details regarding the payments made by our Company to our Group Companies, see "*Offer Document Summary – Summary of Related Party Transactions*" on page 22.

Defunct Group Companies

During the five years preceding the date of this Red Herring Prospectus, our Group Companies have not become defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Companies.

Common pursuits between our Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Offer Document Summary – Summary of Related Party Transactions*" on page 22, there are no other business transactions between our Company and the Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in "*Offer Document Summary – Summary of Related Party Transactions*" on page 22, our Group Companies do not have any business interest in our Company.

Other Confirmations

Our Group Companies do not have any securities listed on a stock exchange. For further details, see "*Other Regulatory and Statutory Disclosures*" on page 424. Further, our Group Companies have not made any public or rights issue of securities in the three years preceding the date of this Red Herring Prospectus.

Further, neither have any of the securities of our Company nor of any of Group Company been refused listing by any stock exchange in India or abroad, nor has our Company or any of our Group Companies failed to meet the listing requirements of any stock exchange in India or abroad during the ten preceding years.

DIVIDEND POLICY

Our Company has approved a formal dividend policy on June 30, 2021 ("**Dividend Policy**"). The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association, the Dividend Policy and other applicable law, including the Companies Act.

As per the Dividend Policy, the final dividend can be paid once for the financial year after the annual accounts are prepared. The Board of Directors of our Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of our Company. The interim dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with the Policy and subject to the provisions of the Companies Act, 2013, the rules thereunder and any other applicable regulations or stipulations, as the case may be. While recommending any payment of dividend by our Company, the Board shall consider, amongst other things, financial parameters such as profits for the current year, future outlook for our Company, working capital needs, operating cash flow, dividend pay-out ratio, investment plans and related cash utilisation and any other relevant factors that the Board may deem fit.

The quantum of dividend, if any, and our ability to pay dividend will depend on a number of factors, including, but not limited to, our Company's profits, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business.

Our Company has not declared any dividend on the Equity Shares of our Company in FYs 2019, 2020 and 2021 and until the date of this Red Herring Prospectus. However, this is not necessarily indicative of any dividend declaration or the quantum of our Company's dividend, in the future. Please see, "*Risk Factors–We cannot assure payment of dividends on the Equity Shares in the future*" on page 86.

SECTION V: FINANCIAL INFORMATION

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FINANCIAL STATEMENTS

Independent Auditors' Examination Report on the Restated Ind AS Consolidated Summary Statement of assets and liabilities as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 and the related Restated Ind AS Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), Restated Ind AS Consolidated Summary Statement of Changes in Equity, Restated Ind AS Consolidated Summary Statement of Cash Flows and the Restated Ind AS Consolidated Summary Statement of Significant Accounting Policies and other explanatory information for the three months ended June 30, 2021 and June 30, 2020 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 of FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited) and its subsidiaries (collectively, the "Restated Ind AS Consolidated Financial Statements")

To
The Board of Directors

FSN E-Commerce Ventures Limited
(formerly known as FSN E-Commerce Ventures Private Limited)
104, Vasan Udyog Bhavan
Sun Mill Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013

Dear Sir/Madam,

1) We, S.R. Batliboi & Associates LLP (“SRBA”) and V.C Shah & Co (“VCS”) have examined the attached Restated Ind AS Consolidated Financial Statements of FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited) (the “Company”) and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”) as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 and for the three months ended June 30, 2021 and June 30, 2020 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 annexed to this report and prepared by the Company for the purpose of inclusion in the Red Herring Prospectus (“RHP”) and Prospectus (collectively the “offer documents”) proposed to be filed with the Securities and Exchange Board of India (“SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively, the “Stock Exchanges”); in connection with the proposed initial public offer of equity shares of face value of Re. 1 each of the Company (the “Offering”). The Restated Ind AS Consolidated Financial Statements, which have been approved by the Board of Directors of the Company at their meeting held on September 27, 2021, have been prepared in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
   b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended (the “Guidance Note”).

   SRBA and VCS are collectively referred to as the "Joint Auditors" and the references to the Joint Auditors as "we", "us" or "our", in this report, shall be construed accordingly.

Management's Responsibility for the Restated Ind AS Consolidated Financial Statements

2) The preparation of the Restated Ind AS Consolidated Financial Statements, which are to be included in the offer documents is the responsibility of the Management of the Company. The Restated Ind AS Consolidated Financial Statements have been prepared by the Management of the Company on the basis of preparation stated in paragraph 2A of Annexure V to the Restated Ind AS Consolidated

Financial Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Consolidated Financial Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3) We have examined such Restated Ind AS Consolidated Financial Statements taking into consideration:

a) the terms of reference and terms of our engagement agreed with you vide-
   a. master engagement agreement dated April 13, 2021 (as amended on June 02, 2021 and September 09, 2021) and Service Scope Letters dated August 25, 2021 and September 16, 2021 between FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited) (hereinafter the "Company") and S.R. Batliboi & Associates LLP ("SRBA"), and
   b. engagement letter dated June 11, 2021, between the Company and V.C. Shah & Co ("VCS"),

requesting us to carry out the assignment, in connection with the proposed Offering of the Company;

b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;

c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Consolidated Financial Statements; and

d) the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offering.

Restated Ind AS Consolidated Financial Statements as per audited Ind AS Consolidated financial statements

4) These Restated Ind AS Consolidated Financial Statements have been compiled by the management of the Company from:

a) Audited interim Ind AS consolidated financial statements of the Group as at and for the three months ended June 30, 2021 and June 30, 2020 comprising of consolidated balance sheet as at June 30, 2021 and June 30, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the three months then ended, which were prepared in accordance with the Indian Accounting Standard 34 – "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meeting held on September 27, 2021.

b) audited Ind AS consolidated financial statements of the Group as at and for the years ended March 31, 2021 and March 31, 2020 comprising of consolidated balance sheet as at March 31, 2021 and March 31, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the years then ended, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on June 08, 2021 and August 20, 2020, respectively.

c) audited consolidated balance sheet of the Group as at March 31 2019, and the related consolidated statement of profit and loss and consolidated cash flow statement for the year ended March 31 2019,

prepared in accordance with the accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounting Standards) Amendments Rules, 2016 and paragraph 7 of the Companies (Accounts) Rules, 2014 respectively ('Indian GAAP), which have been approved by the Board of Directors at their meeting held on June 04, 2019. The management of the Company has adjusted financial information included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS and has included such adjusted financial information as comparative financial information in the audited Ind AS consolidated financial statements for the year ended March 31, 2020 as referred to in para 4(b) above;

5) For the purpose of our examination, we have relied on:

a. (i) the auditors' report issued jointly by S.R. Batliboi & Associates LLP ("SRBA") and V.C Shah & Co ("VCS"), dated September 27, 2021 on the consolidated financial statements of the Group as at and for the three months ended June 30, 2021 and June 30, 2020 as referred in Paragraph 4 (a) above. (ii) the auditors' report issued jointly by SRBAand VCS, dated June 08, 2021 on the consolidated financial statements of the Group as at and for the year ended March 31, 2021 as referred in Paragraph 4 (b) above.

b. (i) Auditors' report issued by the Group's sole auditors, viz., VCS, dated August 20, 2020 and dated June 04, 2019 on the consolidated financial statements of the Group as at and for the years ended March 31, 2020 and March 31, 2019, respectively, as referred in paragraph 4(b) and 4(c) above.

(ii) Examination report on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at March 31, 2020 and March 31, 2019 and the Restated Ind AS Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), Restated Ind AS Consolidated Summary statement of cash flows, restated Ind AS Consolidated Summary Statement of Changes in Equity, the Restated Ind AS Summary Statement of Significant Accounting Policies and other explanatory information for the years ended March 31, 2020 and March 31, 2019 ("Restated Prior Period Ind AS Consolidated Summary Statements") issued solely by VCS. This examination report insofar as it relates to these years is based solely on the reports submitted by VCS and whose examination report has been relied upon by SRBA for the said years and SRBA has not carried out any additional procedures.

vide their examination report dated September 25, 2021 for FSN Brands Marketing Private Limited, Nykaa Fashion Private Limited, FSN International Private Limited and examination report dated September 27, 2021 for Nykaa- KK Beauty Private Limited have also confirmed that the Restated Prior Period Ind AS Consolidated Summary Statements:

i) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications as at and for the three months ended June 30, 2021;

ii) do not require any adjustment for modification as there is no modification in the underlying audit reports for the year ended March 31, 2020 and March 31, 2019; and

iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6) a)As indicated in our audit report referred to in para 5 (a) and (b) above on the consolidated financial statements as at and for the three months ended June 30 2021 and June 30, 2020 and as at and for the year ended March 31, 2021, we did not jointly audit the financial statements in respect of subsidiaries, as listed in Annexure A, whose share of total assets, total revenues and net cash flows included in the consolidated financial statements, which have been audited solely by VCS and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries as mentioned above, is based solely on the reports of VCS as below:

Rs. in million

Particulars	As at and for the three months ended		As at and for the year ended March 31, 2021
	June 30, 2021	June 30, 2020	
No of subsidiaries	4	4	4
Total assets	6,595	3,216	4,602
Total revenue	1,710	190	3,984
Net cash inflows	1,260	103	216

Our opinion on the consolidated financial statements, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of VCS.

b) VCS has examined the restated Ind AS Summary Statements of the subsidiaries, as listed in Annexure A, for the three months ended June 30, 2021 and June 30, 2020 and for the year ended March 31, 2021 and vide their examination reports dated September 25, 2021 for FSN Brands Marketing Private Limited, Nykaa Fashion Private Limited, FSN International Private Limited and examination report dated September 27, 2021 for Nykaa- KK Beauty Private Limited confirmed that these statements:

i) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed in Restated Financial Statements of the subsidiaries as at and for the three months ended June 30, 2021;

ii) does not contain any qualifications requiring adjustments; and

iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7) Based on our examination and according to the information and explanations given to us and as per the reliance placed on the examination reports submitted by VCS, we report that Restated Ind AS Consolidated Financial Statements:

a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the three months ended June 30, 2021 and June 30, 2020 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the three months ended June 30, 2021;

b) does not contain any qualifications requiring adjustments in the audited consolidated financial statements of the Group as at and for the three months ended June 30, 2021 and June 30, 2020 and as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8) We have not audited any financial statements of the Group as of any date or for any period subsequent to June 30, 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to June 30, 2021.

9) The Restated Ind AS Consolidated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) Our report is intended solely for use of the Board of Directors for inclusion in the offer documents to be filed with SEBI, the Stock Exchanges and the Registrar of Companies in connection with the proposed Offering. Our report should not be used, referred to, or distributed for any other purpose.

For S.R. Batliboi & Associates LLP	**For V. C. Shah & Co.**
Chartered Accountants	**Chartered Accountants**
ICAI Firm Registration Number: 101049W/E300004	ICAI Firm Registration Number: 109818W
per Vineet Kedia	per A. N. Shah
Partner Membership Number: 212230 UDIN: 21212230AAAADQ9234	Partner Membership Number: 42649 UDIN: 21042649AABGUB5731
Date: September 27, 2021	Date: September 27, 2021

Annexure A

Financial statement of the subsidiaries audited by VCS as at and for the three months ended June 30, 2021 and June 30, 2020 and as at and for the year ended March 31, 2021:

- FSN Brands Marketing Private Limited
- Nykaa- KK Beauty Private Limited
- Nykaa Fashion Private Limited
- FSN International Private Limited

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FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure I
Restated Ind AS Consolidated Summary Statement of Assets and Liabilities
(All amounts in Rs. million, unless otherwise stated)

	Annexure VII Note	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Assets						
Non-current assets						
Property, plant and equipment	4	791.05	664.51	686.52	701.49	429.05
Right of use assets	5	1,541.56	1,335.06	1,389.34	1,439.94	859.31
Capital work in progress	7	20.94	8.06	19.69	7.78	3.20
Goodwill	8	5.43	1.43	5.43	1.43	1.43
Other Intangible assets	6	207.75	110.61	230.34	127.45	106.03
Intangible assets under development	7	19.31	35.42	3.88	12.45	-
Financial assets						
Investments	9A	0.27	38.03	13.19	38.03	32.30
Other financial assets	10	166.25	230.74	161.79	105.84	56.31
Deferred tax assets (net)	11	917.07	623.54	780.41	506.11	501.48
Non-current tax assets	11	106.04	120.02	85.63	110.45	110.46
Other non-current assets	12	54.01	22.90	13.53	38.91	16.73
Total non-current assets		**3,829.68**	**3,190.32**	**3,389.75**	**3,089.88**	**2,116.30**
Current assets						
Inventories	13	5,909.91	3,350.31	4,980.92	4,453.36	2,445.96
Financial assets						
Investments	9B	-	-	-	-	1,350.40
Trade receivables	14	756.57	637.46	766.35	984.32	579.24
Cash and cash equivalents	15	2,818.36	1,098.10	835.82	1,011.91	114.10
Bank balance other than cash and cash equivalents	16	1,038.73	709.90	1,640.88	744.28	5.34
Other financial assets	17	789.86	508.17	574.38	333.10	515.02
Other current assets	18	1,171.71	577.58	831.80	627.97	630.21
Total current assets		**12,485.14**	**6,881.52**	**9,630.15**	**8,154.94**	**5,640.27**
Total assets		**16,314.82**	**10,071.84**	**13,019.90**	**11,244.82**	**7,756.57**
Equity and liabilities						
Equity						
Equity share capital	19	154.77	147.01	150.58	145.50	142.43
Other equity	20	6,834.15	3,393.05	4,748.81	3,075.99	2,163.15
Equity attributable to equity holders of the parent		**6,988.92**	**3,540.06**	**4,899.39**	**3,221.49**	**2,305.58**
Non-controlling interest	20	9.43	3.77	8.36	7.38	4.69
Total equity		**6,998.35**	**3,543.83**	**4,907.75**	**3,228.87**	**2,310.27**
Non-current liabilities						
Financial liabilities						
Borrowings	21	16.60	18.64	16.60	1.50	1.28
Lease liabilities	38	1,165.98	976.42	1,073.90	1,302.58	763.61
Long-term provisions	23	72.23	52.39	73.45	52.61	24.46
Total non-current liabilities		**1,254.81**	**1,047.45**	**1,163.95**	**1,356.69**	**789.35**
Current liabilities						
Financial liabilities						
Borrowings	22	2,664.74	1,959.65	1,858.05	2,673.99	2,255.15
Lease liabilities	38	447.87	390.39	378.16	147.44	84.63
Trade payables	24					
Total outstanding dues of Micro and small enterprises		96.34	19.53	90.75	104.60	12.77
Total outstanding dues of creditors other than Micro and small enterprises		3,009.53	1,930.22	3,071.37	3,028.05	1,804.89
Other financial liabilities	25	1,295.47	897.37	850.14	469.80	274.77
Short-term provisions	26	115.54	51.20	108.47	0.67	0.37
Contract liabilities	27	195.37	143.11	169.15	148.70	101.91
Current tax liabilities	11	111.96	45.37	246.94	2.69	-
Other current liabilities	28	124.84	43.72	175.17	83.32	122.46
Total current liabilities		**8,061.66**	**5,480.56**	**6,948.20**	**6,659.26**	**4,656.95**
Total liabilities		**9,316.47**	**6,528.01**	**8,112.15**	**8,015.95**	**5,446.30**
Total equity and liabilities		**16,314.82**	**10,071.84**	**13,019.90**	**11,244.82**	**7,756.57**

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements and Annexure VII - Notes to Restated Ind AS Consolidated Summary Statements.

The accompanying notes form an integral part of the restated consolidated financial information.

As per our report attached
for S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per Vineet Kedia
Partner
Membership No. 212230

Place: Mumbai
Date: 27 September 2021

As per our report attached
for V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number:
109818W

per AN Shah
Partner
Membership No. 42649

Place: Mumbai
Date: 27 September 2021

for and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Falguni Nayar
Managing Director & CEO
DIN No. 00003633

Milan Khakhar
Director
DIN No. 00394065

Arvind Agarwal
Chief Financial Officer

Rajendra Punde
Company Secretary
ACS M.No.A9785

Date: 27 September 2021

Place: Mumbai

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure II
Restated Ind AS Consolidated Summary Statement of profit and loss
(All amounts in Rs. million, unless otherwise stated)

	Annexure VII Note	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Income						
Revenue from operations	29	8,169.91	2,886.39	24,408.96	17,675.33	11,113.94
Other income	30	47.23	24.07	117.41	103.17	49.88
Total income		**8,217.14**	**2,910.46**	**24,526.37**	**17,778.50**	**11,163.82**
Expenses						
Cost of material consumed	31A	229.37	35.08	382.41	173.43	2.41
Purchase of traded goods	31B	5,509.42	1,042.55	14,956.06	11,787.46	7,852.43
Changes in finished goods and stock-in-trade	32	(885.47)	1,075.45	(460.22)	(1,818.84)	(1,252.07)
Employee benefits expense	33	884.67	558.74	2,836.47	1,956.13	1,172.96
Finance costs	34	90.14	87.20	307.01	442.93	263.42
Depreciation and amortisation	35	194.97	145.71	671.28	595.09	308.76
Other expenses	36	2,162.55	628.01	5,079.98	4,766.60	3,133.11
Total expenses		**8,185.65**	**3,572.74**	**23,772.99**	**17,902.80**	**11,481.02**
Restated profit / (loss) before tax		**31.49**	**(662.28)**	**753.38**	**(124.30)**	**(317.20)**
Tax expense / (income):						
Current tax	11	133.63	-	400.78	45.37	-
Deferred tax	11	(137.36)	(117.21)	(266.85)	(6.27)	(71.81)
Total tax expense /(income)		**(3.73)**	**(117.21)**	**133.93**	**39.10**	**(71.81)**
Restated profit / (loss) for the period/year		**35.22**	**(545.07)**	**619.45**	**(163.40)**	**(245.39)**
Restated profit / (loss) for the period/year attributable to						
Equity shareholders of parent		**34.15**	**(541.45)**	**618.48**	**(166.09)**	**(245.18)**
Non controlling interests		**1.07**	**(3.62)**	**0.97**	**2.69**	**(0.21)**
		35.22	**(545.07)**	**619.45**	**(163.40)**	**(245.39)**
Other Comprehensive Income ("OCI")						
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability		15.72	(1.81)	(4.41)	(3.00)	0.14
Income tax effect on above		(3.96)	0.22	1.11	0.76	(0.04)
Fair valuation of investments measured through OCI		(12.92)	-	(24.84)	5.73	3.80
Income tax effect on above		3.25	-	6.34	(2.40)	(1.39)
Restated total other comprehensive income / (loss) for the period/year, net of tax		**2.10**	**(1.59)**	**(21.80)**	**1.09**	**2.51**
Restated other comprehensive income / (loss) for the period/year attributable to						
Equity shareholders of parent		2.10	(1.59)	(21.81)	1.09	2.51
Non controlling interests		0.00	0.00	0.01	(0.00)	(0.00)
		2.10	**(1.59)**	**(21.80)**	**1.09**	**2.51**
Restated total comprehensive income / (loss) for the period/year		**37.32**	**(546.66)**	**597.65**	**(162.31)**	**(242.88)**
Restated total comprehensive income / (loss) for the period/year attributable to						
Equity shareholders of parent		**36.25**	**(543.04)**	**596.67**	**(165.00)**	**(242.67)**
Non controlling interests		**1.07**	**(3.62)**	**0.98**	**2.69**	**(0.21)**
		37.32	**(546.66)**	**597.65**	**(162.31)**	**(242.88)**
Restated earnings / (loss) per share of face value Re. 1/- each attributable to equity holders of the parent (not annualised for period ended 30 June 2021 and 30 June 2020)						
Basic, computed on the basis of profit/(loss) attributable to equity holders (Rs.)	37	**0.08**	**(1.23)**	**1.39**	**(0.39)**	**(0.59)**
Diluted, computed on the basis of profit/(loss) attributable to equity holders (Rs.)	37	**0.07**	**(1.23)**	**1.34**	**(0.39)**	**(0.59)**

* 0.00 denotes figures are below the rounding off norms adopted by the Group.

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements and Annexure VII - Notes to Restated Ind AS Consolidated Summary Statements.

The accompanying notes form an integral part of the restated consolidated financial information

As per our report attached
for S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per Vineet Kedia
Partner
Membership No. 212230

Place: Mumbai
Date: 27 September 2021

As per our report attached
for V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number:
109818W

per AN Shah
Partner
Membership No. 42649

Place: Mumbai
Date: 27 September 2021

for and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Falguni Nayar
Managing Director & CEO
DIN No. 00003633

Milan Khakhar
Director
DIN No. 00394065

Arvind Agarwal
Chief Financial Officer

Rajendra Punde
Company Secretary
ACS M.No.A9785

Date: 27 September 2021

Place: Mumbai

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure III
Restated Ind AS Consolidated Summary Statement of Changes in Equity
(All amounts in Rs. million, unless otherwise stated)

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**
As At 1 April 2018	13,555,681	135.56
Issue of equity share capital during the year	686,828	6.87
As At 31 March 2019	**14,242,509**	**142.43**
Issue of equity share capital during the year	306,568	3.07
As At 31 March 2020	**14,549,077**	**145.50**
Issue of equity share capital during the period	160,612	1.51
As At 30 June 2020	**14,709,689**	**147.01**
As At 1 April 2020	**14,549,077**	**145.50**
Issue of equity share capital during the year	508,160	5.08
As At 31 March 2021	**15,057,237**	**150.58**
Issue of equity share capital during the period	418,473	4.19
As At 30 June 2021	**15,475,710**	**154.77**

b. Other Equity:
Instruments classified as Equity:

0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares ("OCRPS') of Rs. 10 each	**No. of shares**	**Amount**
As At 1 April 2018	-	-
Issue of preference share capital during the year	-	-
As At 31 March 2019	**-**	**-**
Issue of preference share capital during the year	275,000	2.06
As At 31 March 2020*	**275,000**	**2.06**
Conversion of preference share capital during the period	-	-
As At 30 June 2020	**275,000**	**2.06**
As At 1 April 2020*	**275,000**	**2.06**
Issue of preference share capital during the year	161,500	1.21
As At 31 March 2021*	**436,500**	**3.27**
Call money @ Rs. 2.50 per share on 4,00,500 shares	-	1.00
Issue of preference share capital during the period @ Rs. 10.00 per share	14,028	0.14
Conversion of preference share capital during the period	(414,528)	(4.15)
As At 30 June 2021	**36,000**	**0.27**

* partly paid up @ Rs. 7.50 per share each

Terms/ rights attached to Optionally Convertible Redeemable Preference Shares:
36,000 Nos (31 March 2021 4,36,500, 30 June 2020 2,75,000, 31 March 2020: 2,75,000, 31 March 2019: Nil) 0.001% p.a. non-cumulative OCRPS of Rs. 10 (face value) aggregating Rs 0.27 million (Rs. 7.50 each (partly paid up) as at 31 March 2021: Rs. 3.27 million, 30 June 2020: Rs. 2.06 million, 31 March 2020: Rs. 2.06 million, 31 March 2019: Rs. Nil) towards face value have a tenure of 5 (five) years from the date of allotment and as per terms attached 1 Fully Paid up OCRPS shall be converted into 1 Equity share of the face value Rs. 10 each at the end of the tenure (subsequent to the reporting date, each equity shares of face value of Rs. 10 was sub-divided into ten equity shares of face value of Re. 1 each, refer note 51c).

During the the three months ended 30 June 2021, call money of Rs. 2.50 each was received on 2,39,000 OCRPS at premium of Rs. 3,850.11 each and 1,61,500 OCRPS at premium of Rs. 6,047.06 each. The remaining 36,000 OCRPS held by exited employees were forfeited due to non-payment of call money and re-issued to promoters on July 9, 2021 after receiving full issue price of face value of Rs. 10 and premium of Rs. 10,756.65 each.

Pursuant to the resolution passed by Board of Directors on June 30, 2021 and July 15, 2021, the Company has converted 4,14,528 and 36,000 fully paid-up OCRPS respectively, into fully paid-up equity shares out of which 4,36,500 partly paid-up OCRPS were outstanding as on March 31, 2021 and balance i.e. 14,028 fully paid-up OCRPS were issued and converted during the period 30 June 2021 on receipt of issue price of face value of Rs. 10 and premium of Rs. 10,756.75 each.

The Company has availed the option to convert fully paid up OCRPS and accordingly 4,00,500 OCRPS was converted into equity shares as on 30 June 2021 at the issue price as per conditions given in the letter of offer and balance 36,000 was converted into equity shares subsequent to reporting date, i.e. as on 15 July 2021.

For the three months ended 30 June 2021

Particulars	**Share application money pending allotment**	**Reserves & Surplus**		**Other Comprehensive Income**		**Share Options Outstanding Account**	**Total other equity attributable to the equity holders of parent**	**Non-controlling interest**	**Total other equity**
		Retained Earnings	**Securities premium**	**Other items of Other comprehensive income**	**Equity instruments through other comprehensive income**				
As at 1 April 2020	0.23	(1,568.57)	4,529.20	(2.50)	5.75	109.82	3,073.93	7.38	3,081.31
Restated profit for the year (net of taxes)	-	618.48	-	-	-	-	618.48	0.97	619.45
Restated other comprehensive income / (loss) for the year (net of taxes)	-	-	-	(3.30)	(18.50)	-	(21.80)	0.01	(21.79)
Total comprehensive income / (loss)	**0.23**	**(950.09)**	**4,529.20**	**(5.80)**	**(12.75)**	**109.82**	**3,670.61**	**8.36**	**3,678.97**
Securities premium on issue of shares	-	-	1,035.68	-	-	-	1,035.68	-	1,035.68
ESOP lapsed during the year	-	1.31	-	-	-	(1.31)	-	-	-
Shares allotted during the year	(0.23)	-	71.76	-	-	(71.76)	(0.23)	-	(0.23)
Addition during the year	-	-	-	-	-	52.60	52.60	-	52.60
Share issue expenses	-	-	(13.12)	-	-	-	(13.12)	-	(13.12)
As at 31 March 2021	**-**	**(948.78)**	**5,623.52**	**(5.80)**	**(12.75)**	**89.35**	**4,745.54**	**8.36**	**4,753.90**
Restated profit for the period (net of taxes)	-	34.15	-	-	-	-	34.15	1.07	35.22
Restated other comprehensive income / (loss) for the period (net of taxes)	-	-	-	11.77	(9.67)	-	2.10	0.00	2.10
Total comprehensive income / (loss)	**-**	**(914.63)**	**5,623.52**	**5.97**	**(22.42)**	**89.35**	**4,781.79**	**9.43**	**4,791.22**
Securities premium on issue of shares and OCRPS	-	-	2,053.42	-	-	-	2,053.42	-	2,053.42
Shares allotted during the period on exercise of ESOPs	-	-	1.71	-	-	(1.71)	-	-	-
Addition during the period	6.21	-	-	-	-	19.93	26.14	-	26.14
Share issue expenses	-	-	(27.48)	-	-	-	(27.48)	-	(27.48)
As at 30 June 2021	**6.21**	**(914.63)**	**7,651.17**	**5.97**	**(22.42)**	**107.57**	**6,833.88**	**9.43**	**6,843.31**

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure III
Restated Ind AS Consolidated Summary Statement of Changes in Equity
(All amounts in Rs. million, unless otherwise stated)

For the three months ended 30 June 2020

Particulars	Share application money pending allotment	Reserves & Surplus		Other Comprehensive Income		Share Options Outstanding Account	Total other equity attributable to the equity holders of parent	Non - controlling interest	Total other equity
		Retained Earnings	Securities premium	Other items of Other comprehensive income	Equity instruments through other comprehensive income				
As at 1 April 2019	-	(1,402.58)	3,469.38	(0.25)	2.41	94.19	2,163.15	4.69	2,167.84
Restated loss for the year (net of taxes)	-	(166.09)	-	-	-	-	(166.09)	2.69	(163.40)
Restated other comprehensive income / (loss) for the year (net of taxes)	-	-	-	(2.25)	3.34	-	1.09	(0.00)	1.09
Total comprehensive income / (loss)	**-**	**(1,568.67)**	**3,469.38**	**(2.50)**	**5.75**	**94.19**	**1,998.15**	**7.38**	**2,005.53**
Securities premium on issue of shares	-	-	1,052.21	-	-	-	1,052.21	-	1,052.21
ESOP lapsed during the year	-	0.10	-	-	-	(0.10)	-	-	-
Shares allotted during the year	-	-	27.88	-	-	(27.88)	0.00	-	0.00
Addition during the year	0.23	-	-	-	-	43.61	43.84	-	43.84
Share issue expenses	-	-	(20.27)	-	-	-	(20.27)	-	(20.27)
As at 31 March 2020	**0.23**	**(1,568.57)**	**4,529.20**	**(2.50)**	**5.75**	**109.82**	**3,073.93**	**7.38**	**3,081.31**
Restated loss for the period (net of taxes)	-	(541.45)	-	-	-	-	(541.45)	(3.62)	(545.07)
Restated other comprehensive income / (loss) for the period (net of taxes)	-	-	-	-	(1.59)	-	(1.59)	0.00	(1.59)
Total comprehensive income / (loss)	**0.23**	**(2,110.02)**	**4,529.20**	**(2.50)**	**4.16**	**109.82**	**2,530.89**	**3.77**	**2,534.66**
Securities premium on issue of shares	-	-	865.02	-	-	-	865.02	-	865.02
ESOP lapsed during the period	-	0.42	-	-	-	(0.42)	-	-	-
Shares allotted during the period	(0.04)	-	2.37	-	-	(2.37)	(0.04)	-	(0.04)
Addition during the period	-	-	-	-	-	7.72	7.72	-	7.72
Share issue expenses	-	-	(12.60)	-	-	-	(12.60)	-	(12.60)
As at 30 June 2020	**0.19**	**(2,109.60)**	**5,383.99**	**(2.50)**	**4.16**	**114.75**	**3,390.99**	**3.77**	**3,394.76**

For the year ended 31 March 2019

Particulars	Share application money pending allotment	Reserves & Surplus		Other Comprehensive Income		Share Options Outstanding Account	Total other equity attributable to the equity holders of parent	Non - controlling interest	Total other equity
		Retained Earnings	Securities premium	Other items of Other comprehensive income	Equity instruments through other comprehensive income				
As at 1 April 2018	347.51	(1,157.40)	1,789.00	(0.35)	-	52.24	**1,031.00**	-	**1,031.00**
Restated loss for the year (net of taxes)	-	(245.18)	-	-	-	-	(245.18)	(0.21)	(245.39)
Restated other comprehensive income / (loss) for the year (net of taxes)	-	-	-	0.10	2.41	-	2.51	(0.00)	2.51
Total comprehensive income / (loss)	**347.51**	**(1,402.58)**	**1,789.00**	**(0.25)**	**2.41**	**52.24**	**788.33**	**(0.21)**	**788.12**
Securities premium on issue of shares	-	-	1,703.02	-	-	-	1,703.02	-	1,703.02
Shares allotted during the year	(347.51)	-	0.15	-	-	(0.15)	(347.51)	-	(347.51)
As at 31 March 2019	**-**	**(1,402.58)**	**3,469.38**	**(0.25)**	**2.41**	**94.19**	**2,163.15**	**4.69**	**2,167.84**

* 0.00 denotes figures are below the rounding off norms adopted by the Group.

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements and Annexure VII - Notes to Restated Ind AS Consolidated Summary Statements.

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As per our report attached
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per Vineet Kedia
Partner
Membership No. 212230

Place: Mumbai
Date: 27 September 2021

As per our report attached
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per AN Shah
Partner
Membership No. 42649

Place: Mumbai
Date: 27 September 2021

for and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Falguni Nayar
Managing Director & CEO
DIN No. 00003633

Arvind Agarwal
Chief Financial Officer

Date: 27 September 2021

Milan Khakhar
Director
DIN No. 00394065

Rajendra Punde
Company Secretary
ACS M.No.A9785

Place: Mumbai

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure IV
Restated Ind AS Consolidated Summary Statement of Cash Flow
(All amounts in Rs. million, unless otherwise stated)

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Operating activities					
Restated profit/ (loss) before tax	**31.49**	**(662.28)**	**753.38**	**(124.30)**	**(317.20)**
Adjustments to reconcile restated profit / (loss) before tax to net cash flows					
Depreciation and amortisation	194.97	145.71	671.28	595.09	308.76
Finance costs	90.14	87.20	307.01	442.93	263.42
Realised gain from sale of investments	-	-	-	(74.41)	-
Unrealised gain on fair valuation of investments	-	-	-	-	(15.28)
Interest income	(29.49)	(21.17)	(102.92)	(18.86)	(8.28)
Provision for gratuity	4.52	7.75	38.02	25.45	12.36
Provision for compensated absence expenses	22.80	43.13	102.81	-	-
Provision for share based payment expenses	20.04	7.72	52.60	43.61	42.10
Allowance for expected credit loss	1.78	23.73	66.67	0.35	0.67
Gain on closure of ROU	(14.71)	-	(3.44)	-	-
Loss on sale of property, plant and equipment	-	-	17.76	0.22	-
Operating profit before working capital changes	**321.54**	**(368.21)**	**1,903.17**	**890.08**	**286.55**
Working capital Adjustments:					
Decrease/ (Increase) in trade receivables	7.98	292.97	152.49	(404.76)	66.59
Decrease/ (Increase) in inventories	(928.98)	1,103.12	(521.31)	(2,007.45)	(1,256.67)
Decrease/ (Increase) in current financial asset	(202.95)	(176.01)	(222.28)	197.80	(501.89)
(Increase) in non-current financial assets	(4.53)	(146.44)	(108.73)	(49.53)	(22.33)
Decrease/ (Increase) in non-current assets	40.48	(16.01)	25.38	(22.18)	239.07
Decrease/ (Increase) in other current assets	(380.38)	80.03	(157.04)	8.07	(575.89)
(Decrease)/ Increase in trade payables	(58.17)	(1,186.64)	21.18	1,314.99	568.80
(Decrease)/ Increase in non-current provisions	(11.49)	(51.09)	(124.39)	28.15	(0.18)
Increase in current other financial liabilities	408.90	467.60	462.02	187.85	104.90
(Decrease)/ Increase in other current liabilities	(50.33)	(39.60)	91.85	(39.14)	93.59
Increase in current provisions	7.06	50.51	107.80	0.30	0.18
Cash generated from / (used in) operations	**(850.87)**	**10.23**	**1,630.14**	**104.18**	**(997.28)**
(Payment) / Refund of taxes (net)	(289.02)	33.11	(131.71)	(42.67)	-
Net cash flow from / (used in) operating activities (A)	**(1,139.89)**	**43.34**	**1,498.43**	**61.51**	**(997.28)**
Investing activities					
Purchase of property, plant and equipment, intangible assets including movement in CWIP and capital creditors (net of proceeds from sales)	(160.18)	(39.91)	(420.71)	(457.04)	(349.13)
(Investment in) / redemption of fixed deposits	602.15	34.37	(896.60)	(738.94)	(2.31)
Payments towards purchase of undertaking on slump sale			(16.15)	-	(0.43)
Proceeds from / (payments on) sale / (purchase) of investments	-	-	-	1,344.67	(1,268.45)
Interest received	18.73	5.07	36.02	0.54	0.78
Net cash flows from / (used in) investing activities (B)	**460.70**	**(0.47)**	**(1,297.44)**	**149.23**	**(1,619.54)**
Financing activities					
Proceeds from issue of equity shares	1.04	1.27	6.06	5.13	6.87
Proceeds from securities premium (net)	2,027.66	854.79	1,022.56	1,031.94	1,332.87
Proceeds from share application money pending allotment	6.21	-	-	0.23	-
Proceeds from / (repayment) of non-current borrowings (net)	-	17.15	15.10	0.22	(1.61)
Proceeds from / (repayment) of current borrowings (net)	806.75	(713.66)	(815.21)	418.78	1,427.35
Principal payment of lease liabilities	(92.65)	(66.56)	(299.50)	(330.96)	(146.09)
Interest expenses on lease liabilities	(30.64)	(21.61)	(129.69)	(140.43)	(65.38)
Interest paid	(58.56)	(30.16)	(176.55)	(297.70)	(197.10)
Net cash flows from / (used in) financing activities (C)	**2,659.81**	**41.22**	**(377.23)**	**687.21**	**2,356.91**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,980.62**	**84.09**	**(176.24)**	**897.95**	**(259.91)**
Cash and cash equivalents at the beginning of the period/year	835.82	1,011.91	1,011.91	114.10	373.90
Net foreign exchange differences	1.92	2.10	0.15	(0.14)	0.11
Cash and cash equivalents at the year/period end (refer note 15)	**2,818.36**	**1,098.10**	**835.82**	**1,011.91**	**114.10**

Note:
Non cash transactions relating to investing and financing activities. (Refer Annexure VII, note no 17A, 19b, 25A and 38).
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash flow.
Cash and Bank balances in current account includes Rs. 216.35 million (31 March 2021: Rs. 166.72 million, 30 June 2020: 103.73 million, 31 March 2020: Rs. 0.03 million, 31 March 2019: Rs. Nil) towards collections for shipments held on behalf of customers.

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements and Annexure VII - Notes to Restated Ind AS Consolidated Summary Statements.

The accompanying notes form an integral part of the restated consolidated financial information

As per our report attached
for S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per Vineet Kedia
Partner
Membership No. 212230

Place: Mumbai
Date: 27 September 2021

As per our report attached
for V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number:
109818W

per AN Shah
Partner
Membership No. 42649

Place: Mumbai
Date: 27 September 2021

for and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Falguni Nayar
Managing Director & CEO
DIN No. 00003633

Arvind Agarwal
Chief Financial Officer

Date: 27 September 2021

Milan Khakhar
Director
DIN No. 00394065

Rajendra Punde
Company Secretary
ACS M.No.A9785

Place: Mumbai

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure V
Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements

1. Corporate Information

The Restated Ind AS Consolidated Summary Statements comprise financial statements of FSN E-Commerce Ventures Limited (formerly known as 'FSN E-Commerce Ventures Private Limited') (the 'Company' or 'Parent' or 'Holding Company') and its subsidiaries (collectively, the 'Group') for the three months ended 30 June 2021. The registered office of the Company is located at 104, Vasan Udyog Bhavan. Sun Mill compound, Tulsi Pipe Road, Lower Parel, Mumbai - 400013.

The Company has converted from a Private Limited Company to a Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 16 July 2021 and consequently the name of the Company has changed to FSN E-Commerce Ventures Limited to a fresh certificate of incorporation issued by ROC on 28 July 2021.

The Group is engaged in the business of manufacturing, selling & distribution of beauty, wellness, fitness, personal care, health care, skin care, hair care products, fashion garments, fashion accessories and equipments on the online portals or websites such as e-commerce, m-commerce, internet, intranet as well as through physical stores, stalls, general trade and modern trade etc. Information on the Group's structure is provided in Note 41.

The Group's Restated Ind AS Consolidated Summary Statements for the period/year ended 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019 were approved for issue in accordance with a resolution of the directors on 27 September 2021.

2. Significant accounting policies

2A. Basis of preparation

i) Basis of preparation & transition to Ind AS:

The Restated Ind AS Consolidated Summary Statements of the Group comprise of the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019, the related Restated Ind AS Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Ind AS Consolidated Summary Statement of Cash Flows and the Restated Ind AS Consolidated Summary Statement of Changes in Equity for period/year ended 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019, and the Significant Accounting Policies and explanatory notes (collectively, the 'Restated Ind AS Consolidated Summary Statements' or 'Statements').

These Statements have been prepared by the Management of the Group in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Red Herring Prospectus ('RHP') in connection with its proposed initial public offering of equity shares of face value of Rs. 1 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Company in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

The Restated Ind AS Consolidated Summary Statements have been compiled from:

- Audited Interim Ind AS consolidated financial statements of the Group as at and for three months ended 30 June 2021 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (referred to as "Ind AS"), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 27 September 2021.

Annexure V
Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements

- Audited Interim Ind AS consolidated financial statements of the Group as at and for three months ended 30 June 2020 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (referred to as "Ind AS"), as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 27 September 2021.

- Audited Ind AS consolidated financial statements of the Group as at and for year ended 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 8 June 2021.

- Audited Ind AS consolidated financial statements of the Group as at and for year ended 31 March 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 20 August 2020.

"The consolidated financial statements for the year ended 31 March 2020 are the first financial statements that the Group has prepared in accordance with Ind AS. The date of transition is 1 April 2018. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to Note 48 to Restated Ind AS Consolidated Summary Statements for detailed information on how the Group transitioned to Ind AS."

- Audited consolidated financial statements of the Group as at and for the year ended 31 March 2019, which were prepared in accordance with accounting principles generally accepted in India as prescribed under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounting Standards) Amendments Rules, 2016 and paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"), which have been approved by the Board of Directors at their meeting held on 4 June 2019. The Group has adjusted financial information for the year ended 31 March 2019 included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS, and has included such adjusted financial information as comparative financial information in the financial statements for the year ended 31 March 2020 (Refer Note 47 to Annexure VII);

These Restated Ind AS Consolidated Summary Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective as at 30 June 2021. The accounting policies are applied consistently to all the periods presented in the Restated Ind AS Consolidated Summary Statements.

ii) Historical cost convention:

The Restated Ind AS Consolidated Summary Statements have been prepared on a historical cost convention on accrual basis, except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2B. Basis of Consolidation

The Restated Ind AS Consolidated Summary Statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period/year are included in the Restated Ind AS Consolidated Summary Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Restated Ind AS Consolidated Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Ind AS Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Ind AS Consolidated Summary Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., period ended on 30 June. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a) Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Ind AS Consolidated Summary Statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Ind AS Consolidated Summary Statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

Annexure V
Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements

2C. Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised as incurred and included in other expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 “Financial Instruments”, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with Ind AS 109. Other contingent consideration that is not within the scope of Ind AS 109 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period
- It is held primarily for the purpose of trading

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

c) Property Plant & Equipment

Property, Plant & Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, Plant & Equipment is included in asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss for the period during which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on Property, Plant and Equipment not ready for their intended use is disclosed as Capital Work-in-Progress and is stated at cost, net of accumulated impairment loss, if any. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, Plant & Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant & Equipment:
Depreciation is provided using the Straight-Line Method based on useful lives of the assets prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortized on a straight-line basis over the period of primary lease or the expected useful life whichever is lower.

Estimated useful lives of the assets are as follows:

Property Plant & Equipment	Useful lives (in years)
Plant and Equipment	8
Computers	3
Furniture & Fixtures	10
Office Equipments	5
Vehicles	8

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively for any change in estimate, if appropriate. Changes in expected useful lives are treated as change in accounting estimates.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development

costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period/year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Amortization of intangible assets:
Intangible assets are amortized on straight line basis as per the following useful lives:

Intangible asset	Useful lives (in years)
Trade Mark	5
Business application development (Internally generated)	3
Website	3
Software	3

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

e) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised, i.e. wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Inventory

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

- Stock in trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion necessary to make the sale.

An inventory provision is recognised for cases where the net realisable value is estimated to be lower than the inventory carrying value. The net realisable value is estimated taking into account various factors, including obsolescence of material due to design change, process change etc., unserviceable items i.e. items which cannot be used due to deterioration in quality or due to shelf life or damaged in storage and ageing of material i.e. slow moving/non-moving prevailing sales prices of inventory.

g) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Right of use for warehouse/office 2 to 6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of non-financial assets.

ii. Lease liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short term leases and leases of low value assets:

The Group applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset is considered to be low value.
Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Sub-lease

At the commencement date, the Group recognises assets held under a sub-lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease. In case if the interest rate implicit in the sublease cannot be readily determined, the Group being an intermediate lessor uses the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- fixed payments less any lease incentives payable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties, if any, for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on net investment in the lease.

Net investment in the lease are subject to the derecognition and impairment requirements in Ind AS 109. The Group regularly reviews estimated unguaranteed residual values, if any, used in computing the gross investment in the lease and adjusts the income allocation accordingly.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement:

All Financial assets and liabilities are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial Assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (i(l)) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial Liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement:

i. Financial assets
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value though profit or loss

Financial assets at amortised cost (debt instruments)
A 'financial asset' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets at amortised cost includes trade and other receivables and loans to employees.

Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments)
A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial

assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial Assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

ii. Financial liabilities

Financial liabilities at fair value through Profit or Loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Derecognition

Financial Assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:
• The rights to receive cash flows from the asset have expired, or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Financial Liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets:
In accordance with Ind AS 109, the Group applies simplified expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
b) Investments
c) Other financial assets such as deposits, advances etc.

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables are written off when there is no reasonable expectation of recovery.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

i) Revenue recognition:

i. Revenue from contracts with customers:
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products
Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Group expects to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Contacts where the Group's obligation is to arrange for the provision of goods and services by another party, the Group recognizes revenue in the amount of the commission to which it expects to be entitled in exchange for arranging for the provision of goods and services.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Income from services are recognised as and when the services are rendered.

Marketing Support Revenue

- The Group recognizes marketing income i.e. visibility services provided by the Group to various brands at retail outlets of the Group. Revenue from advertisement services is recognised when advertisement is displayed.

- Advertising revenue is derived from displaying web and application based banner ads and sale of online advertisements. Revenue from banner advertisement is recognised pro rata over the period of display of advertisement as per contract.

- Revenue from sale of online advertisements is recognised based on output method and the Group applies the practical expedient to recognize advertising revenue in the amount to which the Group has a right to invoice upon rendering of services.

Reward points programme
The Group has a reward points programme which allows customers to accumulate points that can be redeemed against future purchases of products at discounted prices. The reward points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the reward points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the reward points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on an annual basis and any adjustments to the contract liability balance are charged against revenue.

ii. Contract balances:

- **Contract assets**
  A contract asset is the right to consideration in exchange for products or services transferred to the customer. If the Group performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

- **Trade receivables**
  A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**
  A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

j) Interest income

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head "Other income" in the statement of profit and loss.

k) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l) Foreign currency transactions

Functional and presentation currency

The Restated Ind AS Consolidated Summary Statements are presented in Indian Rupees (Rs.), which is the functional currency of each entity of the Group and the currency of the primary economic environment in which the Group operates.

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on settlement or translation of other monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period/year, or reported in previous financial statements, are recognised as income or as expenses in the statement of profit and loss in the period/year in which they arise.

m) Share Based payment

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share Options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) *Post-employment* and other employee benefits

Short term employee benefits

All short term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

Post-employment benefits

i. Defined Contribution Plans:

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period/year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

ii. Defined Benefit Plans

Gratuity
The Group have an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity benefits are unfunded.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period/year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through 'Other comprehensive income' in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated absences
The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

o) Borrowing cost:
Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing to the extent they are regarded as adjustment to the interest cost.

p) Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The management assessed that cash and cash equivalents, trade receivables, advances, trade payables, bank overdraft and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management selects appropriate valuation techniques using discounted cash flow model when the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q) Income taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax are measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date. Current income tax and deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in OCI or in equity). The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Annexure V
Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements

r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, and other short term highly liquid investments which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

t) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

u) Segment reporting policies

The Group drives synergy across fulfilment models, sales channels and product categories and accordingly the management reviews and allocates 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.

v) Share capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

Annexure V
Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements

3(a) Significant accounting judgements, estimates and assumptions:

The preparation of Restated Ind AS Consolidated Summary Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

I. Judgements:

- **Determining the lease term of contracts with renewal and termination options – the Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group included the renewal period as part of the lease term for leases of property with shorter non-cancellable period (i.e., 3 to 5 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on business if a replacement by way of alternate property is not readily available. The renewal periods for leases of property with longer non-cancellable periods (i.e., 6 to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

II. Estimates and assumptions:

a. Estimation of useful life of property, plant and equipment and intangible asset
Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial period/year end. The lives are based on historical experience with similar assets.

b. Fair Value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c. Estimation of defined benefit obligation and compensated absences
The cost of the defined benefit gratuity plan, compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes.

d. Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

e. Deferred Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

f. Business combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

g. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

h. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

i. Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions and independent valuer's report. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

j. Measurement of fair value of non-marketable equity investments

These instruments are initially recorded at cost and subsequently measured at fair value. Fair value of investments is determined using the income approaches. The income approach includes the use of discounted cash flow model, which requires significant estimates regarding the investees' revenue, costs, and discount rates based on the risk profile of comparable companies. Estimates of revenue and costs are developed using available historical and forecast data.

Annexure V
Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements

k. Reward points

The Group estimates the stand-alone selling price of the loyalty points awarded by multiplying to the estimated redemption rate and to the monetary value assigned to the loyalty points. In estimating the redemption rate, the Group considers breakage which represents the portion of the points issued that will never be redeemed. The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated annually and the liability for the unredeemed points is adjusted accordingly. In estimating the value of the points issued, the Group considers the mix of products that will be available in the future in exchange for reward points and customers' preferences. The Group ensures that the value assigned to the reward points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required).

l. Provision for expected credit losses of trade receivables and contract assets

The Group uses a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

m. Leases – Estimating the incremental borrowing rates

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's credit rating).

n. Other estimates

The share-based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

3(b) Standards / Amendments issued:

The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 notified the new Companies (Indian Accounting Standard) Amendment Rules, 2021. The notification has made amendments to various Ind AS. Some of the key amendments are:

a. Ind AS 116 – Leases

The practical expedient relating to rent concessions arising as a result of COVID-19 allowed lessees to not consider COVID-19 related rent concessions to be a lease modification provided the lease payments were originally due on or before 30 June 2021. The relief provided by the practical expedient has now been extended and is applicable to all lease payments originally due on or before 30 June 2022. The said amendment is applicable for annual reporting periods beginning on or after 1 April 2021.

b. Ind AS 103 – Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS. This amendment has no impact on the Restated Ind AS Consolidated Summary Statements.

Annexure V
Significant accounting policies and explanatory notes to Restated Ind AS Consolidated Summary Statements

c. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28. This amendment has no impact on the Restated Ind AS Consolidated Summary Statements.

d. Interest Rate Benchmark Reform – Phase 2

This amendment relates to 'Interest Rate Benchmark Reform — Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are:

i. Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cashflows as a result of interest rate benchmark reform. An entity should apply the amendments for annual reporting periods beginning on or after 1 April 2021.

ii. Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform and how the entity manages these risks.

iii. An entity should apply the amendments when it applies amendments to Ind AS 109, Ind AS 104 or Ind AS 116. The adoption of the amendments did not have any material impact on its financial statements.

e. Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The Group does not expect the consequential amendments to have any significant impact in its Restated Ind AS Consolidated Summary Statements.

f. The Group has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated 24 March 2021 in the restated Ind AS Consolidated Summary Statements disclosures, wherever applicable.

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure VI
Part A : Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements
(All amounts in Rs. million, unless otherwise stated)

Reconciliation between audited profit / (loss) and restated profit / (loss)

Particulars	Note no.	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Profit / (loss) after tax (as per audited financial statements) (A)		**35.22**	**(521.28)**	**616.48**	**(229.99)**	**(211.13)**
Less: Ind AS adjustments (refer note 48)				-	-	(53.17)
B. Profit / (loss) after tax		**35.22**	**(521.28)**	**616.48**	**(229.99)**	**(264.30)**
C. Restatement adjustments						
Elimination of unrealised gain on inventory	1	-	47.44	47.44	(47.44)	-
Deferred tax on elimination of unrealised gain on inventory	1	-	(31.56)	(31.56)	16.78	14.78
Capitalised intangibles expensed off	2	-	-	-	(2.23)	(63.67)
Reversal of amortisation on intangibles expensed off	2	-	9.00	44.73	50.08	36.54
Deferred tax on intangible assets expensed off	2	-	(2.26)	(11.23)	(17.63)	8.45
Share issue expenses	3	-	-	-	20.27	22.79
Reversal of amortisation on goodwill	4	-	-	-	0.35	0.02
Taxes relating to earlier periods/years	5					
Income tax	5(a)	-	(15.22)	(15.22)	15.22	-
Deferred tax	5(b)	-	(31.19)	(31.19)	31.19	-
TOTAL ADJUSTMENTS (C)		**-**	**(23.79)**	**2.97**	**66.59**	**18.91**
Restated profit / (loss) after tax (B+C)		**35.22**	**(545.07)**	**619.45**	**(163.40)**	**(245.39)**

Reconciliation between total audited equity and total restated equity

Particulars	Note no.	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Total Equity as per audited financial statements		6,997.91	3,570.15	4,907.31	3,231.43	2,359.15
B. Restatement Adjustments						
(i) Audit Qualifications		-	-	-	-	-
(ii) Other restatement adjustments						
Elimination of unrealised gain on inventory	1	-	-	-	(47.44)	-
Deferred tax on elimination of unrealised gain on inventory	1	-	-	-	31.56	14.78
Capitalised intangibles expensed off	2	(65.90)	(65.90)	(65.90)	(65.90)	(63.67)
Reversal of amortisation on intangibles expensed off	2	131.37	95.65	131.38	86.62	36.54
Deferred tax on intangible assets expensed off	2	(20.41)	(11.44)	(20.41)	(9.18)	8.45
Reversal of amortisation on goodwill	4	0.37	0.37	0.37	0.37	0.02
Taxes relating to earlier periods/years	5	-	-	-	-	-
Income tax	5(a)	-	-	-	15.22	-
Deferred tax	5(b)	-	-	-	31.19	-
Cumulative impact of adjustments related to period prior to 31 March 2018	6	(45.00)	(45.00)	(45.00)	(45.00)	(45.00)
Total (B)		**0.44**	**(26.32)**	**0.44**	**(2.56)**	**(48.88)**
Total equity as restated Ind AS summary statement of assets and liabilities (A+B)		**6,998.35**	**3,543.83**	**4,907.75**	**3,228.87**	**2,310.27**

Notes:

1) Unrealised Gain on Inventory
Unrealised gain on inventory has been reversed from the financial year in which it has been recorded and the same has been recognised in the financial period/year to which it pertains. The consequential impact of deferred tax on the above adjustment is also made in the statement of profit & loss of respective periods/years.

2) Capitalised intangibles expensed off
Expenses incurred on photoshoot, videos etc. pertaining to FY 2018-19 and FY 2019-20 was capitalised earlier as "Catalogue" under intangible assets. The Company has decided not to capitalise such expenses as per its policy effective April 1, 2020. Accordingly, it has been restated and recorded as marketing expense in the financial year corresponding to which expense pertains. Further corresponding amortisation expenses have been restated and reversed in respective periods/years in which it has been charged to statement of profit and loss. The consequential impact of deferred tax on the above adjustments is also made in the statement of profit & loss of respective periods/years.

3) Share issue expenses
Share issue expenses earlier expensed out in the statement of profit and loss during FY 2018-19 and FY 2019-20. It has been restated and adjusted against securities premium as per section 52 of Companies Act, 2013 in respective financial periods/years.

4) Reversal of amortisation on Goodwill
Goodwill was amortised during FY 2018-19 and FY 2019-20. The same has been reversed from the financial year in which it has been recorded.

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
CIN: U52600MH2012PLC230136

Annexure VI
Part A : Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements
(All amounts in Rs. million, unless otherwise stated)

Notes:

5) Taxes relating to earlier years
5(a) Income tax
Provision for income tax has been reversed from the financial year in which it has been recorded and the same has been recognised in the financial period/year to which it pertains.

5(b) Deferred tax
Deferred tax has been reversed from the financial year in which it has been recorded and the same has been recognised in the financial period/year to which it pertains.

6) Cumulative impact of adjustments related to period prior to 31 March 2018
The adjustment pertains to reversal of Catalogues capitalised and amortised till 31 March 2018 and deferred tax thereon which is adjusted in retained earnings as on 1 April 2018, this has resulted in decrease in opening retained earnings by Rs. 45.00 million.

Annexure VI
Part B : Material regrouping
Appropriate regroupings have been made in the restated Ind AS summary statements of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Group for the three months ended 30 June 2021 prepared in accordance with Schedule III of Companies Act,2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Part C : Non adjusting items
Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2003 (as amended), on the financial statements for the three months ended 30 June 2021 and 30 June 2020 and for the year ended 31 March 2021, 31 March 2020 and 31 March 2019, which do not require any corrective adjustment in the Restated Summary Statements are as follows:

As at and for the three months ended 30 June 2021
There are no audit qualifications as at and for the three months ended 30 June 2021

As at and for the three months ended 30 June 2020
There are no audit qualifications as at and for the three months ended 30 June 2020

As at and for the year ended 31 March 2021
There are no audit qualifications as at and for the year ended 31 March 2021

As at and for the year ended 31 March 2020
There are no audit qualifications as at and for the year ended 31 March 2020

As at and for the year ended 31 March 2019
There are no audit qualifications as at and for the year ended 31 March 2019

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

4 Property, plant and equipment

	Computers	Furniture & Fixtures	Office equipments	Vehicles	Plant and machinery	Leasehold improvements	Total
Cost or deemed cost (gross carrying amount)**							
At 1 April 2018	46.99	88.44	30.01	4.40	0.35	69.88	240.07
Additions*	48.80	149.93	46.54	-	2.15	58.53	305.95
Disposals	-	-	-	-	-	-	-
At 31 March 2019	95.79	238.37	76.55	4.40	2.50	128.41	546.02
Additions	68.57	219.41	43.06	-	1.64	74.52	407.20
Disposals	-	-	(0.38)	-	-	-	(0.38)
At 31 March 2020	164.36	457.78	119.23	4.40	4.14	202.93	952.84
Additions	0.90	1.01	1.23	-	-	0.39	3.53
Disposals	-	-	-	-	-	-	-
At 30 June 2020	165.26	458.79	120.46	4.40	4.14	203.32	956.37
At 1 April 2020	164.36	457.78	119.23	4.40	4.14	202.93	952.84
Additions*	52.41	65.36	33.13	-	0.13	37.87	188.90
Disposals	(0.18)	(18.62)	(1.19)	-	-	(13.92)	(33.91)
At 31 March 2021	216.59	504.53	151.16	4.40	4.27	226.88	1,107.83
Additions	40.90	62.71	35.27	-	-	18.24	157.12
Disposals	(0.13)	(0.09)	(0.03)	-	-	(8.03)	(8.28)
At 30 June 2021	257.36	567.15	186.40	4.40	4.27	237.09	1,256.67
Accumulated depreciation and impairment							
At 1 April 2018	18.67	9.88	6.42	0.00	0.04	18.85	53.86
Depreciation charge for the year	19.78	18.55	9.28	0.52	0.22	14.76	63.11
Disposals	-	-	-	-	-	-	-
At 31 March 2019	38.45	28.43	15.70	0.52	0.26	33.61	116.97
Depreciation charge for the year	37.14	50.38	18.37	0.52	0.40	27.73	134.54
Disposals	-	-	(0.16)	-	-	-	(0.16)
At 31 March 2020	75.59	78.81	33.91	1.04	0.66	61.34	251.35
Depreciation charge for the period	11.12	15.51	5.48	0.13	0.12	8.15	40.51
Disposals	-	-	-	-	-	-	-
At 30 June 2020	86.71	94.32	39.39	1.17	0.78	69.49	291.86
At 1 April 2020	75.59	78.81	33.91	1.04	0.66	61.34	251.35
Depreciation charge for the year	45.03	51.43	23.18	3.35	0.48	62.65	186.12
Disposals	(0.09)	(8.14)	(0.59)	-	-	(7.34)	(16.16)
At 31 March 2021	120.53	122.10	56.50	4.39	1.14	116.65	421.31
Depreciation charge for the period	14.50	17.56	6.82	-	0.15	13.56	52.59
Disposals	(0.13)	(0.09)	(0.03)	-	-	(8.03)	(8.28)
At 30 June 2021	134.90	139.57	63.29	4.39	1.29	122.18	465.62
Net Book Value							
At 30 June 2021	122.46	427.58	123.11	0.01	2.98	114.91	791.05
At 31 March 2021	96.06	382.43	94.66	0.01	3.13	110.23	686.52
At 30 June 2020	78.55	364.47	81.07	3.23	3.36	133.83	664.51
At 31 March 2020	88.77	378.97	85.32	3.36	3.48	141.59	701.49
At 31 March 2019	57.34	209.94	60.85	3.88	2.24	94.80	429.05

#Movable assets have been pledged to secure borrowings of the Group (refer note 22)
As at 30 June 2021, gross carrying amount include Rs. 2 million and Rs. 8 million of Plant and machinery and furnitures and fixtures respectively which were lying at the third party vendor i.e. distributors and retailers prior to 31 March 2020.

*Refer note no 48 for acquisition of assets on account of business purchase in FY 2019-20 and FY 2020-21.

**On transition to Ind AS (i.e. 1 April 2018), the group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use tha carrying value as the deemed cost of Property, plant and equipment.

5 Right of Use Assets

	Right of Use Assets
Gross carrying amount	
At 1 April 2018	300.78
Additions	752.36
Disposals	-
At 31 March 2019	1,053.14
Additions	963.40
Disposals	-
At 31 March 2020	2,016.54
Additions	16.32
Disposals*	(42.46)
At 30 June 2020	1,990.40
At 1 April 2020	2,016.54
Additions	469.44
Disposals*	(63.63)
At 31 March 2021	2,422.35
Additions	293.10
Disposals*	(32.64)
At 30 June 2021	2,682.81

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

5 Right of Use Assets

	Right of Use Assets
Accumulated depreciation	
At 1 April 2018	-
Depreciation charge for the year	193.83
Disposals	-
At 31 March 2019	193.83
Depreciation charge for the year	382.77
Disposals	-
At 31 March 2020	576.60
Depreciation charge for the period	87.54
Disposals*	(8.80)
At 30 June 2020	655.34
At 1 April 2020	576.60
Depreciation charge for the year	488.74
Disposals*	(32.33)
At 31 March 2021	1,033.01
Depreciation charge for the period	130.49
Disposals*	(22.25)
At 30 June 2021	1,141.25
Net Book Value	
At 30 June 2021	1,541.56
At 31 March 2021	1,389.34
At 30 June 2020	1,335.06
At 31 March 2020	1,439.94
At 31 March 2019	859.31

*Disposals includes derecognition of ROU asset on cancellation of lease contract.

6 Intangible assets

	Business application development cost	Computer Softwares	Trademark	Total
Cost or deemed cost (gross carrying amount)**				
At 1 April 2018	130.83	7.70	-	138.53
Additions	63.26	7.40	-	70.66
Disposals	-	-	-	-
At 31 March 2019	194.09	15.10	-	209.19
Additions	94.66	4.56	-	99.22
Disposals	-	-	-	-
At 31 March 2020	288.75	19.66	-	308.41
Additions	0.74	0.87	-	1.61
Disposals	-	-	-	-
At 30 June 2020	289.49	20.53	-	310.02
At 1 April 2020	288.75	19.66	-	308.41
Additions*	103.94	25.33	49.44	178.71
Disposals	-	-	-	-
At 31 March 2021	392.69	44.99	49.44	487.12
Additions	5.88	1.30		7.18
Disposals	-	-	-	-
At 30 June 2021	398.57	46.29	49.44	494.30
Accumulated amortisation				
At 1 April 2018	46.67	2.24	-	48.91
Amortisation charge for the year	50.66	3.59	-	54.25
Disposals	-	-	-	-
At 31 March 2019	97.33	5.83	-	103.16
Amortisation charge for the year	72.39	5.41	-	77.80
Disposals	-	-	-	-
At 31 March 2020	169.72	11.24	-	180.96
Amortisation charge for the period	17.21	1.24		18.45
Disposals				-
At 30 June 2020	186.93	12.48	-	199.41
At 1 April 2020	169.72	11.24	-	180.96
Amortisation charge for the year	65.96	9.81	0.05	75.82
Disposals	-	-	-	-
At 31 March 2021	235.68	21.05	0.05	256.78
Amortisation charge for the period	22.79	4.51	2.47	29.77
Disposals				-
At 30 June 2021	258.47	25.56	2.52	286.55
Net Book Value				
At 30 June 2021	140.10	20.73	46.92	207.75
At 30 June 2020	102.56	8.05	-	110.61
At 31 March 2021	157.01	23.94	49.39	230.34
At 31 March 2020	119.03	8.42	-	127.45
At 31 March 2019	96.76	9.27	-	106.03

*Refer note no 48 for acquisition of assets on account of business purchase in FY 2019-20 and FY 2020-21.
**On transition to Ind AS (i.e. 1 April 2018), the group has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

7 Capital work in progress and Intangible assets under development

		Amount
7A	**Capital work in progress (CWIP)**	
	At 1 April 2018	4.38
	Add: Addition	3.20
	Less: Capitalisation	4.38
	At 31 March 2019	3.20
	Add: Addition	7.78
	Less: Capitalisation	3.20
	At 31 March 2020	7.78
	Add: Addition	0.28
	Less: Capitalisation	
	At 30 June 2020	8.06
	Add: Addition	19.41
	Less: Capitalisation	7.78
	At 31 March 2021	19.69
	Add: Addition	20.94
	Less: Capitalisation	19.69
	At 30 June 2021	20.94

Capital work in progress comprises of expenses incurred towards improvement to leasehold premises.

Capital work in progress ageing schedule:

	Amount in capital work in progress				
Periods in progress	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 30 June 2021	20.94	-	-	-	20.94
As at 30 June 2020	8.06	-	-	-	8.06
As at 31 March 2021	19.69	-	-	-	19.69
As at 31 March 2020	7.78	-	-	-	7.78
As at 31 March 2019	3.20	-	-	-	3.20

There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above mentioned reporting dates.

		Amount
7B	**Intangible assets under development**	
	At 1 April 2018	-
	Add: Addition	-
	Less: Capitalisation	-
	At 31 March 2019	-
	Add: Addition	12.45
	Less: Capitalisation	-
	At 31 March 2020	12.45
	Add: Addition	22.97
	Less: Capitalisation	-
	At 30 June 2020	35.42
	Add: Addition	3.88
	Less: Capitalisation	35.42
	At 31 March 2021	3.88
	Add: Addition	15.43
	Less: Capitalisation	-
	At 30 June 2021	19.31

As at 30 June 2021 and 31 March 2021, intangible assets under development include cost for development of business application.
As at 30 June 2020 and 31 March 2020, intangible assets under development include cost for implementation of accounting software Microsoft dynamics D365.

Intangible assets under development ageing schedule:

	Amount in intangible assets under development				
Periods in progress	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 30 June 2021	19.31	-	-	-	19.31
As at 30 June 2020	35.42	-	-	-	35.42
As at 31 March 2021	3.88	-	-	-	3.88
As at 31 March 2020	12.45	-	-	-	12.45
As at 31 March 2019	-	-	-	-	-

There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above mentioned reporting dates.

8	**Goodwill**	**Amount**
	At 1 April 2018	-
	Acquired pursuant to business combination (refer note 48)	1.43
	At 31 March 2019	1.43
	Acquired pursuant to business combination (refer note 48)	-
	At 31 March 2020	1.43
	Acquired pursuant to business combination (refer note 48)	-
	At 30 June 2020	1.43
	Acquired pursuant to business combination (refer note 48)	4.00
	At 31 March 2021	5.43
	Acquired pursuant to business combination (refer note 49)	-
	At 30 June 2021	5.43
	At 1 April 2018	-
	Impairment loss	-
	At 31 March 2019	-
	Disposals	-
	At 31 March 2020	-
	Impairment loss	-
	At 30 June 2020	-
	Disposals	-
	At 31 March 2021	-
	Impairment loss	-
	At 30 June 2021	-
	Net Book Value	
	At 30 June 2021	5.43
	At 30 June 2020	1.43
	At 31 March 2021	5.43
	At 31 March 2020	1.43
	At 31 March 2019	1.43

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

9 Investments

	As at 30 June 2021		As at 30 June 2020		As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
9A Investments (non-current)										
Measured at fair value through Other Comprehensive Income (FVTOCI)										
Investment in preference shares (Unquoted, fully paid up)										
JMS Logistics and Express Private Limited										
In Series A1 Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each	271,429	0.27	271,429	38.03	271,429	13.19	271,429	38.03	271,429	32.30
Total investments measured at FVTOCI		**0.27**		**38.03**		**13.19**		**38.03**		**32.30**
Total non-current investments		**0.27**		**38.03**		**13.19**		**38.03**		**32.30**

Investments at FVTOCI (fully paid) reflect investment in unquoted securities. These securities are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding.

	As at 30 June 2021		As at 30 June 2020		As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
9B Investments (current)										
Measured at Fair Value Through Profit and Loss (FVTPL) (Quoted)										
ICICI Prudential Mutual Fund	-	-	-	-	-	-	-	-	2,061.536	649.87
Axis Liquid Mutual Fund - Direct Growth	-	-	-	-	-	-	-	-	144.856	300.36
Kotak Savings Mutual Fund - Liquid Fund	-	-	-	-	-	-	-	-	13,097.663	400.17
Total investments stated at Fair Value through profit and loss		**-**		**-**		**-**		**-**		**1,350.40**
Total current investments		**-**		**-**		**-**		**-**		**1,350.40**
Category-wise Investment										
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)		0.27		38.03		13.19		38.03		32.30
Measured at Fair Value Through Profit and Loss (FVTPL)		-		-		-		-		1,350.40
Total Investments		**0.27**		**38.03**		**13.19**		**38.03**		**1,382.70**
Aggregate amount of Quoted Investments		-		-		-		-		1,350.40
Aggregate Market Value of Quoted Investments		-		-		-		-		1,350.40
Aggregate amount of Unquoted Investments		0.27		38.03		13.19		38.03		32.30
Amount charged on account of fair value gain/(loss) in value of unqouted investments		(12.92)		-		(24.84)		5.73		3.80

During the three months ended 30 June 2021, the Group has recognised the impact of decline in the fair value of investment of Rs. 12.92 million (31 March 2021: Rs. 24.84 million, 30 June 2020: Rs. Nil, 31 March 2020: Rs. Nil, 31 March 2019: Rs. Nil) through other comprehensive income.

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Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

10 Other financial assets (non-current)

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost, except otherwise stated					
Security deposits (unsecured, considered good)	166.25	152.44	161.79	105.84	56.31
(Security Deposits given for the period ranging from 2 to 6 years)					
Long term deposits with banks with maturity period more than 12 months	-	78.30	-	-	-
Total	**166.25**	**230.74**	**161.79**	**105.84**	**56.31**

11 Income Taxes

The major components of income tax expense are:

A Restated statement of profit and loss:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i. Restated profit or loss section:					
Current income tax:					
Current income tax expense	133.63	-	400.78	45.37	-
Deferred tax:					
Relating to origination and reversal of temporary differences	(137.36)	(117.21)	(266.85)	(6.27)	(71.81)
Income tax expense/(income) reported in the restated statement of profit or loss	**(3.73)**	**(117.21)**	**133.93**	**39.10**	**(71.81)**
ii. OCI section - Deferred tax related to items recognised in OCI during the period/year:					
Tax Expenses/(Income) on remeasurements of defined benefit plans and fair value of investments	(0.70)	0.22	7.45	(1.64)	1.43
Income tax expense charged / (credited) to OCI	**(0.70)**	**0.22**	**7.45**	**(1.64)**	**1.43**

B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Restated profit / (loss) before tax	**31.49**	**(662.28)**	**753.38**	**(124.30)**	**(317.20)**
Applicable tax rate	25.17%	25.17%	25.17%	25.17%	30.90%
Tax using the Group's domestic tax rate	7.92	(166.70)	189.62	(31.23)	(98.00)
Tax effect of:					
Due to change in applicable tax rate	-	-	-	92.99	-
Interest on late payment of taxes	-	-	7.85	0.54	-
Others (including permanent differences and brought forward losses)	(11.65)	49.49	(63.54)	(23.20)	26.19
Income tax expenses reported in the restated statement of profit and loss	**(3.73)**	**(117.21)**	**133.93**	**39.10**	**(71.81)**
Current tax expense / (income)	133.63	-	400.78	45.37	-
Deferred tax expense / (income)	(137.36)	(117.21)	(266.85)	(6.27)	(71.81)
Tax expense recognized in the restated statement of profit and loss	**(3.73)**	**(117.21)**	**133.93**	**39.10**	**(71.81)**
Effective tax rate	**(11.85%)**	**17.70%**	**17.78%**	**31.46%**	**(22.64%)**

C Gross movement in the current income tax assets / (liabilities) for the period/year ended 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Net income tax asset / (liability) at the beginning	**(161.31)**	**107.76**	**107.76**	**110.46**	**110.46**
Income tax paid (net of refund)	289.02	(33.11)	131.71	42.67	-
Current income tax expense	(133.63)	-	(400.78)	(45.37)	-
Net income tax asset / (liability) at the end	**(5.92)**	**74.65**	**(161.31)**	**107.76**	**110.46**
Income tax asset	106.04	120.02	85.63	110.45	110.46
Income tax liability	(111.96)	(45.37)	(246.94)	(2.69)	-
Income tax asset / (liability) (net)	**(5.92)**	**74.65**	**(161.31)**	**107.76**	**110.46**

D Deferred tax:

i. Deferred tax assets and liabilities are attributable to the following:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Impact of expenditure charged in the current period/year but allowed for tax purposes on payment basis	79.06	38.10	67.45	24.97	19.59
Impact of brought forward losses	478.63	449.63	491.27	428.02	445.51
Impact of preliminary expenses	-	-	-	0.97	-
Impact of difference between tax depreciation / amortisation and depreciation / amortisation as per books	62.30	53.43	62.94	27.81	41.16
Provision of doubtful debts	17.96	6.70	48.73	0.59	0.63
Impact of difference in carrying value of assets/liabilities as per book base and tax base	119.94	-	116.24	121.21	249.08
Effect in other comprehensive income	7.11	6.25	-	-	-
Lease related assets and liabilities (net)	18.20	8.30	8.71	-	-
Impact of elimination of unrealised gain on inventory	136.19	66.36	90.70	31.55	14.78
Deferred tax assets (A)	**919.39**	**628.77**	**886.04**	**635.12**	**770.75**
Impact of difference between tax depreciation and depreciation as per books	(2.32)	(5.23)	(72.24)	(7.21)	(2.64)
Lease related assets and liabilities (net)	-	-	(33.39)	(119.40)	(257.54)
Effect in other comprehensive income	-	-	(0.00)	(2.40)	(1.19)
Mutual fund fair valuation impact	-	-	-	-	(7.90)
Deferred tax liabilities (B)	**(2.32)**	**(5.23)**	**(105.63)**	**(129.01)**	**(269.27)**
Deferred tax assets (net) (C=A+B)	**917.07**	**623.54**	**780.41**	**506.11**	**501.48**

ii. Reconciliation of deferred tax assets (net):

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	780.41	506.11	506.11	501.48	431.10
Tax income during the period/year recognised in restated profit or loss	137.36	117.21	266.85	6.27	71.81
Tax income/(expense) during the period/year recognised in OCI	(0.70)	0.22	7.45	(1.64)	(1.43)
Closing balance	**917.07**	**623.54**	**780.41**	**506.11**	**501.48**

12 Other non-current assets

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Advance for capital goods	54.01	22.90	13.53	38.91	16.73
Total	**54.01**	**22.90**	**13.53**	**38.91**	**16.73**

13 Inventories

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost or net realisable value)					
Stock in trade	5,300.62	3,136.15	4,464.95	4,212.62	2,382.41
Finished goods	286.90	30.23	237.11	29.21	-
Raw materials	86.57	92.40	107.64	105.62	2.77
Packing material	235.82	91.53	171.22	105.91	60.78
Total	**5,909.91**	**3,350.31**	**4,980.92**	**4,453.36**	**2,445.96**

During the three months ended 30 June 2021, Rs. 295.74 million (31 March 2021: Rs. 223.45 million, 30 June 2020: Rs. 119.97 million, 31 March 2020: Rs. 81.24 million, 31 March 2019: Rs. 73.76 million) is recognised as provision taking into account various factors, including obsolescence of material, unserviceable items and ageing of material.

14 Trade receivables

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Measured at amortised cost, except otherwise stated)					
Trade receivables - Unsecured Considered Good	756.57	637.46	766.35	984.32	579.24
Trade Receivables which have significant increase in credit risk	71.37	26.59	69.59	2.92	2.57
Less: Allowances for expected credit loss (refer note 45)	(71.37)	(26.59)	(69.59)	(2.92)	(2.57)
	756.57	**637.46**	**766.35**	**984.32**	**579.24**

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

Trade receivables ageing schedule:

Trade receivables ageing as at 30 June 2021

Particulars	Outstanding for following periods from due date of payment*					Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	
(i) Undisputed Trade Receivables – considered good	394.24	331.42	29.44	1.47	-	756.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	5.98	31.85	27.77	5.77	71.37
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**394.24**	**337.40**	**61.29**	**29.24**	**5.77**	**827.94**

Trade receivables ageing as at 30 June 2020

Particulars	Outstanding for following periods from due date of payment*					Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	
(i) Undisputed Trade Receivables – considered good	317.99	264.54	31.68	23.25	-	637.46
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.55	-	22.88	3.16	26.59
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**317.99**	**265.08**	**31.68**	**46.13**	**3.16**	**664.05**

Trade receivables ageing as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment*					Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	
(i) Undisputed Trade Receivables – considered good	415.55	226.14	124.66	-	-	766.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	7.35	32.16	26.02	4.06	69.59
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**415.55**	**233.50**	**156.82**	**26.02**	**4.06**	**835.94**

Trade receivables ageing as at 31 March 2020

Particulars	Outstanding for following periods from due date of payment*					Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	
(i) Undisputed Trade Receivables – considered good	38.79	908.87	23.22	13.44	-	984.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.02	-	-	2.90	-	2.92
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**38.81**	**908.87**	**23.22**	**16.34**	**-**	**987.24**

Trade receivables ageing as at 31 March 2019

Particulars	Outstanding for following periods from due date of payment*					Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	
(i) Undisputed Trade Receivables – considered good	15.61	516.27	47.36	0.00	-	579.24
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.01	-	2.54	0.02	-	2.57
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**15.62**	**516.27**	**49.90**	**0.02**	**-**	**581.81**

* There are no outstanding balances for more than 3 years.
For details of trade receivable with related party refer note 40 related party disclosures.
No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person.
Trade receivables are non-interest bearing and are generally on the payment terms of 0 to 90 days.

15 Cash and cash equivalents

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Measured at amortised cost, except otherwise stated)					
Cash on hand	4.90	2.38	3.43	1.16	4.89
Balances with banks					
- in current accounts	2,203.42	609.92	586.58	679.79	23.26
Deposits with original maturity of less than three months					
- With Banks	539.60	435.80	145.49	330.96	8.34
- With Financial Institutions	70.44	50.00	100.00	-	-
Cheques on hand	-	-	0.32	-	77.61
	2,818.36	**1,098.10**	**835.82**	**1,011.91**	**114.10**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash and Bank balances in current account includes Rs. 216.35 million as at 30 June 2021 (31 March 2021: Rs 166.72 million, 30 June 2020: Rs. 103.73 million, 31 March 2020: Rs. 0.03 million, 31 March 2019: Rs. Nil) towards collections for shipments in transit.

16 Bank balance other than cash and cash equivalents

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Measured at amortised cost, except otherwise stated)					
Margin money deposits with bank (held as lien by bank against guarantees)	31.88	12.02	30.68	7.19	-
Deposits with original maturity for more than 3 months but less than 12 months					
- With Banks	906.56	597.88	1,440.00	727.09	-
- With Financial Institutions	100.29	100.00	170.20	10.00	5.34
	1,038.73	**709.90**	**1,640.88**	**744.28**	**5.34**

17 Other financial assets (current)

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)					
(Carried at amortised cost, except otherwise stated)					
Advance given to employees	-	-	-	1.06	1.06
Unbilled receivable	356.29	353.69	160.48	151.63	241.69
Receivable from collection agencies for COD/Prepaid	317.56	108.43	310.41	103.87	224.00
Interest accrued on deposit but not due	54.44	13.56	49.23	2.43	0.08
Security deposits	61.57	32.49	54.26	74.11	48.19
	789.86	**508.17**	**574.38**	**333.10**	**515.02**

17A Movement in Interest accrued on deposit but not due

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	49.23	2.43	2.43	0.08	-
Interest accrued during the period/year	23.94	16.20	82.82	2.89	0.86
Receipt of interest during the period/year	(18.73)	(5.07)	(36.02)	(0.54)	(0.78)
Closing balance	**54.44**	**13.56**	**49.23**	**2.43**	**0.08**

18 Other current assets

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Unsecured and considered good)					
Advance to suppliers	474.20	320.33	323.56	213.33	253.58
Advance against expenses	178.91	61.76	142.96	32.29	54.93
Prepaid expenses	67.71	46.17	57.87	85.62	39.06
Balance with statutory / government authorities	450.89	149.32	307.41	296.73	282.64
	1,171.71	**577.58**	**831.80**	**627.97**	**630.21**

19 Equity share capital

	No. of shares	Amount
i) Authorised Share Capital		
At 1 April 2018	15,000,000	150.00
Increase during the year	-	-
At 31 March 2019	15,000,000	150.00
Increase during the year	5,000,000	50.00
At 31 March 2020	**20,000,000**	**200.00**
Increase during the period		
At 30 June 2020	**20,000,000**	**200.00**
At 1 April 2020	**20,000,000**	**200.00**
Increase during the year	-	-
At 31 March 2021	**20,000,000**	**200.00**
Increase during the period	304,500,000	3,045.00
At 30 June 2021	**324,500,000**	**3,245.00**

	No. of shares	Amount
a) Authorised Equity Share Capital (Equity shares of Rs. 10 each)		
At 1 April 2018	15,000,000	150.00
Increase during the year	-	-
At 31 March 2019	15,000,000	150.00
Increase during the year	4,500,000	45.00
At 31 March 2020	**19,500,000**	**195.00**
Increase during the period		
At 30 June 2020	**19,500,000**	**195.00**
At 1 April 2020	**19,500,000**	**195.00**
Increase during the year	-	-
At 31 March 2021	**19,500,000**	**195.00**
Increase during the period	255,000,000	2,550.00
At 30 June 2021	**274,500,000**	**2,745.00**

	No. of shares	Amount
b) Authorised Preference Share Capital (Preference shares of Rs. 10 each)		
At 1 April 2018	-	-
Increase during the year	-	-
At 31 March 2019	-	-
Increase during the year	500,000	5.00
At 31 March 2020	**500,000**	**5.00**
Increase during the period		
At 30 June 2020	**500,000**	**5.00**
At 1 April 2020	**500,000**	**5.00**
Increase during the year	-	-
At 31 March 2021	**500,000**	**5.00**
Increase during the period	49,500,000	4,950.00
At 30 June 2021	**50,000,000**	**4,955.00**

Note
i) Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10 per share (subsequent to the reporting date, each equity shares of face value of Rs. 10 was sub-divided into ten equity shares of face value of Re. 1 each, refer note 51c). Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval.

ii) Issued share capital
Issued equity capital

	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At 1 April 2018	13,555,681	135.56
Issue of equity share capital during the year	686,828	6.87
At 31 March 2019	14,242,509	142.43
Issue of equity share capital during the year	306,568	3.07
At 31 March 2020	**14,549,077**	**145.50**
Issue of equity share capital during the period	160,612	1.51
At 30 June 2020	**14,709,689**	**147.01**
At 1 April 2020	**14,549,077**	**145.50**
Issue of equity share capital during the year	508,160	5.08
At 31 March 2021	**15,057,237**	**150.58**
Issue of equity share capital during the period	418,473	4.18
At 30 June 2021	**15,475,710**	**154.76**

Subsequent to the period ended 30 June 2021, the Board of Directors and shareholders in their meeting dated 15 July 2021 and 16 July 2021 respectively approved sub-division of each equity shares of Rs. 10 into ten equity shares of face value of Re. 1 each, issue of two bonus shares for every one existing fully paid up equity share of face value of Re. 1 each.

iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 30 June 2021		As at 30 June 2020		As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Sanjay Nayar**	4,003,964	25.87%	4,003,964	26.59%	4,003,964	26.59%	4,003,964	27.52%	3,713,331	26.07%
Falguni Nayar**	3,464,859	22.39%	3,313,331	22.00%	3,313,331	22.00%	3,313,331	22.77%	4,003,964	28.11%
Indra Singh Banga/ Harindarpal Singh Banga	1,355,993	8.76%	1,355,993	9.01%	1,355,993	9.01%	1,355,993	9.32%	1,355,993	9.52%

**Include shares held through Family Trusts, which were held individually in preceding financial years i.e. as at 30 June 2020, 31 March 2020 and 31 March 2019.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

19 Equity share capital

Shareholding of promoters:

As on 30 June 2021:

Particulars	Promoters' Name	No. of shares at beginning of the period	% of total shares	No. of shares at end of period	% of total shares	% change during the period
Equity shares of Rs. 10 each fully paid	Sanjay Nayar (through Family Trust)	4,003,964	25.87%	4,003,964	25.87%	-
Equity shares of Rs. 10 each fully paid	Falguni Nayar (through Family Trust)	3,313,331	21.41%	3,464,859	22.39%	1.01%
Total		**7,317,295**	**47.28%**	**7,468,823**	**48.26%**	**1.01%**
0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares, fully paid	Falguni Nayar (through Family Trust)	143,500	32.88%	-	0.00%	(32.88%)
Total		**143,500**	**32.88%**	**-**	**0.00%**	(32.88%)

As on 30 June 2020:

Particulars	Promoters' Name	No. of shares at beginning of the period	% of total shares	No. of shares at end of period	% of total shares	% change during the period
Equity shares of Rs. 10 each fully paid	Sanjay Nayar (through Family Trust)	4,003,964	27.24%	4,003,964	27.24%	-
Equity shares of Rs. 10 each fully paid	Falguni Nayar (through Family Trust)	3,313,331	22.54%	3,313,331	22.54%	-
Total		**7,317,295**	**49.78%**	**7,317,295**	**49.78%**	**-**
0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares, partly paid	Falguni Nayar (through Family Trust)	100,000	36.36%	100,000	36.36%	-
Total		**100,000**	**36.36%**	**100,000**	**36.36%**	**-**

As on 31 March 2021:

Particulars	Promoters' Name	No. of shares at beginning of the year	% of total shares	No. of shares at end of year	% of total shares	% change during the year
Equity shares of Rs. 10 each fully paid	Sanjay Nayar (through Family Trust)	4,003,964	26.59%	4,003,964	26.59%	-
Equity shares of Rs. 10 each fully paid	Falguni Nayar (through Family Trust)	3,313,331	22.00%	3,313,331	22.00%	-
Total		**7,317,295**	**48.60%**	**7,317,295**	**48.60%**	-
0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares, partly paid	Falguni Nayar (through Family Trust)	100,000	22.91%	143,500	32.88%	15.82%
Total		**100,000**	**22.91%**	**143,500**	**32.88%**	**15.82%**

As on 31 March 2020:

Particulars	Promoters' Name	No. of shares at beginning of the year	% of total shares	No. of shares at end of year	% of total shares	% change during the year
Equity shares of Rs. 10 each fully paid	Sanjay Nayar	3,713,331	25.52%	-	0.00%	(26.07%)
Equity shares of Rs. 10 each fully paid	Falguni Nayar	4,003,964	27.52%	-	0.00%	(28.11%)
Equity shares of Rs. 10 each fully paid	Sanjay Nayar (through Family Trust)	-	0.00%	3,313,331	22.77%	28.11%
Equity shares of Rs. 10 each fully paid	Falguni Nayar (through Family Trust)	-	0.00%	4,003,964	27.52%	23.26%
Total		**7,717,295**	**53.04%**	**7,317,295**	**50.29%**	**(2.81%)**
0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares, partly paid	Falguni Nayar (through Family Trust)	-	0.00%	100,000	36.36%	36.36%
Total		**-**	**0.00%**	**100,000**	**36.36%**	**36.36%**

As on 31 March 2019:

Particulars	Promoters' Name	No. of shares at beginning of the year	% of total shares	No. of shares at end of year	% of total shares	% change during the year
Equity shares of Rs. 10 each fully paid	Sanjay Nayar	3,713,331	26.07%	3,713,331	26.07%	-
Equity shares of Rs. 10 each fully paid	Falguni Nayar	4,003,964	28.11%	4,003,964	28.11%	-
Total		**7,717,295**	**54.18%**	**7,717,295**	**54.18%**	-

iv) Shares reserved for issue under option

The Company has reserved issuance of 110,00,000 (31 March 2021: 11,00,000, 30 June 2020: 11,00,000, 31 March 2020: 11,00,000, 31 March 2019: 11,00,000) Equity Shares of Rs. 10 each for offering to Eligible Employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the three months ended 30 June 2021, the Company has granted 14,900 options (31 March 2021: 84,700 options, 30 June 2020: 3,500 options, 31 March 2020: 37,650 options, 31 March 2019: 73,125 options) at a price of Rs. 10,766.75 (31 March 2021: Rs. 6,059.56, 30 June 2020: Rs. 6,059.56, 31 March 2020: Rs. 3,862.21, 31 March 2019: Rs. 2,213) per option. Cumulative number of equity shares granted under Employee Stock Option Scheme (ESOS) as at 30 June 2021 is 8,82,475 (31 March 2021: 8,67,575, 30 June 2020: 7,86,375, 31 March 2020: 7,82,875, 31 March 2019: 7,45,225).

v) Neither bonus shares issued nor shares issued for consideration other than cash during the period of five years immediately preceding the reporting date. Refer Note 51 for issue of bonus shares subsequent to reporting date.

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Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

20 Other equity

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
a. Instruments classified as Equity:					
0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares ("OCRPS") of Rs. 10 each, fully paid up					
Opening balance*	3.27	2.06	2.06	-	-
Add: Call money @ Rs. 2.50 per share on 4,00,500 shares	1.00	-	-	-	-
Add: Issue of preference share capital during the period/year @ Rs. 10.00 per share	0.14	-	1.21	2.06	-
Less: Conversion of preference share capital during the period	(4.15)	-	-	-	-
Closing balance	**0.27**	**2.06**	**3.27**	**2.06**	**-**

* partly paid up @ Rs 7.50 per share each

Terms/ rights attached to Optionally Convertible Redeemable Preference Shares:
36,000 Nos (31 March 2021: 4,36,500, 30 June 2020: 2,75,000, 31 March 2020: 2,75,000, 31 March 2019: Nil) 0.001% p.a. non-cumulative OCRPS of Rs. 10 (fully paid up) aggregating Rs 0.27 million (Rs. 7.50 each (partly paid up) as at 31 March 2021: Rs. 3.27 million, 30 June 2020: Rs. 2.06 million, 31 March 2020: Rs. 2.06 million, 31 March 2019: Rs. Nil) towards face value have a tenure of 5 (five) years from the date of allotment and as per terms attached 1 Fully Paid up OCRPS shall be converted into 1 Equity share of the face value Rs. 10 each at the end of the tenure. The Company has availed the option to convert fully paid up OCRPS and accordingly 4,05,000 OCRPS were converted into equity shares as on 30 June 2021 at the issue price as per conditions given in the letter of offer and balance 36,000 were converted into equity shares subsequent to reporting date, i.e. on 15 July 2021 (subsequent to above conversion, each equity shares of face value of Rs. 10 was sub-divided into ten equity shares of face value of Re. 1 each, refer note 51c).

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
b. Securities premium					
Opening balance	5,623.52	4,529.20	4,529.20	3,469.38	1,789.00
Add: Additions during the period/ year	2,053.42	865.02	1,035.68	1,052.21	1,703.02
Add: Transferred from share options outstanding account on exercise of vested options	1.71	2.37	71.76	27.88	0.15
Less: Transaction cost on issue of shares	(27.48)	(12.60)	(13.12)	(20.27)	(22.79)
Closing balance	**7,651.17**	**5,383.99**	**5,623.52**	**4,529.20**	**3,469.38**
c. Retained earnings					
Opening balance	(948.78)	(1,568.57)	(1,568.57)	(1,402.58)	(1,157.40)
Add: Restated profit / (loss) during the period/ year	34.15	(541.45)	618.48	(166.09)	(245.18)
Less: Options lapsed/ forfeited during the period/ year	-	0.42	1.31	0.10	-
Closing balance	**(914.63)**	**(2,109.60)**	**(948.78)**	**(1,568.57)**	**(1,402.58)**
d. Share application money pending allotment					
Opening balance	-	0.23	0.23	-	347.51
Add: Additions during the period/ year	6.21	-	-	0.23	-
Less: Shares allotted during the period/ year	-	(0.04)	(0.23)	-	(347.51)
Closing balance	**6.21**	**0.19**	**-**	**0.23**	**-**
e. Share Options Outstanding Account					
Opening balance	89.35	109.82	109.82	94.19	52.24
Add: Additions during the period/ year	19.93	7.72	52.60	43.61	42.10
Less: Options exercised during the period/ year	(1.71)	(2.37)	(71.76)	(27.88)	(0.15)
Less: Options lapsed/ forfeited during the period/ year	-	(0.42)	(1.31)	(0.10)	-
Closing balance	**107.57**	**114.75**	**89.35**	**109.82**	**94.19**
f. Other Comprehensive Income					
Opening balance	(18.55)	3.25	3.25	2.16	(0.35)
Add: Change during the period/year	2.10	(1.59)	(21.80)	1.09	2.51
Closing balance	**(16.45)**	**1.66**	**(18.55)**	**3.25**	**2.16**

Nature and purpose of reserves

Securities premium
Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to "Securities Premium ".

The securities premium can be utilised only in accordance with section 52 of the Companies Act 2013.

Retained earnings:
Retained earnings are the profits/(losses) that the Group has earned/incurred till date, less any dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

Share application money pending allotment
This represents the share application money received for which shares are allotted during the respective financial period/year.

Share Options Outstanding Account
The fair value of the equity-settled share based payment transactions with employees is recognized in Statement of Profit and Loss with corresponding credit to Share Options Outstanding Account.

Other Comprehensive Income
Items of other comprehensive income consist of fair value changes on FVTOCI financial assets and re-measurement of net defined benefit liability.

21 Borrowings (non-current)

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Secured - carried at amortised cost)					
Term Loan from bank - vehicle	-	2.04	-	1.50	1.28
Term Loan from bank	16.60	16.60	16.60	-	-
	16.60	**18.64**	**16.60**	**1.50**	**1.28**

Term loan from bank - vehicle is secured against first charge on vehicle and is payable in 59 monthly installments & carrying interest rate of 8.24 % p.a.

Term loan from bank is secured against second charge on all current assets, moveable property, plant and equipment both present and future.
The tenure of the term loan is 48 months i.e. from 15 November 2020 to 15 October 2024 (including 12 months moratorium period and rate of interest 8% p.a.)

22 Borrowings (current)

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Secured - carried at amortised cost)					
Working capital loan from Banks (refer 22.1 to 22.4 below)	2,664.74	1,959.65	1,858.05	2,473.55	2,254.33
Bank overdraft	-	-	-	-	0.03
(Unsecured- carried at amortised cost)					
Loan from Shareholders (refer 22.5 below)	-	-	-	199.71	-
Loan from NBFC (refer 22.6 below)	-	-	-	-	0.12
Current maturities of long-term borrowings	-	-	-	0.73	0.67
	2,664.74	**1,959.65**	**1,858.05**	**2,673.99**	**2,255.15**

Note

22.1 Working Capital/Cash Credit Facilities from Bank is secured by hypothecation of book debts, current assets and movable Property, plant and equipment both present and future.

22.2 Loan is payable on demand. Interest payable on working capital loan is MCLR adjusted with the risk spread mutually agreed between the parties.

22.3 Bank loan contain certain financial covenants & the Group has satisfied all covenants as per the terms of bank loan.

22.4 At 30 June 2021, the Group had available Rs. 1,475.31 million (30 June 2020: Rs. 1,597.08 million, 31 March 2021: Rs. 1,851.55 million, 31 March 2020: Rs. 926.45 million, 31 March 2019: Rs. 113.90 million) of undrawn committed borrowing facilities.

22.5 Loan from shareholder as at 31 March 2020 is unsecured working capital loan with a duration of 90 days carrying interest rate of 11.25% p.a. which has been subsequently repaid during the period ended 30 June 2020.

22.6 Loan from NBFC as at 31 March 2019, is secured by hypothecation of stock and assets with a duration of 36 months carrying interest rate of 21.86% p.a. which has been subsequently repaid during the year ended 31 March 2020.

22.7 The Group has not used the borrowings from banks and financial institutions for the specific purpose other than for which it was taken.

22.8 Following are the discrepancies between books of accounts and quarterly statements submitted to banks, where borrowings have been availed based on security of current assets:

Quarter	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of Difference	Reason for material discrepancies
FSN E-Commerce Ventures Limited						
Jun-20	Kotak Bank, HDFC Bank, RBL Bank	Inventory	386.24	398.65	(12.42)	Amount as per books includes total inventory balance as per trial balance. Amount reported in the quarterly return include inventory greater than 9 months. Detailed backup information for difference is not readily retrievable as on date. The difference is primarily on account of closing GST input credit included in amount reported in quarterly return.
		Trade receivables	285.51	263.49	22.02	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days. Detailed backup information for difference is not readily retrievable as on date.
Sep-20	Kotak Bank, HDFC Bank, RBL Bank	Inventory	328.95	354.56	(25.61)	Amount as per books includes total inventory balance as per trial balance. The difference is primarily on account of closing GST input credit included in amount reported in quarterly return. Amount reported in the quarterly return include inventory greater than 9 months. Detailed backup information for difference is not readily retrievable as on date.
		Trade receivables	229.85	199.68	30.16	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days. Detailed backup information for difference is not readily retrievable as on date.
Dec-20	Kotak Bank, HDFC Bank, RBL Bank	Inventory	242.77	288.59	(45.82)	Amount as per books includes total inventory balance as per trial balance. The difference is primarily on account of closing GST input credit included in amount reported in quarterly return. Amount reported in the quarterly return include inventory greater than 9 months. Detailed backup information for difference is not readily retrievable as on date.
Mar-21	Kotak Bank, HDFC Bank, RBL Bank	Trade Receivables and Advance to supplier	703.20	648.17	220.20	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days.
Jun-21	Kotak Bank, HDFC Bank, CITI Bank, Axis Bank	Inventory	351.42	373.83	(22.40)	Amount as per books includes total inventory balance as per trial balance. Amount reported in the quarterly return include inventory greater than 9 months. Detailed backup information for difference is not readily retrievable. The difference is primarily on account of closing GST input credit included in amount reported in quarterly return.
		Trade Receivables and Advance to supplier	463.45	416.60	46.85	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days. Detailed reconciliation for difference is not readily retrievable as on date.

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(All amounts in Rs. million, unless otherwise stated)

Quarter	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of Difference	Reason for material discrepancies
Nykaa E-Retail Private Limited						
Jun-20	Kotak Bank, ICICI Bank, RBL Bank, HDFC Bank, IDFC Bank, Axis Bank	Inventory	2,275.44	2,628.78	(353.35)	Amount as per books represents total inventory balance as per trial balance. The difference is primarily on account of Goods in transit included and provision for inventory not considered in the quarterly return. The amount reported in the quarterly return includes inventory greater than 9 months. Detailed backup information for difference is not readily retrievable as on date.
		Trade receivable and others*	1,323.65	837.89	485.76	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days. The difference is primarily on account of Unbilled receivable and Receivable from COD/Prepaid not considered in the quarterly return. Detailed backup information for the difference is not readily retrievable as on date.
		Trade Payables and advance from customer	1,507.36	1,330.70	176.66	Amount as per books includes total creditor balance for inventory purchases as per trial balance. The difference primarly on account of debit balances in vendors' account. Backup information for difference is not readily retrievable as on date.
Sep-20	Kotak Bank, ICICI Bank, RBL Bank, HDFC Bank, IDFC Bank, Axis Bank	Inventory	2,914.36	2,914.36	(0.00)	Amount as per books includes total inventory balance as per trial balance. Amount reported in the quarterly return includes inventory greater than 9 months as detailed backup information for inventory aged greater than 9 months is not readily retrievable as on date.
		Trade receivable and others*	1,470.24	1,370.04	100.20	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days. Detailed backup information for difference is not readily retrievable as on date.
		Trade Payables and advance from customer	2,392.83	2,327.74	65.09	Amount as per books includes total creditor balance for inventory purchases as per trial balance. Detailed backup information for difference is not readily retrievable as on date.
Dec-20	Kotak Bank, ICICI Bank, RBL Bank, HDFC Bank, IDFC Bank, Axis Bank	Inventory	2,713.62	2,844.24	(130.62)	Amount as per books includes total inventory balance as per trial balance. Amount reported in the quarterly return include inventory greater than 9 months as detailed reconciliation for difference is not readily retrievable as on date.
		Trade receivable and others*	1,193.20	1,126.08	67.12	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days. Detailed backup information for difference is not readily retrievable as on date.
		Trade Payables and advance from customer	2,085.50	1,867.79	217.71	Amount as per books includes total creditor balance as per trial balance. Difference is due primarily to material received but invoice not booked (GRIR) for which detailed backup information is not readily retrievable as on date.
Mar-21	Kotak Bank, ICICI Bank, RBL Bank, HDFC Bank, IDFC Bank, Axis Bank	Inventory	3,552.48	3,552.48	-	Amount as per books includes total inventory balance as per trial balance. Amount reported in the quarterly return includes inventory greater than 9 months.
		Trade receivable and others*	1,315.06	1,315.08	(0.01)	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days.
Jun-21	Kotak Bank, ICICI Bank, HDFC Bank, IDFC Bank, Axis Bank	Inventory	4,170.83	4,289.47	(118.64)	Amount as per books includes total inventory balance as per trial balance. The difference is primarily on account of closing GST input credit included in amount reported in quarterly return. Also amount reported in the quarterly return include inventory greater than 9 months.
		Trade receivable and others*	1,626.69	1,290.56	336.13	Difference is due to unbilled receivable and receivable from COD / Prepaid which are not considered in the quarterly return.

*Others includes advance to supplier, unbilled receivable and receivable from COD/Prepaid.

Note: For FY 2019-20 and 2018-19, the Group has submitted quarterly information regarding inventory, receivables and creditors basis various operational reports (such as warehouse stock report), since Group was not required to close books of accounts on quarterly basis. The management has verified the reconciliation of books of accounts with submissions to banks for above line items on an annual basis and found no material variations.

23 Long-term provisions

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Provisions for Employee Benefits					
Provision for Gratuity (refer note 39)	72.23	52.39	73.45	52.61	24.46
	72.23	**52.39**	**73.45**	**52.61**	**24.46**

24 Trade payables

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Unsecured - carried at amortised cost)					
Total outstanding dues of micro and small enterprises	96.34	19.53	90.75	104.60	12.77
Total outstanding dues of creditors other than micro and small enterprises	3,009.53	1,930.22	3,071.37	3,028.05	1,804.89
	3,105.87	**1,949.75**	**3,162.12**	**3,132.65**	**1,817.66**

24 Trade payables

24.1 For details of trade payable with related parties refer note 40 on related party disclosures.

24.2 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The identification of Micro, Small and Medium Enterprises is based on the Management's knowledge of their status. Disclosure is based on the information available with the Group regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'.

		As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1.18	0.36	4.47	-	-
b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-	-	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.24	0.02	0.19	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-	-	-
		1.42	**0.38**	**4.66**	**-**	**-**

Trade payables ageing schedule:

Trade payables as at 30 June 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro, small and medium enterprises ('MSME')	76.80	19.34	0.20	0.00	0.00	96.34
(ii) Others	2,258.25	726.67	21.91	1.91	0.79	3,009.53
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**2,335.05**	**746.01**	**22.11**	**1.91**	**0.79**	**3,105.87**

Trade payables as at 30 June 2020

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro, small and medium enterprises ('MSME')	0.01	19.52	0.00	-	-	19.53
(ii) Others	108.51	1,790.10	30.38	0.78	0.45	1,930.22
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**108.51**	**1,809.61**	**30.38**	**0.78**	**0.45**	**1,949.75**

Trade payables as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro, small and medium enterprises ('MSME')	59.48	31.21	0.06	0.00	0.00	90.75
(ii) Others	1,671.75	1,371.52	18.29	9.67	0.14	3,071.37
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**1,731.23**	**1,402.73**	**18.35**	**9.67**	**0.14**	**3,162.12**

Trade payables as at 31 March 2020

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro, small and medium enterprises ('MSME')	0.59	104.01	0.00	0.00	-	104.60
(ii) Others	194.80	2,817.29	15.28	0.37	0.31	3,028.05
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**195.39**	**2,921.30**	**15.28**	**0.37**	**0.31**	**3,132.65**

Trade payables

Trade payables as at 31 March 2019

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro, small and medium enterprises ('MSME')	1.01	11.76	-	-	-	12.77
(ii) Others	136.24	1,666.71	1.59	0.35	0.00	1,804.89
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**137.25**	**1,678.47**	**1.59**	**0.35**	**0.00**	**1,817.66**

25 Other financial liabilities (current)

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(Unsecured - carried at amortised cost)					
Employee related liabilities	72.91	152.34	53.21	140.45	96.82
Accrued expenses	991.83	561.79	594.58	214.35	136.02
Creditors for capital goods	82.91	58.12	21.18	85.63	36.41
Payable to market-place vendors	140.35	83.93	171.79	23.61	-
Interest accrued but not due	7.47	41.19	6.53	5.76	0.95
Payable towards purchase of business towards slump sale (refer note 48)	-	-	2.85	-	4.57
Total other financial liabilities at amortised cost	**1,295.47**	**897.37**	**850.14**	**469.80**	**274.77**

(For details of Employee related liabilities with related parties refer note 40 on related party disclosures).

25A Movement in Interest accrued but not due and Finance charge:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	6.53	5.76	5.76	0.95	-
Interest and Finance charge accrued during the period/ year	59.50	65.53	177.32	302.51	198.05
Payment of interest and Finance charge during the period/ year	(58.56)	(30.10)	(176.55)	(297.70)	(197.10)
Closing balance	**7.47**	**41.19**	**6.53**	**5.76**	**0.95**

26 Short-term provisions

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Provisions for Employee Benefits					
Provision for Gratuity (refer note 39)	6.02	9.22	17.42	0.67	0.37
Leave compensated absences (refer note 39)	109.52	41.98	91.05	-	-
Total	**115.54**	**51.20**	**108.47**	**0.67**	**0.37**

27 Contract liabilities

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Advance from customers	131.92	95.34	112.20	98.93	63.91
Deferred revenue (Provision for Reward points)	63.45	47.77	56.95	49.77	38.00
	195.37	**143.11**	**169.15**	**148.70**	**101.91**

Movement in provision for reward points:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance	56.95	49.77	49.77	38.00	23.98
Provision made during the period/ year	86.72	21.70	212.44	187.04	146.90
Provision utilised during the period/ year	(80.22)	(23.70)	(205.26)	(175.27)	(132.88)
Closing balance	**63.45**	**47.77**	**56.95**	**49.77**	**38.00**

28 Other current liabilities

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	124.84	43.72	175.17	83.32	122.46
Total	**124.84**	**43.72**	**175.17**	**83.32**	**122.46**

29 Revenue from operations

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Sale of products	6,916.38	2,726.73	21,809.06	15,838.25	9,739.11
B. Sale of services					
Marketing support revenue	840.30	124.90	1,950.12	1,682.35	1,230.95
Income from marketplace services	365.25	31.22	552.87	132.74	129.60
C. Other Operating Revenue					
Logistics services income (shipping and delivery charges)	42.39	3.54	87.44	19.91	13.78
Income from Pickup Mile	-	-	-	-	-
Gift card expiration	5.59	-	9.47	2.08	0.50
	8,169.91	**2,886.39**	**24,408.96**	**17,675.33**	**11,113.94**
Revenue by geographical market					
Within India	8,169.91	2,886.39	24,401.46	17,648.47	11,113.94
Outside India	-	-	7.49	26.86	-
	8,169.91	**2,886.39**	**24,408.95**	**17,675.33**	**11,113.94**

A Disaggregation of revenue from contracts with customers

The Group derives its major revenue from sale of products on its own platform, which is a single line of business.
The Group also earns revenue from sale of services primarily from advertisement services (marketing support) to its suppliers which is related to sale of product business and the revenue of the Group is recognised at point in time.
The Group further earns revenue from marketplace services by providing its platform to various marketplace vendors to sell their products.

B Contract Balances

Particulars	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade Receivables (refer note 14)	756.57	637.46	766.35	984.32	579.24
Contract Liabilities (refer note 27)	195.37	143.11	169.15	148.70	101.91
Contract Price	8,143.69	2,891.98	24,388.51	17,628.54	11,134.96
Revenue recognized in the period from:					
Revenue recognized in the current year from contract liability:					
Advance from Customers	112.20	98.93	98.93	63.91	98.95
Reward Points	56.95	49.77	49.77	38.00	23.98
Revenue deferred in the current year towards unsatisfied performance obligation:					
Advance from Customers	(131.92)	(95.34)	(112.20)	(98.93)	(63.91)
Reward Points	(63.45)	(47.77)	(56.95)	(49.77)	(38.00)
Revenue from operations for the period/year ended	**8,169.91**	**2,886.39**	**24,408.96**	**17,675.33**	**11,113.94**

Refer accounting policy 2C(i) for satisfaction of performance obligation and when the revenue is recognised

30 Other income

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Income on:					
Security deposit	5.56	4.97	20.11	15.97	7.42
Bank deposit	23.94	16.20	82.81	2.90	0.86
Miscellaneous income	12.77	0.86	3.58	6.88	3.25
	42.27	22.03	106.50	25.75	11.53
Net gain on financial assets carried at fair value through profit and loss					
Realised gain	-	-	-	75.99	18.87
Unrealised gain	-	-	-	-	15.28
	-	-	-	75.99	34.15
Foreign exchange gain (net)	4.96	2.04	10.91	-	-
Liabilities written back	-	-	-	1.43	4.20
	47.23	**24.07**	**117.41**	**103.17**	**49.88**

31A Cost of material consumed

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening Stock	206.56	174.46	174.46	9.21	-
Add: Purchase	228.57	7.49	414.51	338.68	11.62
Less: Closing Stock	205.76	146.87	206.56	174.46	9.21
Cost of material consumed	**229.37**	**35.08**	**382.41**	**173.43**	**2.41**

31B Purchase of traded goods

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchases of traded goods	5,509.42	1,042.55	14,956.06	11,787.46	7,852.43
	5,509.42	**1,042.55**	**14,956.06**	**11,787.46**	**7,852.43**

32 Changes in finished goods and stock-in-trade

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Finished goods					
Opening balance	237.10	29.21	29.21	4.43	-
Closing balance	286.90	30.23	237.10	29.21	4.43
	(49.80)	**(1.02)**	**(207.89)**	**(24.78)**	**(4.43)**
Stock in trade					
Opening balance	4,464.95	4,212.62	4,212.62	2,418.56	1,170.92
Closing balance	5,300.62	3,136.15	4,464.95	4,212.62	2,418.56
	(835.67)	**1,076.47**	**(252.33)**	**(1,794.06)**	**(1,247.64)**
	(885.47)	**1,075.45**	**(460.22)**	**(1,818.84)**	**(1,252.07)**

33 Employee benefits expense

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, Wages and Bonus	823.01	488.60	2,582.06	1,822.27	1,074.50
Contribution to provident fund (refer note 39)	13.16	10.20	43.57	36.32	20.61
Gratuity expenses (refer note 39)	4.52	7.75	38.02	25.45	12.36
Compensated absences expenses	22.80	43.13	102.81	-	-
Share based payment expenses (refer note 46)	20.04	7.72	52.60	43.61	42.10
Staff welfare expenses	1.14	1.34	17.41	28.48	23.39
	884.67	**558.74**	**2,836.47**	**1,956.13**	**1,172.96**

34 Finance costs

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses on borrowings	54.74	63.74	162.42	293.04	189.13
Interest expenses on lease liabilities (refer note 38)*	30.64	21.61	129.69	140.43	65.38
Other finance charge	4.76	1.85	14.90	9.46	8.91
	90.14	**87.20**	**307.01**	**442.93**	**263.42**

* Interest expenses on lease liabilities include impact of rent waiver of 30 June 2021: Rs. 10.25 million (31 March 2021: Rs. 31.24 million, 30 June 2020: Rs. 19.42 million, 31 March 2020: Nil, 31 March 2019: Nil) received during the period/year.

35 Depreciation and amortisation expense

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of Property, plant and equipment (refer note 4)	53.02	40.57	186.12	134.52	61.44
Depreciation of Right-of-use assets (refer note 5)*	112.18	87.54	408.36	382.77	193.83
Amortisation of Intangible assets (refer note 6)	29.77	17.60	76.80	77.80	53.49
	194.97	**145.71**	**671.28**	**595.09**	**308.76**

* Depreciation on ROU assets include impact of rent waiver of 30 June 2021: Rs. 18.31 million (31 March 2021: Rs. 80.39 million, 30 June 2020: Rs. 29.39 million, 31 March 2020: Nil, 31 March 2019: Nil) received during the period/year.

36 Other expenses

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Marketing & advertisement expense	907.44	71.60	1,694.80	2,022.03	1,428.27
Freight expenses	699.44	192.77	1,580.08	1,314.15	826.04
Consumption of packing materials	179.54	54.57	438.73	345.74	198.23
Web & technology expenses	131.84	73.36	401.16	345.57	274.67
Payment gateway charges	55.44	32.92	157.97	69.99	50.05
Legal and professional fees	30.74	10.20	83.15	40.84	33.60
Rent and maintenance expenses	17.26	53.33	83.13	65.73	23.63
Rates & taxes	12.75	12.98	77.19	53.91	18.87
Selling expenses	21.35	17.09	65.64	73.55	44.49
Allowance for expected credit loss	1.78	23.73	66.67	0.35	0.67
Beauty advisor Fees	9.39	13.68	58.85	59.51	12.89
Travelling & conveyance expenses	2.62	0.37	33.54	67.88	59.09
Bank charges	2.42	5.54	15.91	19.46	3.47
Communication expenses	7.25	7.10	23.71	20.64	13.00
Electricity charges	11.91	10.18	44.02	46.16	20.85
Repairs & maintenance - others	2.46	2.54	24.14	16.18	8.01
Printing and stationery expenses	7.71	2.29	27.11	31.83	22.92
Recruitment expenses	12.18	8.73	32.45	35.43	18.25
Security expenses	13.56	11.71	33.28	35.11	12.04
Insurance expenses	9.56	9.53	34.13	11.01	3.91
Office expenses	-	-	28.31	39.90	11.78
Royalty	5.82	0.29	23.01	-	-
Director sitting fees and commission (refere note 40)	4.31	0.08	3.52	0.16	-
Payment to auditors*:					
- Audit fees	0.10	3.95	7.86	2.34	1.71
- Taxation matters	0.00	0.00	2.27	2.11	0.52
- Other matters	-	-	-	-	0.23
Foreign exchange loss (net)			-	1.78	3.88
Expenditure towards Corporate Social Responsibility (CSR) activities	7.50	-	2.28	0.54	-
Miscellaneous expenses	8.18	9.47	37.07	44.70	42.04
	2,162.55	**628.01**	**5,079.98**	**4,766.60**	**3,133.11**

* Audit fees for the three months ended 30 June 21 and 30 June 2020 of Rs.3.5 million and Rs. 2.5 million respectively has not been recognised as it pertains to IPO expenses which will be recovered from the selling shareholders/ adjusted from securities premium.

Annexure VII

Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

37 Earnings per share (EPS)

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Basic and diluted EPS					
Restated profit/(loss) after tax as per restated statement of profit and loss (A)	34.15	(541.45)	618.48	(166.09)	(245.18)
Calculation of weighted average number of equity shares of Re. 1 each:					
Total number of shares outstanding during the period/ year	15,475,710	14,699,689	15,057,237	14,549,077	14,242,509
Weighted average number of equity shares outstanding during the period/year	15,063,440	14,645,048	14,845,678	14,275,261	13,853,497
Weighted average number of equity shares outstanding during the period/year after split of shares into Re. 1 each (B) (refer note 51)	150,634,396	146,450,481	148,456,783	142,752,605	138,534,970
Bonus shares issued subsequent to 30 June 2021 (C) (refer note 51)	301,268,792	292,900,962	296,913,565	285,505,211	277,069,940
Number of equity shares outstanding during the year/period (D=B+C)	**451,903,188**	**439,351,442**	**445,370,348**	**428,257,816**	**415,604,910**
Add: Dilution impact of employee stock options and Optionally Convertible Redeemable Preference Shares (E)	16,612,673	18,695,172	17,661,667	23,522,580	8,439,270
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share (F)	**468,515,862**	**458,046,614**	**463,032,016**	**451,780,396**	**424,044,180**
Basic earnings per share (G=A/D) (In Rs.) (Not Annualised for period ended 30 June 2021 and 30 June 2020)	0.08	(1.23)	1.39	(0.39)	(0.59)
Diluted earnings per share (H=A/F) (In Rs.) * (Not Annualised for period ended 30 June 2021 and 30 June 2020)	0.07	(1.23)	1.34	(0.39)	(0.59)

* Since there is a loss for the three months ended 30 June 2020, year ended 31 March 2020 and year ended 31 March 2019, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

38 Leases

The Group as lessee

The Group has lease contracts for premises obtained for stores, offices, warehouse etc. Leases of premises generally have lease terms between 2 to 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.
(Refer note 5 for carrying value of right of use assets).

Leases for which the lease term ends within 12 months of the date of initial application are accounted in the same way as short term leases.

Set out below are the carrying value of lease liabilities and the movement during the period/year:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening as on 1 April	**1,452.06**	**1,450.02**	**1,450.02**	**848.24**	**288.26**
Add: Addition	282.05	16.32	416.66	932.74	706.07
Add: Accretion of interest	42.67	40.27	160.95	140.43	65.38
Less: Deletion due to closure	12.77	4.10	34.75	-	-
Less: Rent waiver	26.87	47.63	111.63	-	-
Less: Payments	123.29	88.07	429.19	471.39	211.47
Closing balance	**1,613.85**	**1,366.81**	**1,452.06**	**1,450.02**	**848.24**
Current	447.87	390.39	378.16	147.44	84.63
Non-current	1,165.98	976.42	1,073.90	1,302.58	763.61
	1,613.85	**1,366.81**	**1,452.06**	**1,450.02**	**848.24**

The maturity analysis of lease liability is disclosed in note 46.

The effective interest rate for lease liabilities is 9.40% - 9.50% as on 30 June 2021 (9.40% - 9.50% as on 31 March 2021, 9.40% - 9.50% as on 30 June 2020, 10.50% - 11.50% as on 31 March 2020 & 31 March 2019).

The following amount are recognised in the restated profit and loss:

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation expenses of right of use assets	112.18	87.54	408.36	382.77	193.83
Interest expenses on lease liabilities	30.64	21.61	129.69	140.43	65.38
Expenses relating to short term leases	0.98	-	4.42	0.89	9.56
Variable lease payments	22.42	-	66.07	64.84	14.07
	166.22	**109.15**	**608.54**	**588.93**	**282.84**

The Group had total cash outflow for leases for the three months ended 30 June 2021: Rs 117.42 million (31 March 2021: Rs. 433.61 million, 30 June 2020: Rs. 97.75 million, 31 March 2020: Rs. 472.28 million, 31 March 2019: Rs. 221.03 million)

39 Defined Benefit Plan and Other Long Term Employee Benefit Plan:

I) Defined Contribution Plan

During the three months ended 30 June 2021, the Group has made contribution to provident fund stated under defined contribution plan amounting to Rs. 13.16 million (31 March 2021: Rs. 43.57 million, 30 June 2020: Rs. 10.20 million, 31 March 2020: Rs. 36.32 million, 31 March 2019: Rs. 20.61 million) and the same has been recognized as an expense in the statement of restated profit and loss.

II) Defined Benefit Plans

The Group operates a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

The Group has provided for gratuity based on actuarial valuation done as per projected unit credit method.

A. The following tables set out the funded status of the gratuity plans and the amounts recognised in the Group's financial statements as at 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019:

i. Amount to be recognised in restated balance sheet

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	78.23	61.62	90.86	53.29	24.84
Less: Fair value of plan assets	-	-	-	-	-
Funded status – deficit	78.23	61.62	90.86	53.29	24.84
Net liability recognised in balance sheet	78.23	61.62	90.86	53.29	24.84

ii. Changes in the present value of defined benefit obligation

Particulars	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	**90.86**	**53.29**	**53.29**	**24.84**	12.61
Current service cost	8.45	6.88	34.55	23.53	11.39
Interest cost	1.28	0.87	3.46	1.92	0.98
Past service cost	(5.22)	-	-	-	-
Actuarial Losses in obligation for period ended due to changes in demographic/financial assumptions	1.34	1.82	5.76	5.64	-
Actuarial Gains in obligation for period ended due to changes in Experience adjustments	(17.07)	-	(1.35)	(2.64)	(0.14)
Benefit paid	(1.42)	(1.24)	(4.85)	-	-
Closing defined benefit obligations	**78.23**	**61.62**	**90.86**	**53.29**	**24.84**

iii. Net defined benefit liability / (asset) reconciliation

Particulars	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening net defined benefit liability	90.86	53.29	53.29	24.84	12.61
Defined benefit cost included in Statement of profit and loss	3.35	7.75	38.01	25.45	12.37
Total re-measurements included in OCI	(15.72)	1.82	4.41	3.00	(0.14)
Employer contributions	1.17	-	-	-	-
Employer direct benefit payments	(1.42)	(1.24)	(4.85)	-	-
Closing net defined benefit liability	**78.23**	**61.62**	**90.86**	**53.29**	**24.84**

B Amount for the period/year ended 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019 recognised in the restated statement of profit and loss under employee benefit expenses and other comprehensive income

Particulars	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	8.45	6.88	34.55	23.53	11.39
Past service cost	(5.22)	-	-	-	-
Interest expenses	1.28	0.87	3.46	1.92	0.98
The total amount recognised in restated profit and loss account	**4.52**	**7.75**	**38.01**	**25.45**	**12.37**
Actuarial (gains)/losses in obligation for period ended due to changes in demographic/financial assumptions	1.34	0.71	5.76	5.64	-
Actuarial (gains)/losses in obligation for period ended due to changes in experience adjustments	(17.07)	1.11	(1.35)	(2.64)	(0.14)
The total amount recognised in other comprehensive income (OCI)	**(15.72)**	**1.82**	**4.41**	**3.00**	**(0.14)**

39 Defined Benefit Plan and Other Long Term Employee Benefit Plan:

C The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Discount rate:	6.00%	6.50%	6.25%	6.50%	6.50%
Future salary increases*	6.50%	6.50%	6.50%	6.50%	6.50%
Withdrawal rates	15.00%	15.00%	15.00%	15.00%	15.00%
IALM - Indian Assured Lives Mortality (Ultimate)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated terms of the obligations.

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

D The following payments are expected contributions to the defined benefit plan in future periods:

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Within the next 12 months (next annual reporting period)	6.02	4.08	4.53	2.70	-
Between 2 and 5 years	37.73	-	1.48	0.33	0.49
Between 5 and 10 years	34.02	5.36	39.75	6.77	0.09
Beyond 10 years	51.45	56.04	62.54	48.86	29.83
Total expected payments	**129.21**	**65.48**	**108.31**	**58.65**	**30.40**

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.18 - 7.45 years (31 March 2021: 5-8 years, 30 June 2020: 5-6 years, 31 March 2020: 7 years, 31 March 2019: 4 years).

E Sensitivity analysis
The sensitivity analysis of significant actuarial assumption as of end of reporting period is shown below.
Due to below mentioned changes in significant assumption, the outstanding balance of gratuity as at respective period ends will be as follows :-

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Discount rate (-/+ 1%)					
Decrease by 100 basis points	84.04	65.12	95.89	64.47	29.95
Increase by 100 basis points	73.10	58.47	86.23	44.46	20.79
Future salary increase (-/+ 1%)					
Decrease by 100 basis points	73.48	58.45	86.16	45.10	21.14
Increase by 100 basis points	83.44	65.08	95.81	63.52	29.45

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period and assuming there are no other changes in the market conditions.

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.
(A) Investment risk – As the Group does not have plan assets, it is not exposed to investment risk.

(B) Interest risk - A decrease in the discount rate will increase the plan liability.

(C) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(D) Salary risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

40 Related party transactions

A. Names of the related parties

Name of entity	Nature of relationship	% of Holding as at 30 June 2021	% of Holding as at 30 June 2020	% of Holding as at 31 March 2021	% of Holding as at 31 March 2020	% of Holding as at 31 March 2019
FSN Brands Marketing Private Limited	Subsidiary	100%	100%	100%	100%	100%
Nykaa E-Retail Private Limited	Subsidiary	100%	100%	100%	100%	100%
Nykaa-KK Beauty Private Limited	Subsidiary	51%	51%	51%	51%	51%
Nykaa Fashion Private Limited	Subsidiary	100%	100%	100%	100%	100%
FSN Distribution Private Limited (w.e.f. 30 July 2021)	Subsidiary	0%	0%	0%	0%	0%
FSN International Private Limited	Subsidiary	100%	100%	100%	100%	100%
Nykaa International UK Limited (w.e.f. 29 January 2021)	Subsidiary of FSN International Private limited	100%	-	100%	-	-
FSN Global FZE (w.e.f. 21 June 2020)	Subsidiary of FSN International Private limited	100%	100%	100%	-	-

- Directors and Key Management Personnel (KMP)

Mrs. Falguni Nayar	Executive Chairperson, Managing Director and CEO
Mr. Anchit Nayar	Director
Ms. Adwaita Nayar	Director
Mr. Sanjay Nayar	Director (w.e.f. 9 April 2021)
Ms. Anita Ramachandran	Director
Ms. Alpana Parida	Director
Ms. Shefali Munjal	Director (Upto 15 July 2021)
Ms. Padmini Somani	Director (Upto 15 July 2021)
Mr. Yogeshkumar Mahansaria	Director (Upto 30 July 2021)
Mr. Milan Khakhar	Director
Mr. William Sean Sovak	Director (Upto 15 July 2021)
Mr. Akshay Tanna	Director (Upto 15 July 2021)
Mr. Milind Sarwate	Director (w.e.f. 15 July 2021)
Mr. Pradeep Parameswaran	Director (w.e.f. 15 July 2021)
Mr. Seshashayee Sridhara	Director (w.e.f. 26 July 2021)
Mr. Vikram Sud	Director (Upto 9 April 2021)
Mr. Sachin Parikh	Chief Financial Officer (Upto 22 May 2020)
Mr. Arvind Agarwal	Chief Financial Officer (w.e.f. 1 June 2020)
Mr. Pratik Bhujade	Company Secretary (Upto 5 November 2020)
Mr. Rajendra Punde	Company Secretary (w.e.f. 5 November 2020)
Ms. Rashmi Mehta	Director in subsidiary company (Upto 17 May 2021)
Mr. Kingshuk Basu	Director in subsidiary company (w.e.f. 17 May 2021)
Mr. Tarun Pathria	Chief Financial Officer in subsidiary company (w.e.f. 31 August 2021)
Mr. Sanjay Dubey	Company Secretary in subsidiary company (w.e.f. 25 September 2021)
Mr. Pratik Bhujade	Company Secretary in subsidiary company (w.e.f. 25 September 2021)
Mr. Rishi Seth	Director in subsidiary company
Mr. Hemanshu Mehta	Director in subsidiary company (w.e.f. 17 May 2021)
Mr. Shreekant Sawant	Director in subsidiary company (w.e.f. 17 May 2021)
Mr. Pranab Barua	Director in subsidiary company (w.e.f. 22 May 2020)
Mr. Surendra Mehta	Director in subsidiary company (w.e.f. 17 May 2021)
Mr. Sanjay Suri	Director in subsidiary company (w.e.f. 7 June 2021)
Ms. Neha Salia	Company Secretary in subsidiary company (w.e.f. 17 May 2021)
Mr. Gopal Asthana	Director in subsidiary company (w.e.f. 17 May 2021)
Ms. Neha Kanoria	Director in subsidiary company (Upto 22 July 2021)
Ms. Reena Chhabra	Director in subsidiary company
Ms. Shalini Raghavan	Director in subsidiary company (w.e.f. 22 July 2021)
Mr. Jagdish Dargar	Director in subsidiary company (w.e.f. 17 May 2021)
Mr. Vikas Gupta	Director in subsidiary company (w.e.f. 30 July 2021)

-Companies in which key management personnel have significant influence

Sealink View Probuild Private Limited
Golf Land Developers Private Limited

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

40 Related party transactions

B. Transactions with Related parties
a) The following is the summary of transactions with related parties for the period/year ended 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
- Directors and Key Management Personnel#											
Mrs. Falguni Nayar	Remuneration	12.42	(0.63)	5.79	1.93	108.44	-	30.43	(1.17)	27.99	(0.87)
									-		-
Ms. Adwaita Nayar	Remuneration	4.68	-	2.24	0.75	16.97	(1.09)	11.10	(0.18)	9.10	(0.43)
							-		-		-
Mr. Anchit Nayar	Remuneration	4.68	-	5.74	1.37	18.60	(1.49)	7.48	(0.42)	3.58	(0.46)
									-		-
Mr. Sachin Parikh	Remuneration	-	-	0.90	-	1.83	-	13.83	(0.57)	12.05	(0.04)
	Share application money received pursuant to ESOP	-	-	-	-	-	-	(2.86)	-	(6.50)	-
	Issuance of OCRPS	-	-	-	-	-	-	(0.10)	-	-	-
	Share based payment expenses	-	-	-	-	-	-	1.37	-	4.49	-
Mr. Arvind Agarwal	Remuneration	3.96	-	1.25	1.25	19.58	-	-	-	-	-
	Call money @ Rs. 2.5 of OCRPS	0.02	-	-	-	-	-	-	-	-	-
	Securities premium of OCRPS	57.45	-	-	-	-	-	-	-	-	-
	Issuance of OCRPS	-	-	-	-	(0.10)	-	-	-	-	-
Mr. Kingshuk Basu	Remuneration	1.50	-	-	-	-	-	-	-	-	-
Mr. Gopal Asthana	Remuneration	2.70	-	-	-	-	-	-	-	-	-
Mr. Pratik Bhujade	Remuneration	-	-	0.25	0.08	1.11	-	0.93	(0.08)	0.76	(0.06)
Mr. Rajendra Punde	Remuneration	2.81	-	-	-	4.96	-	-	-	-	-
Mrs. Rashmi Mehta	Rent & maintenance expenses	0.69	(0.03)	0.70	-	2.42	(0.05)	2.43	(0.08)	2.02	(0.02)
	Security deposit - given	-	0.42	-	0.48	-	0.41	0.35	0.37	-	0.46
	Notional interest income on security deposit	(0.01)	-	(0.01)	-	(0.04)	-	(0.04)	-	(0.05)	-
	Lease liabilities	-	(3.36)	-	(5.62)	-	(3.96)	(7.09)	(6.13)	-	(1.03)
	Interest expenses on lease liabilities	0.10	-	0.16	-	0.54	-	0.38	-	0.21	-
Ms. Anita Ramachandran	Sitting fees	1.10	-	0.04	-	0.34	-	0.10	-	-	-
	Commission	0.40	-	-	-	1.00	-	-	-	-	-
Ms. Alpana Parida	Sitting fees	0.90	-	0.04	-	0.34	-	0.06	-	-	-
	Commission	0.40	-	-	-	0.50	-	-	-	-	-
						-					
Mr. Yogeshkumar Mahansaria	Sitting fees	1.10	-	-	-	0.34	-	-	-	-	-
	Commission	0.40	-	-	-	1.00	-	-	-	-	-
- Relative of Key Management Personnel (KMP)*											
Mr. Anchit Nayar (through family trust)	Issuance of OCRPS	0.03	-	-	-	(0.39)	-	(0.25)	-	-	-
	Call money @ Rs. 2.5 of OCRPS	0.16	-	-	-	-	-	-	-	-	-
	Securities premium of OCRPS	364.36	-	-	-	-	-	-	-	-	-
Ms. Adwaita Nayar (through family trust)	Issuance of OCRPS	0.03	-	-	-	(0.39)	-	(0.25)	-	-	-
	Call money @ Rs. 2.5 of OCRPS	0.16	-	-	-	-	-	-	-	-	-
	Securities premium of OCRPS	364.36	-	-	-	-	-	-	-	-	-
Mrs. Falguni Nayar (through family trust)	Issuance of OCRPS	0.08	-	-	-	(0.44)	-	(1.00)	-	-	-
	Call money @ Rs. 2.5 of OCRPS	0.36	-	-	-	-	-	-	-	-	-
	Securities premium of OCRPS	734.41	-	-	-	-	-	-	-	-	-
Mr. Sanjay Nayar	Loan taken	-	-	-	-	-	-	-	-	(100.00)	-
	Interest on loan	-	-	-	-	-	-	-	-	5.27	-
Company in which key management personnel have significant influence											
Sealink View Probuild Private Limited	Rent, maintenance, electricity & other expenses	8.62	-	8.62	-	29.37	-	27.81	(0.43)	24.92	(0.90)
	Notional interest income on security deposit	(0.13)	-	(0.13)	-	(0.53)	-	(0.51)	-	(0.45)	-
	Security deposit - given	-	5.61	-	5.15	-	5.48		5.01	-	4.51
	Interest expenses on lease liabilities	3.38	-	0.43	-	4.32	-	3.11		5.04	
	Lease liabilities	-	(139.66)	-	(12.40)	-	(144.90)	-	(18.35)	-	(38.67)
Golf Land Developers Private Limited	Rent & maintenance expenses	5.86	(0.00)	5.86	-	26.02	-	24.63	(0.05)	15.66	(0.14)
	Security deposit - given	-	10.52	-	9.37	-	10.22	-	9.10	7.41	8.10
	Notional interest income on security deposit	(0.30)	-	(0.27)	-	(1.12)	-	(1.00)	-	(0.69)	-
	Lease liabilities	-	(1.93)	-	(23.66)	-	(7.62)	-	(28.46)	(56.21)	(46.02)
	Interest expenses on lease liabilities	0.17	-	0.77	-	2.21	-	4.40	-	3.97	-

** For OCRPS, refer note 20.*

The Company has incurred IPO related expenses of Rs. 7.85 million till 30 June 2021 and a portion of this is recoverable from related party selling shareholders. The recoverable will be determined on the completion of IPO.

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The Group does not have any other transaction with key managerial person other than those disclosed above.

Remuneration paid does not include the provisions made for gratuity as it is determined on an actuarial basis for the Group as a whole. Similarly, expenses for compensated absences are not included in the above table as the same is also determined on an actuarial basis for the Group as a whole.

40 Related party transactions

b) The following are the details of the inter-company transactions and balances (eliminated on consolidation) as per Ind AS 24 read with ICDR Regulations during the period/year ended 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019

(As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations)

(i) FSN E-Commerce Ventures Limited

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
FSN Brands Marketing Private Limited	Loan given / (repaid) (net)	534.25	2,296.18	359.38	1,420.18	655.69	1,761.93	340.10	1,060.80	504.72	623.41
	Interest income	(27.78)	-	(18.71)	-	(99.36)	-	(62.39)	-	(27.01)	-
	Sales	(42.82)	17.65	(3.78)	195.89	(187.68)	306.43	(448.82)	170.11	(108.66)	-
	Purchases	-	-	-	-	9.09	-	-	-	-	-
	Discount expense	-	-	-	-						
	Sublease income	(4.58)	-	-	-	(4.99)	-	(0.80)	-	(1.88)	-
	Space on hire commercialization expenses	16.49	-	12.66	-	97.30	-	104.77	-	32.34	-
	Notional interest income- financial guarantee	(5.02)	-	(1.85)	-	(8.23)	-	(6.23)	-	(2.90)	-
	Notional interest income- loan	(20.05)	-	(7.65)	-	(45.44)	-	(78.79)	-	(30.26)	-
	Notional interest income- sublease	(1.73)	-	-	-	(1.85)	-	(0.02)	-	(1.80)	-
	Recovery (reimbursement) of Expenses	(4.62)	-	(2.05)	-	(14.95)	-	-	-	-	-
	Brand usage fees	(2.71)	-	(1.34)	-	(11.84)	-	-	-	-	-
	Share based payment expense reimbursement	(1.11)	-	(0.38)	-	(3.10)	-	(3.02)	-	(2.14)	-
	Investment in subsidiary	11.51	220.62	42.45	163.78	87.68	209.01	54.31	121.33	53.58	67.02
	Net investment- sublease	-	71.10	-	-	-	73.75	-	-	-	0.78
	Investment in equity shares	1,000.00	-	-	-	-	-	-	-	-	-
Nykaa E-Retail Private Limited	Loan given / (repaid) (net)	-	-	605.14	680.71	(77.36)	-	(16.15)	75.57	(255.21)	93.65
	Interest income	-	-	(5.86)	-	(10.55)	-	(0.10)	-	(24.86)	-
	Purchases	-	-	-	-	-	-	-	-	0.62	-
	Sales	(376.71)	272.93	(214.93)	(53.29)	(1,117.56)	161.05	(1,113.44)	(54.62)	(540.68)	5.89
	Discount expenses	-		-	-	-					
	Banner advertisement expense	43.36	-	32.41	-	193.67	-	158.11	-	78.31	-
	Recovery (reimbursement) of Expenses	(157.45)	-	(33.17)	-	(399.30)	-	(208.56)	-	(44.74)	-
	Sublease income	-	-	(6.39)	-	(18.10)	-	(5.02)	-	(9.01)	-
	Rent expenses	0.15	-	0.15	-	0.61	-	0.61	-	0.61	-
	Purchase of property, plant and equipment	-	-	-	-	-	-	0.24	-	-	-
	Sale of property, plant and equipment	-	-	-	-	(0.18)	-	-	-	-	-
	Interest expenses on lease liabilities	-	-	0.01	-	0.02	-	0.07	-	0.12	-
	Notional interest income- sublease	-	-	(0.43)	-	(0.81)	-	(3.27)	-	(6.18)	-
	Notional interest income- financial guarantee	(13.99)	-	(13.33)	-	(53.30)	-	(48.05)	-	(29.55)	-
	Notional interest income- loan	-	-	(0.61)	-	(5.56)	-	(5.61)	-	(10.41)	-
	Share based payment expense reimbursement	(7.04)	-	(6.75)	-	(35.60)	-	(24.96)	-	(23.44)	-
	Investment in subsidiary	7.04	300.44	16.15	220.65	88.90	293.40	85.89	204.50	67.74	118.61
	Brand usage fees	(71.18)	-	(28.56)	-	(212.95)	-	-	-	-	-
	Net investment- sublease	-	-	-	12.40	-	-	-	18.35	-	44.13
	Lease liabilities	-	-	-	(0.19)	-	(0.03)	-	(0.33)	-	(0.87)
Nykaa Fashion Private Limited	Loan given / (repaid) (net)	176.38	500.17	75.61	255.34	140.09	323.79	181.12	179.73	7.75	7.04
	Interest income	(5.85)	-	(3.45)	-	(17.21)	-	(6.99)	-	(0.06)	-
	Recovery (reimbursement) of Expenses	(12.92)	-	(2.07)	-	(26.44)	-	(3.05)	-	-	-
	Sales	(0.41)	29.37	(0.12)	6.47	(0.47)	-	(0.27)	-	-	-
	Notional interest income- loan	(0.68)	-	(0.83)	-	(3.97)	-	(5.14)	-	-	-
	Sublease income	(4.35)	-	-	-	(4.31)	-	-	-	-	-
	Notional interest income- sublease	(1.69)	-	-	-	(1.75)	-	-	-	-	-
	Notional commission on financial guarantee	(0.35)	-	-	-	(0.70)	-	-	-	-	-
	Share based payment expense reimbursement	(12.45)	-	(2.17)	-	(2.39)	-	(6.44)	-	(3.55)	-
	Investment in subsidiary	10.64	58.92	4.39	35.59	17.08	48.28	26.95	31.20	4.25	4.25
	Brand usage fees	(8.65)	-	(0.78)	-	(14.71)	62.77	-	-	-	-
	Net investment- sublease	-	69.83	-	-	-	72.45	-	-	-	-
	Investment in equity shares	250.00	-	-	-	-	-	-	-	-	-
Nykaa-KK Beauty Private Limited	Loan given / (repaid) (net)	0.01	0.37	97.34	117.87	(23.06)	0.36	20.74	20.54	0.25	0.23
	Interest income	(0.00)	-	(1.04)	-	(5.63)	-	(2.28)	-	(0.01)	-
	Sublease income	(1.14)	-	(1.09)	-	(5.17)	-	(2.17)	-	-	-
	Recovery (reimbursement) of Expenses	(2.28)	19.62	(1.46)	20.55	(13.68)	-	(5.28)	-	-	-
	Sales	-	-	-	-	-	-	(13.85)	18.25	-	-
	Notional interest income- sublease	(0.25)	-	(0.33)	-	(1.20)	-	(0.72)		-	-
	Notional interest income- financial guarantee	(0.43)	-	(0.43)	-	(1.70)	-	(0.71)	-	-	-
	Notional interest income- loan	(0.01)	-	(1.27)	-	(2.99)	-	(3.84)	-	-	-
	Share based payment expense reimbursement	0.36	-	-	-	(0.36)	-	-	-	-	-
	Investment in subsidiary	(0.36)	9.97	-	8.27	2.06	10.33	8.25	8.27	0.02	0.02
	Brand usage fees	(4.55)	-	(2.34)	-	(23.01)	30.37	-	-	-	-
	Net investment- sublease	-	8.74	-	12.14	-	9.64	-	12.89	-	-
FSN International Private Limited	Loan given / (repaid) (net)	15.57	18.12	0.08	2.10	0.40	2.55	2.25	2.02	-	-
	Interest income	(0.15)	-	(0.03)	-	(0.15)	-	(0.02)	-	-	-
	Investment in equity shares	50.00	-	-	1.00	-	-	1.00	1.00	-	-
	Investment in subsidiary	1.48	1.77	-	0.25	0.04	0.29	0.25	0.25	-	-
	Notional interest income- loan	(0.00)	-	(0.07)	-	(0.08)	-	-	-	-	-

40 Related party transactions

(ii) Nykaa E-Retail Private Limited

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
FSN E-Commerce Ventures Limited	Sales	-	-	-	-	-	-	-	-	(0.62)	-
	Banner advertisement income	(43.36)	-	(32.41)	-	(193.67)	-	(158.11)	-	(78.31)	-
	Discount income	-	-	-	-	-	-	-	-	-	-
	Purchases	376.71	(272.93)	214.93	53.29	1,117.56	(161.05)	1,113.44	54.62	540.68	(5.89)
	Reimbursement of expenses	157.45	-	33.17	-	399.30	-	208.56	-	44.74	-
	Rent expenses	-	-	6.39	-	18.10	-	5.02	-	9.01	-
	Sale of property, plant and equipment	-	-	-	-	-	-	(0.24)	-	-	-
	Purchase of property, plant and equipment	-	-	-	-	0.18	-	-	-	-	-
	Rent income	(0.15)	-	(0.15)	-	(0.61)	-	(0.61)	-	(0.61)	-
	Brand usage fees	-	-	28.56	-	-	-	-	-	-	-
	Royalty charges	71.18	-	-	-	212.95	-	-	-	-	-
	Interest expenses	-	-	5.86	-	10.55	-	0.10	-	24.86	-
	Lease Liabilities	-	-	-	(12.40)	-	-	-	(18.35)	-	(44.13)
	Interest expenses on lease liabilities	-	-	0.43	-	0.81	-	3.27	-	6.18	-
	Net investment- sublease	-	-	-	0.19	-	0.03	-	0.33	-	0.87
	Notional interest income- sublease	-	-	(0.01)	-	(0.02)	-	(0.07)	-	(0.12)	-
	Commission on financial guarantee	13.99	-	13.33	-	53.30	-	48.05	-	29.55	-
	Notional interest expense- loan	-	-	0.61	-	5.56	-	5.61	-	10.41	-
	Loan (taken) / repaid (net)	-	-	(605.14)	(680.71)	77.36	-	16.15	(75.57)	255.21	(93.65)
	Share based payment expenses	7.04	-	6.75	-	35.60	-	24.96	-	23.44	-
	Equity contribution	(7.04)	(300.44)	(16.15)	(220.65)	(88.90)	(293.40)	(85.89)	(204.50)	(67.74)	(118.61)
Fellow subsidiaries											
FSN Brands Marketing Private Limited	Sales	(74.73)	-	84.91	215.55	(327.00)	-	(225.48)	-	(99.13)	-
	Rent income	-	-	-	-	-	-	-	-	-	-
	Omnichannel marketing	19.93	-	5.22	-						
	Space on hire commercialization expenses	2.68	-	0.63	-	91.02	-	18.70	-	6.31	-
	Banner advertisement income	(22.07)	-	(8.37)	-	(45.46)	-	(31.64)	-	-	-
	Commission expense (Endless Aisle)	0.56	-	0.18	-	2.67	-	4.08	-	-	-
	Hyperlocal commission income	(5.24)	-	(4.00)	-	(19.85)	-	-	-	-	-
	Rent income	(1.51)	-	(1.18)	-	(6.04)	-	(2.55)	-	(0.65)	-
	Discount income	-	-	-	-	-	-	-	-	-	-
	Discount expense	-	-	-	-	-	-	-	-	-	-
	Purchases	651.20	(320.48)	45.92	-	722.49	(314.67)	378.65	203.38	250.56	(37.13)
	Recovery (reimbursement) of Expenses	(14.58)	-	(1.51)	-	(20.72)	-	-	-	-	-
	Net investment- sublease	-	13.77	-	17.65	-	14.73	-	18.53	-	1.00
	Notional interest income- sublease	(0.41)	-	(0.52)	-	(1.93)	-	(0.81)	-	(0.14)	-
Nykaa-KK Beauty Private Limited	Purchases	41.36	(27.10)	6.45	8.95	162.10	(25.80)	71.89	19.94	-	-
	Discount Income	-	-	-	-	-	-	-	-	-	-
	Recovery (reimbursement) of Expenses	(1.28)	-	(0.13)	-	-	-	(5.99)	-	-	-
Nykaa Fashion Private Limited	Recovery (reimbursement) of Expenses	(53.13)	141.14	(25.25)	(0.68)	(214.32)	127.39	(62.52)	0.38	-	-
	Wellness marketplace commission	(36.39)	-	(1.24)	-	(56.21)	-	-	-	-	-
	Listing fees	-	-	(2.78)	-	-	-	-	-	-	-
	Commission on sales (income)	(13.36)	-	-	-	(34.15)	-	-	-	-	-
	Sales	-	-	-	-	-	-	(2.93)	-	-	-
	Rent income	-	-	(3.26)		(9.76)	-	(12.92)	-	-	-
	Net investment- sublease	(0.00)	0.04	-	3.41	-	0.18	-	6.52	-	-
	Notional interest income- sublease	-	-	(0.16)	-	(0.23)	-	(1.45)	-	-	-
FSN International	Commission on sales (income)	(0.16)	-	-	-	(0.01)	-	-	-	-	-

(iii) FSN Brands Marketing Private Limited

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
FSN E-Commerce Ventures Limited	Interest expenses	27.78	-	18.71	-	99.36	-	62.39	-	27.01	-
	Rent expenses	4.58	-	-	-	4.99	-	0.80	-	1.88	-
	Space on hire commercialization income	(16.49)	-	(12.66)	-	(97.30)	-	(104.77)	-	(32.34)	-
	Loan (taken) / repaid (net)	(534.25)	(2,296.18)	(359.38)	(1,420.18)	(655.69)	(1,761.93)	(340.10)	(1,060.80)	(504.72)	(623.42)
	Purchases	42.82	(17.65)	3.78	(195.89)	187.68	(306.43)	448.82	(170.11)	108.66	-
	Sales	-	-	-	-	(9.09)	-	-	-	-	-
	Royalty charges	2.71	-	1.34	-	11.84	-	-	-	-	-
	Reimbursement of expenses	4.62	-	2.05	-	14.95	-	-	-	-	-
	Lease liabilities	-	(71.10)	-	-	-	(73.75)	-	-	-	(0.78)
	Interest expenses on lease liabilities	1.73	-	-	-	1.85	-	0.02	-	1.80	-
	Commission on financial guarantee	5.02	-	1.85	-	8.23	-	6.23	-	2.90	-
	Notional interest expense- loan	20.05	-	7.65	-	45.44	-	78.79	-	30.26	-
	Share based payment expenses	1.11	-	0.38	-	3.10	-	3.02	-	2.14	-
	Equity contribution	(11.51)	(220.62)	(42.45)	(163.78)	(87.68)	(209.01)	(54.31)	(121.33)	(53.58)	(67.02)
	Share application money	(1,000.00)	-	-	-	-	-	-	-	-	-
Fellow subsidiaries											
Nykaa E-Retail Private Limited	Sales	(651.20)	320.48	(45.92)	-	(722.49)	314.67	(378.65)	(203.38)	(250.56)	37.13
	Banner advertisement expense	22.07	-	8.37	-	45.46	-	31.64	-	-	-
	Commission income (Endless Aisle)	(0.56)	-	(0.18)	-	(2.67)	-	(4.08)	-	-	-
	Commission expenses (Hyper Local)	5.24	-	4.00	-	19.85	-	-	-	-	-
	Space on hire commercialization income	(2.68)	-	(0.63)	-	(91.02)	-	(18.70)	-	(6.31)	-
	Marketing Expenses Recovery (Omnichannel)	(19.93)	-	(5.22)	-	-	-	-	-	-	-
	Purchases	74.73	-	(84.91)	(215.55)	327.00	-	225.48	-	99.13	-
	Lease Liabilities	-	(13.77)	-	(17.65)	-	(14.73)	-	(18.53)	-	(1.00)
	Interest expenses on lease liabilities	0.41	-	0.52	-	1.93	-	0.81	-	0.14	-
	Reimbursement of expenses	14.58	-	1.51	-	20.72	-	-	-	-	-
	Rent expenses	1.51	-	1.18	-	6.04	-	2.55	-	0.65	-
Nykaa-KK Beauty Private Limited	Purchases	7.74	(2.29)	(0.02)	(15.22)	50.34	(29.28)	62.03	(15.09)	-	-
	Reimbursement of expenses	(0.04)	-	-	-	-	-	-	-	-	-
	Space on hire commercialization income	(1.76)	-	(0.81)	-	(8.31)	-	(4.37)	-	-	-
Nykaa Fashion Private Limited	Reimbursement of expenses	0.15	0.96	-	-	-	-	-	-	-	-

40 Related party transactions

iv) Nykaa-KK Beauty Private Limited

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
FSN E-Commerce Ventures Limited	Loan (taken) / repaid (net)	(0.01)	(0.37)	(97.34)	(117.87)	23.06	(0.36)	(20.74)	(20.54)	(0.25)	(0.23)
	Rent expenses	1.14	-	1.09	-	5.17	-	2.17	-	-	-
	Reimbursement of expenses	2.28	(19.62)	1.46	-	13.68	-	5.28	-	-	-
	Purchases	-	-	-	(20.55)	-	-	13.85	(18.25)	-	-
	Interest expenses	0.00	-	1.04	-	5.63	-	2.28	-	0.01	-
	Royalty charges	4.55	-	2.34	-	23.01	(30.37)	-	-	-	-
	Lease liabilities	-	(8.74)	-	(12.14)	-	(9.64)	-	(12.89)	-	-
	Interest expenses on lease liabilities	0.25	-	0.33	-	1.20	-	0.72	-	-	-
	Commission on financial guarantee	0.43	-	0.43	-	1.70	-	0.71	-	-	-
	Notional interest expense- loan	0.01	-	1.27	-	2.99	-	3.84	-	-	-
	Share based payment expenses	(0.36)	-	-	-	0.36	-	-	-	-	-
	Equity contribution	0.36	(9.97)	-	(8.27)	(2.06)	(10.33)	(8.25)	(8.27)	(0.02)	(0.02)
Fellow subsidiaries Nykaa E-Retail Private Limited	Sales	(41.36)	27.10	(6.45)	(8.95)	(162.10)	25.80	(71.89)	(19.94)	-	-
	Discount expenses	-	-	-	-	-	-	-	-	-	-
	Reimbursement of expenses	-	-	0.13	-	-	-	-	-	-	-
	Marketing expenses	1.28	-	-	-	-	-	5.99	-	-	-
FSN Brands Marketing Private Limited	Sales	(7.74)	2.29	0.02	15.22	(50.34)	29.28	(62.03)	15.09	-	-
	Space on hire commercialization expenses	1.76	-	0.81	-	8.31	-	4.37	-	-	-
	Discount expenses	-	-	-	-	-	-	-	-	-	-
	Reimbursement of expenses	0.04	-	-	-	-	-	-	-	-	-
Nykaa Fashion Private	Reimbursement of expenses	0.06	(0.06)	-	-	-	-	-	-	-	-

v) Nykaa Fashion Private Limited

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
FSN E-Commerce Ventures Limited	Loan (taken) / repaid (net)	(176.38)	(500.17)	(75.61)	(255.34)	(140.09)	(323.79)	(181.12)	(179.73)	(7.75)	(7.04)
	Reimbursement of expenses	12.92	(29.37)	2.07	(6.47)	26.44	-	3.05	-	-	-
	Purchases	0.41	-	0.12	-	0.47	-	0.27	-	-	-
	Interest expenses	5.85	-	3.45	-	17.21	-	6.99	-	0.06	-
	Notional interest expense- loan	0.68	-	0.83	-	3.97	-	5.14	-	-	-
	Share based payment expenses	12.45	-	2.17	-	2.39	-	6.44	-	3.55	-
	Equity contribution	(10.64)	(58.92)	(4.39)	(35.59)	(17.08)	(48.28)	(26.95)	(31.20)	(4.25)	(4.25)
	Royalty charges	8.65	-	0.78	-	14.71	(62.77)	-	-	-	-
	Rent expenses	4.35	-	-	-	4.31	-	-	-	-	-
	Interest expenses on lease liabilities	1.69	-	-	-	1.75	-	-	-	-	-
	Commission on financial guarantee	0.35	-	-	-	0.70	-	-	-	-	-
	Lease Liabilities	-	(69.83)	-	-	-	(72.45)	-	-	-	-
	Share application money	(250.00)	-	-	-	-	-	-	-	-	-
Fellow subsidiary Nykaa E-Retail Private Limited	Reimbursement of expenses	53.13	(141.14)	25.25	0.68	214.32	(127.39)	62.52	(0.38)	-	-
	Purchases	-	-	-	-	-	-	2.93	-	-	-
	Rent expenses	-	-	3.26	-	9.76	-	12.92	-	-	-
	Listing fees	-	-	2.78	-	-	-	-	-	-	-
	Commission on sales (expense)	13.36	-	-	-	34.15	-	-	-	-	-
	Wellness market place commission expense	36.39	-	1.24	-	56.21	-	-	-	-	-
	Interest expenses on lease liabilities	0.00	-	0.16	(3.41)	0.23	-	1.45	-	-	-
	Lease Liabilities	-	(0.04)	-	-	-	(0.18)	-	(6.52)	-	-
Nykaa-KK Beauty	Reimbursement of expenses	(0.06)	0.06	-	-	-	-	-	-	-	-
FSN Brands Marketing Private Limited	Reimbursement of expenses	(0.15)	(0.96)	-	-	-	-	-	-	-	-

vi) FSN International Private Limited

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
FSN E-Commerce Ventures Limited	Interest expenses	0.15	-	0.03	-	0.15	-	0.02	-	-	-
	Notional interest expense- loan	0.00	-	0.07	-	0.08	-	-	-	-	-
	Equity share capital	-	-	-	(0.25)	-	-	(1.00)	(1.00)	-	-
	Equity contribution	(1.48)	(1.77)	-	(1.00)	(0.04)	(0.29)	(0.25)	(0.25)	-	-
	Loan (taken) / repaid (net)	(15.57)	(18.12)	(0.08)	(2.10)	(0.40)	(2.55)	(2.25)	(2.02)	-	-
	Share application money	(50.00)	-	-	-	-	-	-	-	-	-
Fellow subsidiary Nykaa E Retail Private	Commission on sales (expense)	0.16	-	-	-	0.01	-	-	-	-	-
Subsidiary FSN Global FZE	Recovery (reimbursement) of expenses	-	-	-	-	(0.13)	-	-	-	-	-
	Listing fees income	(0.18)	-	-	-	-	-	-	-	-	-

vii) FSN Global FZE

Particulars	Nature of transactions	Transactions during the three months ended 30 June 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2021 Receivable / (Payable)	Transactions during the three months ended 30 June 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 30 June 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2021 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2021 Receivable / (Payable)	Transactions during the year ended 31 March 2020 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2020 Receivable / (Payable)	Transactions during the year ended 31 March 2019 (Income) / Expense Asset/(Liability)	Outstanding balances as at 31 March 2019 Receivable / (Payable)
FSN International Private Limited	Reimbursement of expenses	-	-	-	-	0.13	-	-	-	-	-
	Listing fee expense	0.18	-	-	-	-	-	-	-	-	-

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

41 Commitments and contingent liabilities

A Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.9.83 million as at 30 June 2021 (31 March 2021: Rs. 19.90 million, 30 June 2020: Rs. Nil, 31 March 2020: Rs. Nil, 31 March 2019: Rs. Nil)

The Group has various lease contracts that have not yet commenced as at 30 June 2021. The future lease payments for these non-cancellable lease contracts are Rs. 9.72 million within one year, Rs. 43.80 million within five years and Rs. 46.48 million thereafter.

B Contingent liabilities (not provided for)

Particulars	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i Claims against the Group, not acknowledged as debts					
Disputed Direct tax matters (including interest up to the date of demand, if any) [Refer note (i)]	74.37	-	74.37	-	-
Disputed Indirect tax matters (including interest up to the date of demand, if any) [Refer note (ii)]	22.25	-	14.99	-	-
Service tax demand [Refer note (iii)]			-	-	293.76
ii. Bank guarantees [Refer note (iv)]	35.58	27.60	11.50	316.04	311.04

Notes:

i The Group has received income tax assessments order pertaining to subsidiary Nykaa E-Retail Private Limited for FY 2017-18 with demands amounting to Rs. 74.37 million on account of certain disallowances/ adjustments made by income tax department subsequent to year ended 31 March 2021. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group is in the process of filling the appeal with the appropriate authority.

ii The Group has received VAT assessments order for (FSN E-Commerce Ventures Limited and Nykaa E-Retail Private Limited) FY 2016-17 and FY 2017-18 with demands amounting to Rs. 35.71 million on account of certain input disallowances/adjustment made by VAT department. The Group has deposited Rs. 9.96 million and provided Rs. 3.49 million in FY 2020-21. Management believes that the position taken on the matter is tenable and hence, no adjustment has been made to the financial statements.

iii The amount stands settled by payment of Rs. Nil (31 March 2021: Rs. Nil, 30 June 2020: Rs. Nil, 31 March 2020: Rs. 14.69 million, 31 March 2019: Rs. Nil) during the period pursuant to Sabka Vishwas - (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS)

iv Nature of bank guarantee is against vendor liabilities.

42 Fair value measurement hierarchy

The fair values of financial assets and liabilities are included at the amount at which the instrument can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a. Carrying values of financial assets i.e. cash and cash equivalents, trade receivables, others financial assets and of financial liabilities i.e. trade and other payables, working capital loan and other borrowings and other financial liabilities are reasonable approximations of their fair values due to the short maturities of these instruments.

b. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities measured at FVTPL and financial assets and liabilities measured at FVTOCI.

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019 is as under:

	Level of inputs used in	Carrying amount as at 30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Financial Assets:						
At Fair Value through other comprehensive income (FVTOCI)						
Non-current investments	Level 2	0.27	38.03	13.19	38.03	32.30
At Fair Value through other profit and loss (FVTPL)						
Current investments	Level 1	-	-	-	-	1,350.40
At amortised cost						
Trade receivables		756.57	637.46	766.35	984.32	579.24
Cash and cash equivalents		2,818.36	1,098.10	835.82	1,011.91	114.10
Bank balance other than cash and cash equivalents		1,038.73	709.90	1,640.88	744.28	5.34
Other financial assets		956.11	738.91	736.17	438.94	571.33
Financial Liabilities:						
At amortised cost						
Borrowings		2,681.34	1,978.29	1,874.65	2,675.49	2,256.43
Other financial liabilities		1,295.47	897.37	850.14	469.80	274.77
Trade payables		3,105.87	1,949.75	3,162.12	3,132.65	1,817.66

Valuation Methodology

i. The fair value of investment in quoted mutual funds is measured at quoted Net Asset Value (NAV).
ii The Group has measured fair value for Level 2 investment using the third-party pricing information without adjustment.
iii During the period ended 30 June 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

43 Segment information

Considering Group's aggressive expansion plan for driving synergy across fulfilment models, sales channels and product categories, it required change in current review mechanism effective from financial year ended 31 March 2021. The Group has identified Board of directors and Group CEO as its CODM who reviews and allocates 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.

The information based on geographical areas in relation to revenue and non-current assets are as follows:

(a) Revenue from operations

Geography	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Within India	8,166.66	2,880.23	24,401.46	17,648.47	11,113.94
Outside India	-	-	7.49	26.86	-

(b) Non-current operating assets

All non-current assets of the Group are located in India.

(c) The Group does not have revenue from transactions with a single external customer, amounting to 10 percent or more of the total revenue.

44 Capital management

The Group aims to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

No changes were made in the objectives, policies or processes for managing capital during the period/year ended 30 June 2021, 30 June 2020, 31 March 2021, 31 March 2020 and 31 March 2019.

The net gearing ratio at end of the reporting period was as follows.

Particulars		As at 30 June 2021	30 June 2020	31 March 2021	31 March 2020	31 March 2019
Gross debt		2,681.34	1,978.29	1,874.65	2,675.49	2,256.44
Less: Cash and cash equivalents		(2,818.36)	(1,098.10)	(835.82)	(1,011.91)	(114.10)
Net debt	(A)	(137.02)	880.19	1,038.83	1,663.58	2,142.34
Equity	(B)	6,988.65	3,538.00	4,896.12	3219.43	2305.58
Preference share capital	(C)	0.27	2.06	3.27	2.06	-
Total Equity	B+C	6,988.92	3,540.06	4,899.39	3221.49	2305.58
Net gearing ratio	**(A)/(B+C)**	**(0.02)**	**0.25**	**0.21**	**0.52**	**0.93**

45 Financial risk management objectives and policies

The Group's principal financial liabilities comprises loan from bank, working capital loan, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk, product price risk and interest rate risk.

A.1 ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables. Since the Group's overall foreign currency exposure is not significant, the Group does not hedge its foreign currency payables.

Foreign currency sensitivity

Since the business of the Group doesn't involve material foreign currency transactions, its exposure to foreign currency changes is not material.

A.2 ***Product price risk***

In a potentially inflationary economy, the Group expects periodical price increases across its product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/ sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the customers. This helps the Group to protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

A.3 ***Interest rate risk***

The Group is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Group uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Group has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Group's restated profit/(loss) before tax by approximately Rs.13.32 million (31 March 2021: Rs. 9.29 million, 30 June 2020: Rs. 9.80 million, 31 March 2020: Rs. 12.37 million, 31 March 2019: Rs. 11.28 million).

45 Financial risk management objectives and policies

B Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

The Group's retail business is predominantly on cash on delivery and prepaid, accordingly the credit risk on such collections is minimal. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, the Group is not exposed to concentration risks. Also the Group have a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. Accordingly the credit risk is cover by the Group.

(Refer accounting policy 2C(h) for expected credit loss on trade receivable).

Trade Receivables	As at 30 June 2021			As at 30 June 2020			As at 31 March 2021			As at 31 March 2020			As at 31 March 2019		
	Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net
Not Due	394.24	-	394.24	317.99	-	317.99	415.55	-	415.55	38.81	0.02	38.79	15.62	0.01	15.61
Less than 6 months	337.40	5.98	331.42	265.08	0.55	264.53	233.50	7.35	226.14	908.87	-	908.87	516.27	-	516.27
6 months-1 year	61.29	31.85	29.44	31.68	-	31.68	156.82	32.16	124.66	23.22	-	23.22	49.90	2.54	47.36
1-2 years	29.24	27.77	1.47	46.13	22.88	23.25	26.02	26.02	-	16.34	2.90	13.44	0.02	0.02	0.00
2-3 years	5.77	5.77	-	3.16	3.16	-	4.06	4.06	-	-	-	-	-	-	-
Total	**827.94**	**71.37**	**756.57**	**664.04**	**26.59**	**637.45**	**835.96**	**69.61**	**766.35**	**987.23**	**2.92**	**984.31**	**581.81**	**2.57**	**579.24**

Security Deposits

The Group also carries credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed and property possessions are taken for operations. The risk relating to refunds after vacating the premises is managed through successful negotiations or appropriate legal actions, where necessary.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Movement in allowances for expected credit loss (refer note 36):	**Amount**
As at 1 April 2018	**1.90**
Provision made during the year	0.67
As at 31 March 2019	**2.57**
Provision made during the year	0.35
As at 31 March 2020	**2.92**
Provision made during the period	23.73
As at 30 June 2020	**26.65**
As at 1 April 2020	**2.92**
Provision made during the year	66.67
As at 31 March 2021	**69.59**
Provision made during the period	1.78
As at 30 June 2021	**71.37**

C Liquidity risk

Liquidity risk is a risk that the Group may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	As at 30 June 2021			As at 30 June 2020			As at 31 March 2021			As at 31 March 2020			As at 31 March 2019		
	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years	Total
Borrowings	2,664.74	16.60	2,681.34	1,959.65	18.64	1,978.29	1,858.05	19.98	1,878.03	2,673.99	1.50	2,675.49	2,255.15	1.77	2,256.92
Trade payables	3,105.87	-	3,105.87	1,949.75	-	1,949.75	3,162.12	-	3,162.12	3,132.65	-	3,132.65	1,817.66	-	1,817.66
Other financial liabilities	1,295.47	-	1,295.47	897.37	-	897.37	850.14	-	850.14	469.80	-	469.80	274.77	-	274.77
Lease liabilities	549.61	1,468.59	2,018.20	527.99	1,219.89	1,747.88	515.22	1,283.05	1,798.27	557.89	1,909.90	2,467.79	372.24	1,254.30	1,626.54
Total	**7,615.69**	**1,485.19**	**9,100.88**	**5,334.76**	**1,238.53**	**6,573.29**	**6,385.53**	**1,303.03**	**7,688.56**	**6,834.34**	**1,911.40**	**8,745.73**	**4,719.82**	**1,256.07**	**5,975.89**

46 Employee Share Based Payment

The Company has granted stock options under the employee stock option scheme- ESOS 2012 and ESOS 2017 respectively, as approved by the Board of Directors of the Company, to the eligible employees of the Company or its subsidiaries. These options would vest in 3 or 4 equal annual installments from the date of grant based on the vesting conditions as per letter of grant executed between the Company and the employee of the Company or its subsidiaries. The maximum period for exercise of options is 4 years from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of Rs. 1 each of the Company. The options granted under ESOS 2012 and ESOS 2017 scheme carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

The Group has recognised an expense of Rs. 20.04 million during the three months ended 30 June 2021 (31 March 2021: Rs. 52.60 million, 30 June 2020: Rs. 7.72 million, 31 March 2020: Rs. 43.61 million, 31 March 2019: Rs. 42.10 million) arising from equity settled share based payment transactions for employee services received during the period/year. The carrying amount of Share Options Outstanding Account as at 30 June 2021: Rs. 107.59 million (31 March 2021: Rs. 89.35 million, 30 June 2020: Rs. 114.76 million, 31 March 2020: Rs. 109.82 million, 31 March 2019: Rs. 94.19 million).

As at the end of the financial periods, details and movements of the outstanding options are as follows:

a *Options granted under ESOS 2012*

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Options outstanding at the beginning of the period/year	17,531	335,846	335,846	471,420	565,753
Options granted during the period/year	-	-	-	-	-
Options forfeited during the period/year	-	-	(1,000)	-	(666)
Options expired/lapsed during the period/year	-	(1,000)	(1,000)	-	-
Options exercised during the period/year	(925)	(4,551)	(316,315)	(135,574)	(93,667)
Options outstanding at the end of the period/year	**16,606**	**330,295**	**17,531**	**335,846**	**471,420**
Exercisable at the end of the period	**16,606**	**330,295**	**17,531**	**250,282**	**268,213**
For options outstanding at the end of the period/year:					
Exercise price range	Rs. 100.00 - 650.00	INR 100 - 650	Rs. 100.00 - 650.00	Rs. 97.40 - 650.00	Rs. 97.40 - 650.00
Weighted average remaining contractual life (in years)	2.28	1.74	2.45	1.74	2.68

b *Options granted under ESOS 2017*

	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Options outstanding at the beginning of the period/year	188,576	173,240	173,240	143,555	78,450
Options granted during the period/year	14,900	3,500	84,700	37,650	73,125
Options forfeited during the period/year	(7,500)	(6,820)	(17,745)	(1,690)	(7,650)
Options expired/lapsed during the period/year	-	-	(2,110)	(310)	-
Options exercised during the period/year	(3,020)	(3,725)	(49,509)	(5,965)	(370)
Options outstanding at the end of the period/year	**192,956**	**166,195**	**188,576**	**173,240**	**143,555**
For options outstanding at the end of the period/year:					
Exercise price range	INR 650 - 10,766.75	INR 650 - 6,059.56	Rs. 650.00 - 6,059.56	Rs. 650.00 - 3,862.21	Rs. 650.00 - 2,213.00
Weighted average remaining contractual life (in years)	4.68	3.54	4.81	3.54	4.16

c Fair value of options granted

The fair value of each option is estimated on the date of grant based on the following assumptions:

	ESOS 2012			
	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected life (years)	1.5	2.5	3.5	4.5
Risk free interest rate (%)	6.32% to 7.95%	6.36% to 8.00%	6.44% to 8.00%	6.41% to 7.92%
Volatility (%)	23.03% to 28.17%	23.16% to 28.24%	23.38% to 27.91%	24.00% to 28.56%
Fair value of shares on date of grant	97.01 - 650.21			
Fair value of options	15.15 - 149.89	22.05 - 187.26	28.49 - 219.11	37.45 - 396.31

	ESOS 2017			
	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected life (years)	2.67 - 3.22	3.27- 3.80	3.92- 4.26	4.59 - 5.09
Risk free interest rate (%)	6.32% to 7.96%	6.32% to 7.96%	6.43% to 8.01%	6.45% to 8.04%
Volatility (%)	22.76% to 30.67%	22.76% to 29.59 %	24.42% to 29.49%	24.59% to 28.77%
Fair value of shares on date of grant	650.21 - 6,059.56			
Fair value of options	155.42 - 1726.78	175.88 - 1887.16	203.44 - 2017.15	233.56 - 2113.45

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of time. The Company has determined the market price on grant date based on latest equity valuation report available with the Company preceding the grant date.

The weighted average share price at the date of exercise of options exercised during the period was Rs. 10,766,75 (31 March 2021: Rs. 6,844.09, 30 June 2020: Rs. 6,059.56, 31 March 2020: Rs. 6,059.56, 31 March 2019: Rs. 1,431.50).

46 Employee Share Based Payment

d Modification during the year

On 21 April 2020, the company increased the exercise period of stock options under the employee stock option scheme- ESOS 2012 and ESOS 2017 from 3 years to 4 years. The incremental fair value together with the original grant date fair value of the options will be recognised as an expense over the remaining vesting period. The fair value of the modified options was determined using the same models and principles as described above, with the following model inputs:

	ESOS 2012	
	Tranche III	Tranche IV
Dividend yield (%)	Nil	Nil
Expected life (years)	2.13 - 2.42	2.05 - 2.70
Risk free interest rate (%)	4.70%	4.70% to 4.88%
Volatility (%)	30.53%	28.94% to 30.53%
Fair value of shares on date of grant	6,059.56	
Incremental fair value of options	7.59 - 13.98	7.63 - 16.34

	ESOS 2017			
	Tranche I	Tranche II	Tranche III	Tranche IV
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected life (years)	2.45 - 3.00	2.19 - 4.00	2.19 - 5.00	3.30 - 6.00
Risk free interest rate (%)	4.70% to 4.88%	4.70% to 5.21%	4.70% to 5.82%	4.88% to 5.91%
Volatility (%)	28.94% to 30.53%	27.90% to 30.53%	27.66% to 30.53%	27.36% to 28.94%
Fair value of shares on date of grant	6,059.56			
Incremental fair value of options	86.21 - 109.93	48.59 - 133.16	13.75 - 157.31	13.54 - 121.59

e Expenses arising from share-based payment transactions

The total expenses arising from share-based payment transactions recognised were as follows:

Particulars	For the three months ended 30 June 2021	For the three months ended 30 June 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Stock based compensation expense determined under fair value method recognised in restated statement of profit or loss	20.04	7.72	52.60	43.61	42.10

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

47 First-time adoption of Ind AS

I. Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a. Deemed cost:
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of the transition to Ind AS, measured as per the previous GAAP and use as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

Accordingly, the Group has elected to measure all its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

b. Share-based payments:
Ind AS 101 allows the first time adopter to not apply Ind AS 102 'Share-based payment' to equity instruments that vested before date of transition to Ind AS. Accordingly, the Group has not applied Ind AS 102 to equity instruments in share-based payment transactions that vested before 1 April 2018.

c. Leases:
The Group has elected to take modified retrospective approach wherein the lease liability is measured at the present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application and right of use asset is measured at an amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognition in the Balance sheet immediately before the date of transition to Ind AS. In the context of initial application, the Group has exercised the option not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

II. Exception

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

a. Estimates:
The estimates at 1 April 2018 and at 31 March 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2018, the date of transition to Ind AS and as of 31 March 2019.

b. Classification and measurement of financial assets:
The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

First-time adoption of Ind AS

III. Reconciliation of equity as per previous GAAP and IND AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Particulars	Notes	As at 31 March 2019	As at 1 April 2018
Equity under Indian GAAP		**2,372.05**	**1,215.85**
Summary of Ind AS adjustments			
Impact of lease accounting	1	(3.30)	3.46
Fair Valuation of Mutual Fund	3	25.32	10.04
Fair Valuation of Investment classified at fair value through other comprehensive income	4	2.50	-
Accounting for reward points	5	(38.00)	(23.98)
Impact of above adjustments on deferred taxes	6	3.44	8.23
Allowance for expected credit loss	9	(2.58)	(1.90)
Others		(0.29)	(0.16)
Equity under Ind AS		**2,359.14**	**1,211.54**

IV. Reconciliation of total comprehensive income / (loss) for the year ended 31 March 2019

Particulars	Notes	For the year ended 31 March 2019
Net loss after tax as reported under Indian GAAP		**(211.13)**
Nature of adjustments		
Impact of lease accounting	1	(6.76)
Re-measurement losses on defined benefit plans	2	(0.14)
Fair Valuation of Mutual Fund	3,6	15.28
Accounting for reward points	5	(14.02)
Movement in deferred tax consequent to above changes	6	(4.79)
Equity settled share based payment expense	7	(42.10)
Allowance for expected credit loss	9	(0.64)
Net loss before tax as per Ind AS		**(264.30)**
Re-measurement losses on defined benefit plans / FVTOCI (net of tax)	2, 4	2.50
Total Comprehensive income / (loss) as per Ind AS		**(261.80)**

Footnotes to the reconciliation of equity as at 1 April 2018 and 31 March 2019 and profit or loss for the year ended 31 March 2019.

1 Leases:

Ind AS 116 supersedes Ind AS 17 'Leases'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2018 being the date of transition which resulted into recognition of right-of-use assets, lease liabilities and consequent changes in the statement of profit and loss and cash flows, Consequent to this change, the amount of ROU asset recognised by Rs. 1053.14 million as at 31 March 2019 (1 April 2018: Rs. 300.78 million) and the lease liabilities recognised by Rs. 848.18 million as at 31 March 2019 (1 April 2018: Rs. 288.20 million). The profit and loss was reduced by Rs. 6.76 million (netted off for interest on security deposits) for the year ended 31 March 2019.

Also, interest free lease security deposits were recorded at their transaction value under the Indian GAAP. However, under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued certain security deposits by discounting them over the lease period under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent which has been adjusted in the value of ROU asset. Consequent to this change, the amount of security deposits reduced by Rs. 49.19 million as at 31 March 2019 (1 April 2018: Rs. 19.17 million) and the ROU asset is increased by Rs. 49.19 million as at 31 March 2019 (1 April 2018: Rs. 19.17 million).

Under the previous GAAP, franchisee income was measured net revenue under the sale of products. On transition to Ind AS, consideration received on account of sale to franchisee is remeasured & accounted at grossing up (including commission offered to franchisee) on account of principal sale. Consequently, the Group revenue increased by Rs. 7.45 million for the year ended 31 March 2019 with corresponding adjustment to amortisation of right of use assets and interest expense on lease liability for the respective year.

2 Defined benefit liabilities:

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements i.e., actuarial gains and losses and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Thus, the employee benefits cost in profit and loss is increased by Rs. 0.14 million for the year ended 31 March 2019 and on 1 April 2018 re-measurement gain of Rs. 0.35 million on defined benefit plans has been recognized in the OCI by transfer from retained earnings, as a result of this change there is no impact on the total equity.

3 FVTPL investments:

Under Indian GAAP, the Group accounted for current investments in quoted mutual funds as investment measured at cost. Under Ind AS, the Group has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings. Consequent to this change, the amount of investments in quoted mutual funds increased by Rs. 25.32 million as at 31 March 2019 (1 April 2018: Rs. 10.04 million) and the profit and loss increased by Rs. 15.28 million for the year ended 31 March 2019 (1 April 2018: Rs. 10.04 million)

4 FVTOCI investments:

Under Indian GAAP, the Group accounted for non-current investments in unquoted equity shares measured at cost. Under Ind AS, the Group has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. Pursuant to Ind AS adoption the Group has measured the investment at fair value, consequent to this change, the amount of unquoted investments increased by Rs. 3.80 million as at 31 March 2019 and other comprehensive income increased by Rs. 3.80 million for the year ended 31 March 2019.

5 Reward points:

The Group has a reward points programme which allows customers to accumulate points that can be redeemed against future purchases of products at discounted prices. Under Ind AS, consideration received from a customer is allocated between the goods sold and the reward points issued on a relative stand-alone selling price basis. Fair value of the points is determined by applying a statistical analysis. The fair value allocated to the points issued is deferred and recognised as revenue when the points are redeemed. On the date of transition, the Group has deferred revenue of Rs. 23.98 million (31 March 2019: Rs. 14.02 million) which has been adjusted against retained earnings.

6 Deferred Tax:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The deferred tax asset is decreased by Rs. 4.79 million is on 31 March 2019 (1 April 2018: Rs. 8.23 million).

Footnotes to the reconciliation of equity as at 1 April 2018 and 31 March 2019 and profit or loss for the year ended 31 March 2019.

7 Share based payments:

Under the previous GAAP the Group did not have any settlement obligation nor did it receive any cross charge from the Holding Company for stock options granted to certain employees of the Group. Accordingly, no cost was recorded in the books of the Group under previous GAAP. As per Ind AS 102 'Share based Payment', even if they are for shares in the parent company, should. be accounted for by the entity. In the separate financial statements of subsidiaries, the award is treated as an equity-settled share-based payment, this is because the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award is recognised over the vesting period, and a credit is recognised in equity. The credit to equity is treated as a capital contribution because the parent is compensating the subsidiaries' employees with no expense to the subsidiaries.

Accordingly, an additional expense of Rs. 52.24 million has been charged to retained earnings as at 1 April 2018 and Rs. 42.10 million has been recognised in the statement of profit or loss for the year ended 31 March 2019.

Share options totaling Rs. 52.24 million which were granted before and still vesting at 1 April 2018, have been recognised as ESOP reserve at 1 April 2018 & Rs. 94.19 million as at 31 March 2019.

8 Revenue Income:

Under the previous GAAP, brand funded discount income was measured under the other operating revenue. On transition to Ind AS, brand funded discount is remeasured & adjusted to cost of goods sold. Consequently, the Group revenue reduced by Rs. 674.61 million with corresponding adjustment to Purchases of Stock in Trade for the year ended 31 March 2019.

9 Expected Credit Loss:

Under Indian GAAP, the Group has not provided for any provision for doubtful debts. Ind AS requires to book provisions for some specified financial assets on forward looking approach (Expected Loss) against current method of booking provision after the default actually occurs. Ind AS has suggested two approaches to recognise provision (a) Simplified approach (b) General Approach. The Group has followed simplified approach and consequent to this the retained earnings is reduced by Rs. 1.90 million as at 1 April 2018.

10 Other Comprehensive Income:

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

11 Cash flow statements:

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows, except for Ind AS 116 - Leases (refer footnote 1)

48 Purchase of business

a) On 28 February 2021, Nykaa Fashions Private Limited (a subsidiary of the Group) has entered into a business transfer agreement (BTA) with "Pipa Bella Accessories Private Limited" to acquire the jewellery business on Slump sale basis. The business transfer involved transfer of certain assets and liabilities as stated in the BTA on a "slump sale basis" for an agreed cash consideration of Rs. 19 million.

Pursuant to the above agreements and the necessary resolutions passed by the Board of Directors of Nykaa Fashions Private Limited, the business stood transferred to it on 28 February 2021 and the following assets and liabilities acquired by it were recorded at values as stated herein under. The values of fixed assets and intangible assets were recorded at fair values as determined by the external registered valuer and the difference between the value of net assets transferred and the aggregate purchase consideration is accounted as Goodwill as under:

Particulars	Amount
Assets:	
Property, plant & equipment - Tangible	0.68
Intangible (Karma Bangle) - Trademark	15.00
Trade receivables	1.36
Inventories	6.25
Total assets transferred	**23.29**
Liabilities:	
Trade payables	8.29
Total liabilities transferred	**8.29**
Consideration pursuant to BTA	19.00
Less: Amount paid till 31 March 2021	(16.15)
Amount outstanding as on 31 March 2021	2.85
Goodwill on Purchases of Jewellery business	**4.00**

Out of the outstanding of Rs. 19 million as on 31 March 2021, Nykaa Fashions Private Limited has paid Rs. 2.85 million during the three months ended 30 June 2021. There is no outstanding balance as on 30 June 2021.

Further, Nykaa Fashions Private Limited has purchased interest in the Trademarks, Domain Name, Copyrights and Design of "Pipa Bella" for the consideration of Rs. 34.44 million from Holding Company of Pipa Bella which has been shown under 'Trademark' in Note 6 of intangible assets.

b) On 28 February 2019, Nykaa Fashions Private Limited (a subsidiary of the Group) entered into a business transfer agreement (BTA) with "Outletwise Retail Private Limited" (ORPL) to acquire the E Commerce business - 20Dresses on Slump sale basis. The business transfer involved transfer of certain assets and liabilities as stated in the BTA on a "slump sale basis" for an agreed cash consideration of Rs. 5 million.

Pursuant to the above agreements and the necessary resolutions passed by the Board of Directors of Nykaa Fashions Private Limited, the business stood transferred to it on 28 February 2019 and the following assets and liabilities acquired by it were recorded at values as stated herein under. The values of fixed assets and intangible assets were recorded at fair values as determined by the management's experts and the difference between the value of net assets transferred and the aggregate purchase consideration is accounted as Goodwill as under:

Particulars	Amount
Assets:	
Property, plant & equipment	0.70
Trade receivables	4.40
Inventories	12.07
Other current assets	0.26
Total assets transferred	**17.43**
Liabilities:	
Borrowings - current	0.15
Trade payables	7.66
Other current liabilities	6.05
Total liabilities transferred	**13.86**
Consideration pursuant to BTA	5.00
Goodwill on Purchases of E Commerce business	**1.43**

Out of the total consideration payable amounting to Rs. 5 million, Nykaa Fashions Private Limited has Rs. 4.57 million in FY 2019-20 and Rs. 0.43 million in FY 2018-19.

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

49 Statement Of Net Assets And Profit Or Loss Attributable To Owners And Non-controlling Interest
(Additional information as required under para 2 of General Instructions of Division II of Schedule III to the Companies Act, 2013)

Name of the entity	Country of Incorporation	% of voting power as at 30 June 2021	Net Assets i.e., total assets - total liabilities (As % of consolidated Net Assets)		Share in restated profit & loss (As % of restated consolidated profit & loss)		Share in restated other comprehensive income / (loss) (As % of restated consolidated other comprehensive income / (loss))		Share in restated total comprehensive income / (loss) (As % of restated consolidated total comprehensive income / (loss))	
FSN E-Commerce Ventures Limited	India		77.87%	5,449.32	177.45%	62.50	(410.05%)	(8.61)	144.39%	53.89
Subsidiaries (held directly)										
Nykaa E-Retail Private Limited	India	100.00%	20.66%	1,446.07	724.76%	255.26	321.71%	6.76	702.08%	262.02
FSN Brands Marketing Private Limited	India	100.00%	3.61%	252.99	(471.56%)	(166.09)	105.05%	2.21	(439.12%)	(163.88)
Nykaa Fashion Private Limited	India	100.00%	(3.19%)	(222.93)	(333.04%)	(117.30)	83.29%	1.75	(309.62%)	(115.55)
Nykaa KK Beauty Private Limited	India	51.00%	0.21%	14.88	3.15%	1.11	(0.05%)	(0.00)	2.97%	1.11
FSN International Private Limited	India	100.00%	0.69%	48.59	(3.77%)	(1.33)	0.00%	-	(3.56%)	(1.33)
			99.87%	**6,988.92**	**96.97%**	**34.15**	**99.95%**	**2.10**	**97.14%**	**36.25**
Non-controlling Interests	India	49.00%	0.13%	9.43	3.03%	1.07	0.05%	0.00	2.86%	1.07
Total			**100.00%**	**6,998.35**	**100.00%**	**35.22**	**100.00%**	**2.10**	**100.00%**	**37.32**

Name of the entity	Country of Incorporation	% of voting power as at 30 June 2020	Net Assets i.e., total assets - total liabilities (As % of consolidated Net Assets)		Share in restated profit & loss (As % of restated consolidated profit & loss)		Share in restated other comprehensive income / (loss) (As % of restated consolidated other comprehensive income / (loss))		Share in restated total comprehensive income / (loss) (As % of restated consolidated total comprehensive income / (loss))	
FSN E-Commerce Ventures Limited	India		118.54%	4,200.87	45.78%	(249.52)	(6.52%)	0.10	45.63%	(249.42)
Subsidiaries (held directly)										
Nykaa E-Retail Private Limited	India	100.00%	3.23%	114.55	14.13%	(77.03)	(9.50%)	0.15	14.06%	(76.88)
FSN Brands Marketing Private Limited	India	100.00%	(16.27%)	(576.49)	27.01%	(147.20)	41.08%	(0.65)	27.05%	(147.86)
Nykaa Fashion Private Limited	India	100.00%	(5.83%)	(206.52)	11.71%	(63.83)	75.16%	(1.20)	11.90%	(65.03)
Nykaa KK Beauty Private Limited	India	51.00%	0.23%	8.13	0.69%	(3.77)	0.00%	-	0.69%	(3.77)
FSN International Private Limited	India	100.00%	(0.01%)	(0.48)	0.02%	(0.08)	0.00%	-	0.02%	(0.08)
			99.89%	**3,540.06**	**99.34%**	**(541.45)**	**100.22%**	**(1.59)**	**99.34%**	**(543.04)**
Non-controlling Interests	India	49.00%	0.11%	3.77	0.66%	(3.62)	(0.22%)	0.00	0.66%	(3.62)
Total			**100.00%**	**3,543.83**	**100.00%**	**(545.07)**	**100.00%**	**(1.59)**	**100.00%**	**(546.66)**

Name of the entity	Country of Incorporation	% of voting power as at 31 March 2021	Net Assets i.e., total assets - total liabilities (As % of consolidated Net Assets)		Share in restated profit & loss (As % of restated consolidated profit & loss)		Share in restated other comprehensive income / (loss) (As % of restated consolidated other comprehensive income / (loss))		Share in restated total comprehensive income / (loss) (As % of restated consolidated total comprehensive income / (loss))	
FSN E-Commerce Ventures Limited	India		96.24%	4,723.00	33.94%	210.26	93.48%	(20.37)	31.77%	189.89
Subsidiaries (held directly)										
Nykaa E-Retail Private Limited	India	100.00%	23.79%	1,167.75	145.83%	903.36	(0.96%)	0.21	151.19%	903.57
FSN Brands Marketing Private Limited	India	100.00%	(13.06%)	(640.79)	(41.51%)	(257.11)	1.26%	(0.27)	(43.07%)	(257.38)
Nykaa Fashion Private Limited	India	100.00%	(7.50%)	(368.02)	(38.40%)	(237.85)	6.31%	(1.38)	(40.03%)	(239.23)
Nykaa KK Beauty Private Limited	India	51.00%	0.39%	19.00	0.16%	1.02	(0.04%)	0.01	0.17%	1.02
FSN International Private Limited	India	100.00%	(0.03%)	(1.55)	(0.19%)	(1.20)	0.00%	-	(0.20%)	(1.20)
			99.83%	**4,899.39**	**99.84%**	**618.48**	**100.05%**	**(21.80)**	**99.84%**	**596.67**
Non-controlling Interests	India	49.00%	0.17%	8.36	0.16%	0.97	(0.05%)	0.01	0.16%	0.98
Total			**100.00%**	**4,907.75**	**100.00%**	**619.44**	**100.00%**	**(21.79)**	**100.00%**	**597.64**

Annexure VII
Notes to Restated Ind AS Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)

49 Statement Of Net Assets And Profit Or Loss Attributable To Owners And Non-controlling Interest
(Additional information as required under para 2 of General Instructions of Division II of Schedule III to the Companies Act, 2013)

Name of the entity	Country of Incorporation	% of voting power as at 31 March 2020	Net Assets i.e., total assets - total liabilities (As % of consolidated Net Assets)		Share in restated profit & loss (As % of restated consolidated profit & loss)		Share in restated other comprehensive income / (loss) (As % of restated consolidated other comprehensive income / (loss))		Share in restated total comprehensive income / (loss) (As % of restated consolidated total comprehensive income / (loss))	
FSN E-Commerce Ventures Limited	India		110.82%	3,578.28	(87.88%)	143.59	333.20%	3.63	(90.70%)	147.22
Subsidiaries (held directly)										
Nykaa E-Retail Private Limited	India	100.00%	6.14%	198.23	(120.83%)	197.43	(122.94%)	(1.34)	(120.81%)	196.09
FSN Brands Marketing Private Limited	India	100.00%	(13.16%)	(425.04)	208.91%	(341.37)	2.95%	0.03	210.30%	(341.34)
Nykaa Fashion Private Limited	India	100.00%	(4.51%)	(145.53)	102.13%	(166.89)	(113.22%)	(1.23)	103.58%	(168.12)
Nykaa KK Beauty Private Limited	India	51.00%	0.49%	15.95	(1.71%)	2.79	0.00%	-	(1.72%)	2.79
FSN International Private Limited	India	100.00%	(0.01%)	(0.40)	1.01%	(1.64)	0.00%	-	1.01%	(1.64)
			99.77%	**3,221.49**	**101.64%**	**(166.09)**	**100.00%**	**1.09**	**101.65%**	**(165.00)**
Non-controlling Interests	India	49.00%	0.23%	7.38	(1.64%)	2.69	0.00%	-	(1.65%)	2.69
Total			**100.00%**	**3,228.87**	**100.00%**	**(163.40)**	**100.00%**	**1.09**	**100.00%**	**(162.31)**

Name of the entity	Country of Incorporation	% of voting power as at 31 March 2019	Net Assets i.e., total assets - total liabilities (As % of consolidated Net Assets)		Share in restated profit & loss (As % of restated consolidated profit & loss)		Share in restated other comprehensive income/(loss) (As % of restated consolidated other comprehensive income/(loss))		Share in restated total comprehensive income/(loss) (As % of restated consolidated total comprehensive income/(loss))	
FSN E-Commerce Ventures Limited	India		109.21%	2,523.09	9.92%	(24.33)	87.15%	2.19	9.11%	(22.14)
Subsidiaries (held directly)										
Nykaa E-Retail Private Limited	India	100.00%	(3.47%)	(80.07)	23.95%	(58.78)	11.89%	0.30	24.08%	(58.48)
FSN Brands Marketing Private Limited	India	100.00%	(5.97%)	(138.02)	62.42%	(153.18)	0.96%	0.02	63.06%	(153.16)
Nykaa Fashion Private Limited	India	100.00%	(0.19%)	(4.33)	3.54%	(8.68)	0.00%	-	3.58%	(8.68)
Nykaa KK Beauty Private Limited	India	51.00%	0.21%	4.91	0.09%	(0.21)	0.00%	-	0.09%	(0.21)
FSN International Private Limited	India	100.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-
			99.80%	**2,305.58**	**99.92%**	**(245.18)**	**100.00%**	**2.51**	**99.91%**	**(242.67)**
Non-controlling Interests	India	49.00%	0.20%	4.69	0.08%	(0.21)	0.00%	-	0.09%	(0.21)
Total			**100.00%**	**2,310.27**	**100.00%**	**(245.39)**	**100.00%**	**2.51**	**100.00%**	**(242.88)**

50 Expenditure towards corporate social responsibility (CSR) activities

The Group spent on a consolidated basis Rs. 7.50 million for the three months ended 30 June 2021 (Rs. 2.28 million for the FY 20-21, Rs. Nil for the three months ended 30 June 2020, Rs. 0.54 million for the FY 19-20, Rs. Nil for the FY 18-19), towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction / acquisition of an asset of the Group. The prescribed CSR expenditure required to be spent in the FY 21-22 as per the Companies Act, 2013 is Rs. 13.86 million (Rs. 0.76 million for the FY 20-21, Rs. Nil for the FY 19-20 & FY 18-19).

51 Events after reporting date

a. Pursuant to the resolution of Share Allotment cum Transfer Committee dated July 10, 2021, the Company has issued 56,185 equity shares of face value of Rs. 10 each at premium on exercise of Employee Stock Options under ESOS. On 23 September 2021, the Company has further issued 2,87,700 equity shares of face value of Re. 1 each at premium, on exercise of Employee Stock Options under ESOS.

b. Pursuant to the resolution passed by Board of Directors on 15 July 2021, the Company has converted remaining 36,000 fully paid-up OCRPS into fully paid-up equity shares which were held by exited employees and were forfeited due to non-payment of call money and re-issued to promoters on 9 July 2021 after receiving full issue price of face value of Rs. 10 and premium of Rs. 10,756.65 each.

c. The Board of Directors and shareholders in their meeting dated 15 July 2021 and 16 July 2021 respectively approved sub-division of each equity shares of Rs. 10 into ten equity shares of face value of Re. 1 each and issue of two bonus shares for every one existing fully paid up equity share of face value of Re. 1 each.

d. On 19 September 2021, the Group had entered into a Share Purchase Agreement to acquire 51% stake in Dot & Key Wellness Private Limited (Dot & Key) and have committed to invest Rs. 969 million for acquisition of 51% holding. In Tranche 2, a consideration of upto Rs. 1,530 million will be made to acquire upto 49% stake of the promoters during FY 2025 depending on performance and valuation.

52 Social Security Code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53 Impact of COVID-19

a. The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and cost, impact on leases. And impact of investment in subsidiaries and other entities. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19 and the Group will continue to closely monitor any material changes to future economic conditions.

b. Previous period figures for the three months ended 30 June 2020 are not comparable with those of the three months ended 30 June 2021, because of difference in magnitude of impact of COVID-19 on both the quarters.

As per our report attached
for S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per Vineet Kedia
Partner
Membership No. 212230

Place: Mumbai
Date: 27 September 2021

As per our report attached
for V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number:
109818W

per AN Shah
Partner
Membership No. 42649

Place: Mumbai
Date: 27 September 2021

for and on behalf of Board of Directors of
FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Falguni Nayar
Managing Director & CEO
DIN No. 00003633

Milan Khakhar
Director
DIN No. 00394065

Arvind Agarwal
Chief Financial Officer

Rajendra Punde
Company Secretary
ACS M.No.A9785

Date: 27 September 2021

Place: Mumbai

OTHER FINANCIAL INFORMATION

1. The audited standalone financial statements of our Company and our material Subsidiaries, and Nykaa - Fashion as at and for the three-months period ended June 30, 2021 and June 30, 2020 and years ended March 31, 2021, March 31, 2020, and March 31, 2019 (**"Audited Financial Statements"**) are available at https://www.nykaa.com/investor-relations. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "Group") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

2. The accounting Ratios of our Company (also referred to as "Parent" in this section) required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million unless otherwise stated)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Restated profit / (loss) for the period/year attributable to the Equity shareholders of the parent (A)	34.15	(541.45)	618.48	(166.09)	(245.18)
Weighted average number of equity shares outstanding during the period/year (B)*	451,903,188	439,351,442	445,370,348	428,257,816	415,604,910
Weighted average number of equity shares used as denominator for calculating Diluted Earnings Per Share (C)*	468,515,862	458,046,614	463,032,016	451,780,396	424,044,180
Restated earnings per share of face value of ₹ 1/- each attributable to equity holders of the parent*^					
Basic, computed on the basis of profit/(loss) attributable to equity holders# (₹) (D=A/B)	0.08	(1.23)	1.39	(0.39)	(0.59)
Diluted, computed on the basis of profit/(loss) attributable to equity holders # (₹) (E=A/C)	0.07	(1.23)	1.34	(0.39)	(0.59)
Equity Share Capital as per Restated Ind AS consolidated financial statements (F)	154.77	147.01	150.58	145.50	142.43
Other equity as per Restated Ind AS	6,834.15	3,393.05	4,748.81	3,075.99	2,163.15

(₹ in million unless otherwise stated)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
consolidated financial statements (G)					
Net worth, as restated [(1)] (H=F+G)	6,988.92	3,540.06	4,899.39	3,221.49	2,305.58
Return on restated net worth (in %) [(2)] (I=A/H)^	**0.49%**	**(15.29)%**	**12.62%**	**(5.16)%**	**(10.63)%**
Net asset value per equity share - Basic (₹) [(3)] (J=H/B)^	15.47	8.06	11.00	7.52	5.55
Net asset value per equity share - Diluted (₹) [(4)] (J=H/C)^	14.92	7.73	10.58	7.13	5.44
EBITDA	**269.37**	**(453.44)**	**1,614.26**	**810.55**	**205.10**

[#]*Restated Basic and Diluted earnings / (loss) per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified by under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Anti-dilutive shares are not considered in calculation for diluted EPS.*

(1) *Restated net worth = Total equity attributable to equity holders of the parent.*

(2) *Return on restated net worth = Restated profit/(loss) for the period/year attributable to equity shareholders of parent divided by total equity attributable to equity holders of the parent.*

(3) *Net asset value per equity share (In ₹) - Basic = Equity attributable to equity holders of the parent divided by weighted average numbers of equity shares outstanding during the period/year post share sub-division and bonus issue.*

(4) *Net asset value per equity share (In ₹) - Diluted = Equity attributable to equity holders of the parent divided by weighted average numbers of dilutive equity shares outstanding during the period/year post share sub-division and bonus issue.*

Accounting and other ratios are based on or derived from the Restated Ind AS Consolidated Financial Statements.

^ Not annualised for three months period ended June 30, 2021 and June 30, 2020.

****Notes**: Based on the Ind AS 33 – Earning per Share, the EPS of the Company for the three months ended June 30, 2021 and for all the periods presented has been computed / adjusted after considering the bonus issue and share sub-division subsequent to June 30, 2021 prior to adoption of financial statement for the three months period ended June 30, 2021.*

Further, the weighted average equity shares in the table above for the three-months period ended June 30, 2021 and for all the periods presented has been computed / adjusted after considering the bonus issue and share sub-division subsequent to June 30, 2021 prior to adoption of financial statement for the three months period ended June 30, 2021.

Sub-division of equity shares and issuance of bonus equity shares

The Board of Directors and shareholders in their meeting dated July 15, 2021 and July 16, 2021 respectively approved sub-division of each equity shares of ₹ 10 into ten equity shares of face value of ₹ 1 each and issue of two bonus shares for every one existing fully paid up equity share of face value of ₹ 1 each, accordingly 31,13,57,900 bonus shares were issued (after giving effect to sub-division of equity shares).

Following additional events have occurred subsequent to the three-months period ended June 30, 2021

Pursuant to the resolution of Share Allotment cum Transfer Committee dated July 10, 2021 and dated September 23, 2021, the Company has issued 56,185 equity shares of face value of ₹ 10 each and 2,87,700 equity shares of face value of ₹ 1 each at premium respectively, on exercise of Employee Stock Options under ESOS.

Pursuant to a resolution passed by Board of Directors on July 15, 2021, the company has converted 36,000 OCRPS into equity shares.

Non- GAAP Financial Measures

Certain non-GAAP measures and other operating matrices like net worth, return on net worth, net asset value per equity share, EBITDA, EBITDA Margin, Operating Profit, Cost of Goods Sold, net tangible assets, Monetary assets, monetary assets as a % of net tangible assets, Total Borrowings to Total equity, Capital Turnover ratio, Restated Profit / (Loss) Margin, ("**Non-GAAP Measures**") presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures and other operating matrices are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the period / year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures and other operating matrices between companies may not be possible. Other companies may calculate the Non-GAAP Measures and other operating matrices differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures and other operating matrices are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Red Herring Prospectus, EBITDA, return on net worth and net asset value per equity share are given below:

1. Reconciliation of restated net worth and return on restated net worth

(₹ in million, except percentage)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Share Capital as per Restated Ind AS consolidated financial statements (I)	154.77	147.01	150.58	145.50	142.43
Other Equity as per Restated Ind AS consolidated financial statements (II)	6,834.15	3,393.05	4,748.81	3,075.99	2,163.15
Restated net worth (III=I+II)	6,988.92	3,540.06	4,899.39	3,221.49	2,305.58
Restated profit / (loss) for the period/year attributable to equity shareholders of the parent (IV)	34.15	(541.45)	618.48	(166.09)	(245.18)
Return on restated net worth (V=IV/III) (in %) (*not annualised for period ended June 30, 2021 and June 30, 2020*)	0.49%	(15.29)%	12.62%	(5.16)%	(10.63)%

2. Reconciliation of net asset value per equity share

(₹ in million, except per share data)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Share Capital as per Restated Ind AS consolidated financial statements (I)	154.77	147.01	150.58	145.50	142.43
Other Equity as per Restated Ind AS consolidated financial statements (II)	6,834.15	3,393.05	4,748.81	3,075.99	2,163.15
Restated net worth (III= I+II)	6,988.92	3,540.06	4,899.39	3,221.49	2,305.58
Weighted Average Number of Equity shares outstanding during the period/year post share split and bonus issue - Basic (IV)	451,903,188	439,351,442	445,370,348	428,257,816	415,604,910
Net asset value per equity share - Basic (₹) (V= III/IV*10^6)^	15.47	8.06	11.00	7.52	5.55
Weighted average number of equity shares used as denominator for calculating Diluted Earnings Per Share post share split and bonus issue (VIII)	468,515,862	458,046,614	463,032,016	451,780,396	424,044,180
Net asset value per equity share - Diluted - (₹) (IX= III/VIII*10^6)^	14.92	7.73	10.58	7.13	5.44

^ *Not annualised for three months period ended June 30, 2021 and June 30, 2020*

3. Reconciliation of Profit / (loss) for the period/year to our EBITDA

(₹ in million)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Restated profit / (loss) for the period/year attributable to equity shareholders of the parent (I)	34.15	(541.45)	618.48	(166.09)	(245.18)
Restated profit / (loss) for the period/year attributable to non controlling interests (II)	1.07	(3.62)	0.97	2.69	(0.21)
Restated profit / (loss) for the period/year (III=I+II)	**35.22**	**(545.07)**	**619.45**	**(163.40)**	**(245.39)**
Add:					
Finance costs (IV)	90.14	87.20	307.01	442.93	263.42
Total tax expense /(income) (V)	(3.73)	(117.21)	133.93	39.10	(71.81)
Depreciation and amortisation expense (VI)	194.97	145.71	671.28	595.09	308.76
Less:					
Other income (VII)	(47.23)	(24.07)	(117.41)	(103.17)	(49.88)
EBITDA (VIII=III+IV+V+VI+VII)	**269.37**	**(453.44)**	**1,614.26**	**810.55**	**205.10**

4. Reconciliation of EBITDA margin

(₹ in million, except margin)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
EBITDA (I)	269.37	(453.44)	1,614.26	810.55	205.10
Revenue from operations (II)	8,169.91	2,886.39	24,408.96	17,675.33	11,113.94
EBITDA margin (I/II) (in %)	3.30%	(15.71)%	6.61%	4.59%	1.85%

5. Reconciliation of Gross Profit and Gross Profit margin

(₹ in million, except margin)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations (I)	8,169.91	2,886.39	24,408.96	17,675.33	11,113.94
Less: Cost of goods sold (II)	(4,853.32)	(2,153.08)	(14,878.25)	(10,142.05)	(6,602.77)
Gross Profit (III=I+II)	**3,316.59**	**733.31**	**9,530.71**	**7,533.28**	**4,511.17**
Gross Profit margin (IV=III/I) (in %)	40.60%	25.41%	39.05%	42.62%	40.59%

6. Reconciliation of cost of goods sold

(₹ in million)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019

Cost of material consumed (I)	229.37	35.08	382.41	173.43	2.41
Purchase of traded goods (II)	5,509.42	1,042.55	14,956.06	11,787.46	7,852.43
Changes in finished goods and stock-in-trade (III)	(885.47)	1,075.45	(460.22)	(1,818.84)	(1,252.07)
Cost of goods sold (IV=I+II+III)	**4,853.32**	**2,153.08**	**14,878.25**	**10,142.05**	**6,602.77**

7. Reconciliation of Total Income to our revenue from sale of products

(₹ in million)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total income (I)	8,217.14	2,910.46	24,526.37	17,778.50	11,163.82
Less:					
Other income (II)	(47.23)	(24.07)	(117.41)	(103.17)	(49.88)
Revenue from operations (III=I+II)	8,169.91	2,886.39	24,408.96	17,675.33	11,113.94
Less:					
Sale of services (IV)	(1,205.55)	(156.12)	(2,502.99)	(1,815.09)	(1,360.55)
Other Operating Revenue (V)	(47.98)	(3.54)	(96.91)	(21.99)	(14.28)
Revenue from sale of products (VI=III+IV+V)	**6,916.38**	**2,726.73**	**21,809.06**	**15,838.25**	**9,739.11**

8. Sale of services and Other operating revenue

(₹ in million)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Marketing support revenue (I)	840.30	124.90	1,950.12	1,682.35	1,230.95
Income from marketplace services (II)	365.25	31.22	552.87	132.74	129.60
Sale of services (III=I+II)	**1,205.55**	**156.12**	**2,502.99**	**1,815.09**	**1,360.55**
Logistics services income (shipping and delivery charges) (IV)	42.39	3.54	87.44	19.91	13.78
Gift card expiration (V)	5.59	-	9.47	2.08	0.50
Other Operating Revenue (VI=IV+V)	**47.98**	**3.54**	**96.91**	**21.99**	**14.28**

9. Reconciliation of Capital Turnover Ratio

(₹ in million, except ratio)

Particulars	Financial Year 2021	Financial Year 2020	Financial Year 2019
Equity share capital as per Restated Ind AS consolidated financial statements (I)	150.58	145.50	142.43
0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares ("OCRPS") of ₹ 10 each, partly paid up @ ₹ 7.50 per share each as per Restated Ind AS consolidated financial statements (II)	3.27	2.06	-
Securities premium as per Restated Ind AS consolidated financial	5,623.52	4,529.20	3,469.38

statements (III)			
Revenue from operations (IV)	24,408.96	17,675.33	11,113.94
Capital Turnover Ratio (V=IV/(I+II+III))	**4.2**	**3.8**	**3.1**

10. Total borrowings

(₹ in million)

Particulars	As at June 30, 2021	As at June 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Non-current liabilities – Financial liabilities - Borrowings (I)	16.60	18.64	16.60	1.50	1.28
Current liabilities – Financial liabilities - Borrowings (II)	2,664.74	1,959.65	1,858.05	2,673.99	2,255.15
Total borrowings (III=I+II)	**2,681.34**	**1,978.29**	**1,874.65**	**2,675.49**	**2,256.43**

Reconciliation of total borrowings / Equity attributable to equity holders of the parent ratio

(₹ in million, except ratio)

Particulars	As at June 30, 2021	As at June 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total borrowings (I)	2,681.34	1,978.29	1,874.65	2,675.49	2,256.43
Equity attributable to equity holders of the parent (II)	6,988.92	3,540.06	4,899.39	3,221.49	2,305.58
Total borrowings / Equity attributable to equity holders of the parent ratio (III=I/II)	**0.38**	**0.56**	**0.38**	**0.83**	**0.98**

11. Reconciliation of Restated Profit / (Loss) margin

(₹ in million, except margin)

Particulars	For the three months ended June 30, 2021	For the three months ended June 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Restated Profit / (Loss) for the period / year (I)	35.22	(545.07)	619.45	(163.40)	(245.39)
Revenue from operations (II)	8,169.91	2,886.39	24,408.96	17,675.33	11,113.94
Restated Profit / (Loss) margin (III=I/II) (in %)	**0.43%**	**(18.88)%**	**2.54%**	**(0.92)%**	**(2.21)%**

Related Party Transaction Details

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' read with SEBI ICDR Regulations, for the three-months period ended June 30, 2021 and June 30, 2020 and as at and for the fiscals ended March 31, 2021, March 31, 2020, and March 31, 2019 and as reported in the Restated Ind AS Consolidated Financial Statements, see "*Financial Information*" on page 286.

The reasons for the related party transactions can be briefly summarised as follows:

1. Brand Usage Fee towards usage of Nykaa brand (including Nykaa logo) on:
   - Nykaa.com;
   - Nykaafashion.com;
   - at the stores (Nykaa Ontrend and Nykaa Luxe); and
   - on invoices and other corresponding documents.

2. Sale of Nykaa labelled products by our Company to Nykaa E-Retail and FSN Brands: Such sale of products, and the related beauty advisor fees and marketing fees are charged at arms-length price.

3. Sale of Beauty Products by Nykaa-KK Beauty to Nykaa E-Retail and FSN Brands: Such sale of products, and the related beauty advisor fee and marketing fee are charged at arms-length price.

4. Cross selling of domestic products and imported products from FSN Brands to Nykaa E-Retail and *vice versa*: Such sale of products, and the related beauty advisor fee and marketing fee is charged at arms-length price.

5. Loans given by our Company to its Subsidiaries: Loans are given by our Company to its Subsidiaries in the ordinary course of business for operational efficiency and to maintain their liquidity positions and meet their working capital requirements. These loans are granted at interest rates equivalent to prevailing corporate bond rates for loans of similar tenure.

All the above related party transactions are at an arm's length and in the ordinary course of business of our Company, and are approved by the Audit Committee in accordance with applicable law.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at June 30, 2021, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 44, 286 and 369, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at June 30, 2021	Adjusted for the proposed Offer#
Borrowings		Refer Notes below
Non-current liabilities – Financial liabilities - Borrowings (I)*	16.60	
Current liabilities – Financial liabilities - Borrowings (II)*	2,664.74	
Total borrowings (I) + (II) = (A)*	**2,681.34**	
Equity		
Equity share capital (III)*	154.77	
Other equity (IV)*	6,834.15	
Equity attributable to equity holders of the parent **(III) + (IV) = (B)**	**6,988.92**	
Capitalisation (A) + (B)	**9,670.26**	
Non-current borrowings / total equity ratio (I)/(B)	**0.00**	
Total borrowings / Equity attributable to equity holders of the parent ratio (A)/(B)	**0.38**	

** These terms carry the same meaning as per Schedule III of the Companies Act.*

 # The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence, the same have not been provided in this statement.

The amounts disclosed above are derived from the Restated Consolidated Financial Information.

Notes:

1. *Pursuant to a resolution passed by our Board on July 15, 2021 and a resolution of shareholders dated, July 16, 2021, the authorised share capital of the Company was subdivided from ₹3,25,00,00,000 comprising 27,50,00,000 equity shares of ₹10 each and 5,00,00,000 preference shares of ₹10 each to ₹325,00,00,000 comprising of 275,00,00,000 equity shares of ₹1 each and 50,00,00,000 preference shares of ₹1 each. Accordingly, the issued, subscribed and paid-up capital of the Company was also subdivided from 1,55,67,895 equity shares of face value of ₹10 each to 15,56,78,950 equity shares of face value of ₹1 each.*

2. *The Board of Directors pursuant to a resolution dated July 15, 2021 and shareholders ordinary resolution dated July 16, 2021 have also approved the issuance of two bonus shares of face value ₹1 each for every one existing fully paid up equity share of face value ₹1 each and accordingly 31,13,57,900 bonus shares were issued and allotted to the equity shareholders as on record date being July 15, 2021 (after giving effect to sub-division of equity shares).*

3. *Pursuant to the resolution of Share Allotment cum Transfer Committee dated July 10, 2021 and dated September 23, 2021, the Company has issued 56,185 equity shares of face value of ₹*

10 each and 2,87,700 equity shares of face value of ₹ 1 each at premium respectively, on exercise of Employee Stock Options under ESOS.

4. *Pursuant to a resolution passed by Board of Directors on July 15, 2021, the company has converted 36,000 OCRPS into equity shares.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Ind AS Consolidated Financial Statement as of and for the three months ended June 30, 2021 and 2020 and as of and for the Financial Years ended March 31, 2021, 2020, and 2019, including the related notes, schedules and annexures. Unless otherwise indicated or the context otherwise requires, the financial information for the three months ended June 30, 2021 and 2020 and the Financial Years 2021, 2020 and 2019 included herein is derived from the Restated Ind AS Consolidated Financial Statement, included in this Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the relevant provisions of the SEBI ICDR Regulations, Section 26 of Part I of Chapter III of the Companies Act 2013, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

Unless otherwise indicated, the industry-related information contained in this section is derived from the RedSeer Report. We commissioned and paid for the RedSeer Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the RedSeer Report. For further details and risks in relation to commissioned reports, see "Risk Factors – Internal Risk Factors – Certain sections of this Red Herring Prospectus contain information from RedSeer which has been exclusively commissioned and paid for by us. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 78.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-Looking Statements" and "Risk Factors" on pages 42 and 44, respectively.

Overview

We are a digitally native consumer technology platform, delivering a content-led, lifestyle retail experience to consumers. Since our incorporation in 2012, we have invested both capital and creative energy towards designing a differentiated journey of brand discovery for our consumers. We have a diverse portfolio of beauty, personal care and fashion products, including our owned brand products manufactured by us. As a result, we have established ourselves not only as a lifestyle retail platform, but also as a popular consumer brand. We offer consumers an Omnichannel experience with an endeavor to cater to the consumers' preferences and convenience:

- ***Online***: Our online channels include mobile applications, websites and mobile sites. As of August 31, 2021, we had cumulative downloads of 55.8 million across all our mobile applications and during the five months ended August 31, 2021, 88.2% of our online GMV came through our mobile applications. According to the RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer, we have one of the highest share of mobile application-led transactions, among the leading online retail platforms in India during Financial Year 2021 and the five months ended August 31, 2021.

- ***Offline***: Our offline channel comprises of 80 physical stores across 40 cities in India over three different store formats as of August 31, 2021. Our physical stores offer a select offering of products as well as a seamless experience across the physical and digital worlds.

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

- ***Nykaa***: Beauty and personal care

- ***Nykaa Fashion***: Apparel and accessories

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

Principal Components of Statement of Profit and Loss

Total Income

Total income consists of revenue from operations and other income.

Revenue from operations

Revenue from operations consists of sale of products, sale of services and other operating revenue.

- *Sale of products* – Sale of products relates to transactions where we act directly as the seller of goods we purchase from our suppliers or owned brands we manufacture. Revenue from operations from sale of products is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with our consumers.

- *Sale of services* – Sale of services consist of (i) marketing support revenue and (ii) income from marketplace services.

    - Marketing support revenue includes (a) marketing income from visibility services provided by us to various brands at our retail outlets and (b) revenue from advertising services which allow our brand relationships and sellers to place advertisements or show their products in particular areas of our websites and mobile applications at fixed or variable fees.

    - Income from marketplace services represents commission fees charged to our brand relationships or third party sellers for selling their products through our managed marketplace primarily for our fashion business. Upon a sale, we charge our brand relationships or third party sellers the pre-agreed commission fee. Marketplace commission is recognised on a net basis at the point of delivery of products to the buyers.

- *Other operating revenue* – Other operating revenue consists of (i) logistic services income (shipping and delivery charges) for the delivery of products to our consumers who place their Orders through our websites and mobile applications and (ii) the recognition of revenue on expiration of points under our reward points programme.

Other income

Other income consists primarily of interest income on our security deposit relating to lease of premises and bank deposit, gain/loss on financial assets and foreign exchange gain/loss.

Expenses

Our expenses consist of (i) cost of goods sold, (ii) employees benefits expense, (iii) finance costs, (iv) depreciation and amortisation and (v) other expenses.

Cost of goods sold

Cost of goods sold consist of cost of materials consumed, purchase of traded goods and changes in finished goods and stock-in-trade.

- Cost of materials consumed consists of (i) costs incurred towards the purchase of raw materials, (ii) cost of packaging materials consumed for packing of finished products and (iii) labour and job work charges.

- Purchase of traded goods and packaging materials consists of the purchase price of beauty and personal care products, including supplier rebates and subsidies, write-downs and losses of inventories, and the costs of obtaining and supporting contracts with brand relationships and third party sellers on our managed fashion marketplace.

- Changes in finished goods and stock-in-trade consists of movements between opening and closing value of finished goods, and stock-in-trade.

Employee benefits expense

Employee benefit expense consists of salaries, wages and bonus, contribution to provident fund, gratuity expenses, compensated absences expenses, share-based expenses and staff welfare expenses.

Finance costs

Finance costs consist of interest on borrowings, lease liabilities and other finance charge.

Depreciation and amortisation expenses

Depreciation and amortisation expenses consist of depreciation on property, plant and equipment (including computers, furniture and fixtures, vehicles, lease hold improvement, plant and machinery and office equipment) and right-of-use assets and amortisation of intangible assets (including computer software, trademarks and capitalised business application development cost).

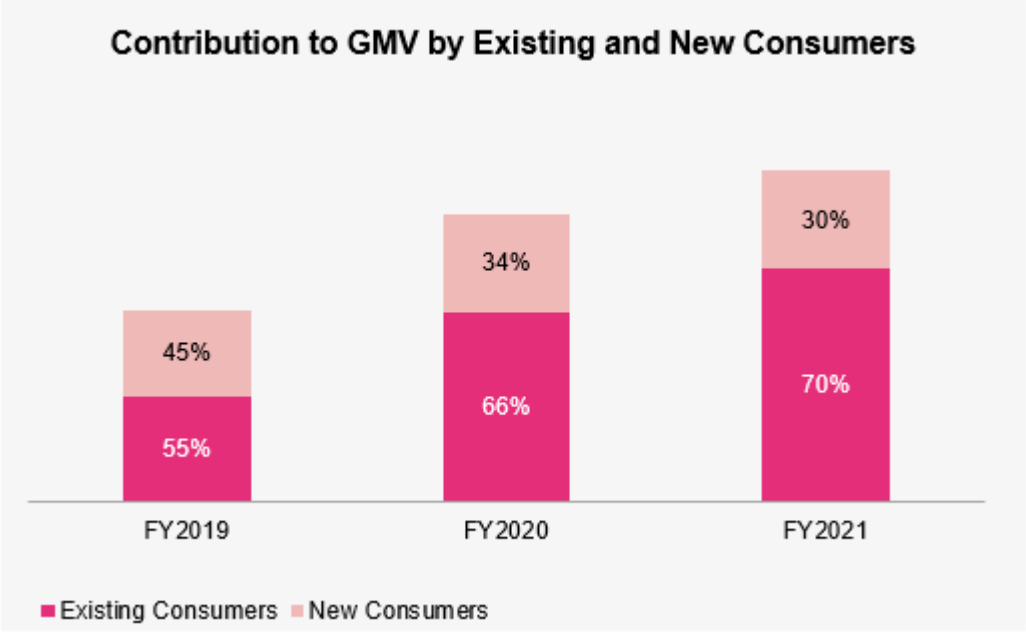
Other expenses

Other expenses primarily consist of marketing and advertising expenses, freight expenses, consumption of packing materials, web and technology expenses, payment gateway charges, legal and professional fees, and rent and maintenance expenses.

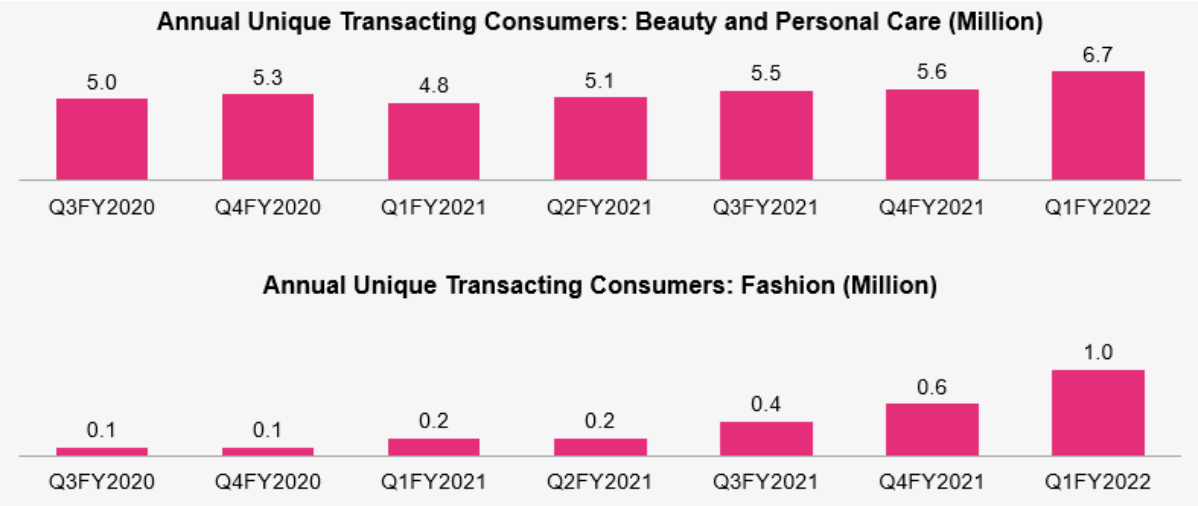
Significant Factors Affecting Our Results of Operations

Our Ability to Attract New Consumers, Retain Existing Consumers and Increase Repeat Purchases

Our success, and our revenue growth in particular, is significantly dependent on our ability to continually attract New Consumers, retain Existing Consumers and cultivate loyalty, including through increasing repeat purchases. We observe a high level of loyalty for our platform among consumers, with over a majority of our GMV stemming from Existing Consumers for each of the last three financial years. Our high consumer centricity is reflected in our strong consumer retention and GMV contribution behaviour. The chart below depicts the contribution to GMV from New Consumers and Existing Consumers by Financial Year on our beauty and personal care website and mobile application.



Our Annual Unique Transacting Consumers have increased from (i) 3.5 million in the Financial Year 2019 to 5.6 million in the Financial Year 2021 and from 4.8 million as of June 30, 2020 to 6.7 million as of June 30, 2021 for our beauty and personal care vertical and (ii) 2,637 in the Financial Year 2019 to 0.6 million in the Financial Year 2021 and from 0.2 million as of June 30, 2020 to 1.0 million as of June 30, 2021 for our fashion vertical. These indicators have led to an increase in our revenue from operations over the years, and their respective growth rates have primarily been driven by the growing popularity and recognition of brands on our Nykaa lifestyle platform, increasing assortment of products and stronger consumer engagement. We expect continued growth in our consumer base and purchasing activities, as well as increased overall consumer engagement with our product offerings, which we expect will contribute to increase in our total income in absolute terms in the foreseeable future.



Number of Orders, AOV and GMV

We believe that the number of Orders placed on our platform is largely driven by our base of consumers, mix of products and brands that are sold on our platforms. Our number of Orders has grown from (i) 11.0 million in the Financial Year 2019 to 17.1 million in the Financial Year 2021 and from 1.9 million for the three months ended June 30, 2020 to 5.9 million for the three months ended June 30, 2021 for our beauty and personal care vertical, and (ii) 0.4 million in the Financial Year 2019 to 2.4 million in the Financial Year 2021 and from 0.2 million for the three months ended June 30, 2020 to 1.2 million for

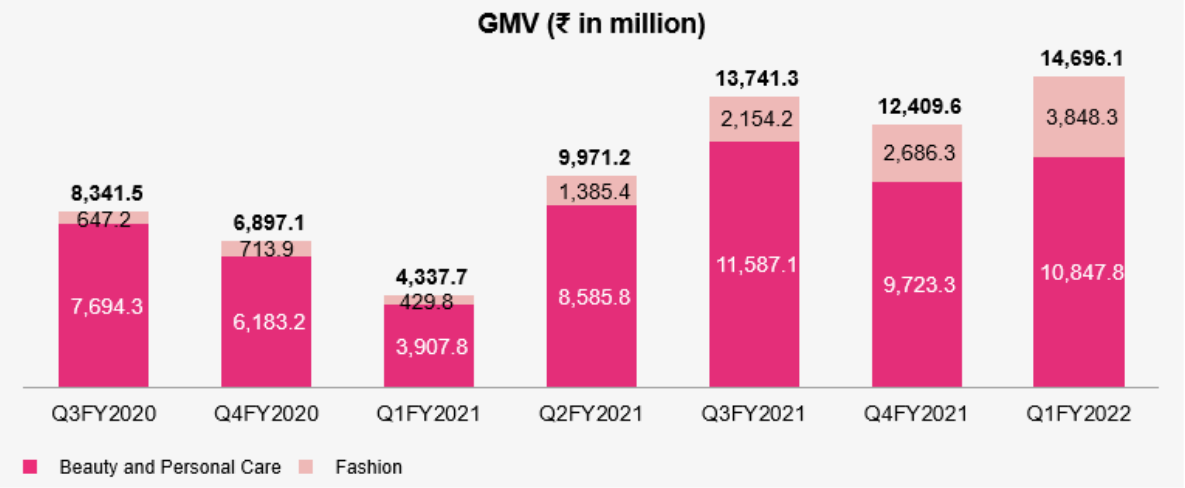
the three months ended June 30, 2021 for our fashion vertical. Our total GMV has been growing consistently over the last three Financial Years, from ₹16,500.8 million in the Financial Year 2019 to ₹40,459.8 million in the Financial Year 2021 and from ₹4,337.7 million for the three months ended June 30, 2020 to ₹14,696.1 million for the three months ended June 30, 2021, across beauty and personal care and fashion products. An increase in Orders and GMV on our platforms generally results in an increase in our revenues from operations.

The COVID-19 outbreak led to government imposed country-wide lockdowns, restrictions on travel and business operations. We experienced lower Orders and GMV in the fourth quarter of the Financial Year 2020 and first quarter of the Financial Year 2021 primarily due to the lockdown restrictions imposed during the first wave of the COVID-19 pandemic. Following the first quarter of the Financial Year 2021, as lockdown restrictions were gradually relaxed, our business witnessed a sharp recovery from the second quarter of the Financial Year 2021 through our online channels, while sales from our physical stores continued to be impacted.

However, we recorded our highest quarterly Orders and GMV for the business to date in the first quarter of the Financial Year 2022 despite the impact of the second wave of the COVID-19 pandemic on our operations and productivity. While the majority of our physical stores were still shut in the first quarter of the Financial Year 2022 due to the localized lockdowns imposed, we witnessed strong growth in Orders and GMV led by sales through our online channels. Our total GMV grew by 18.4% from the last quarter of the Financial Year 2021 to the first quarter of the Financial Year 2022.

Previous period figures for the three months ended June 30, 2020 are not comparable with those of the three months ended June 30, 2021, because of the difference in magnitude of impact of COVID-19 on both quarters as explained above.

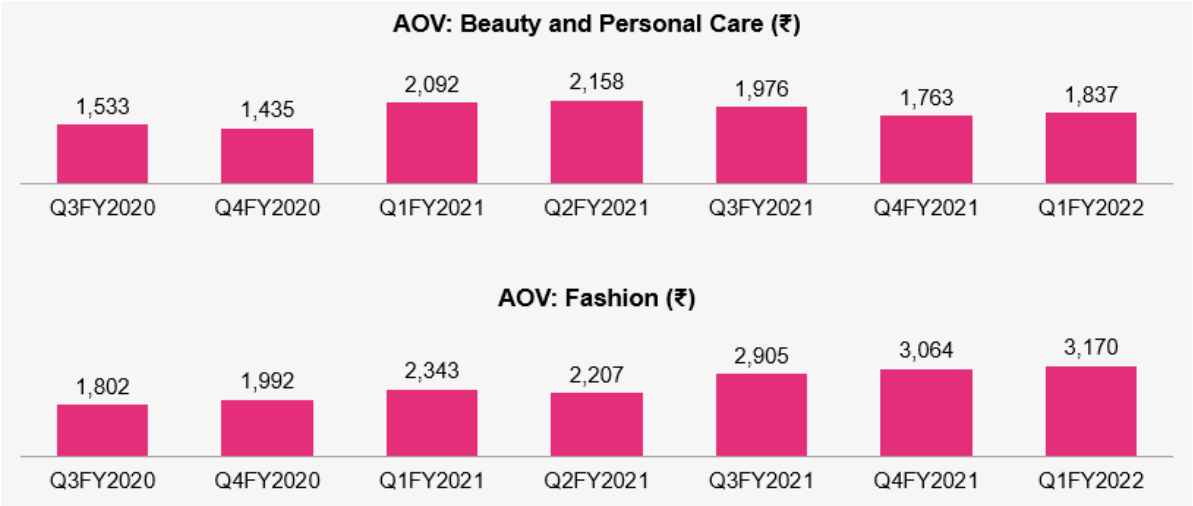
Our Orders and GMV over the last seven quarters are as shown below:



Our AOV has also increased from (i) ₹1,433 in the Financial Year 2019 to ₹1,963 in the Financial Year 2021 for our beauty and personal care vertical and (ii) ₹655 in the Financial Year 2019 to ₹2,739 in the Financial Year 2021 for our fashion vertical. Our AOV has decreased from ₹2,092 for the three months ended June 30, 2020 to ₹1,837 for the three months ended June 30, 2021 for our beauty and personal care vertical and has increased from ₹2,343 for the three months ended June 30, 2020 to ₹3,170 for the three months ended 2021 for our fashion vertical. The lockdowns imposed due to the first wave of COVID-19 outbreak led to supply chain disruptions. Due to this, we decided to fulfil Orders only above a minimum AOV threshold and also increased the threshold for free shipping in our beauty and personal care vertical, which led to an increase in our AOV in the first and second quarters of the Financial Year 2021. In subsequent quarters of the Financial Year 2021, as lockdown restrictions were gradually relaxed, we reduced the minimum AOV threshold for Order placement and the threshold for free shipping, which led to a normalisation of AOVs. However, the AOV observed in the third and fourth quarters of the Financial Year 2021 and the first quarter of the Financial Year 2022 continued to trend higher than pre-COVID-19 AOVs, due to an increase in assortment on our platform leading to higher basket sizes and change in consumer behaviour in favor of purchasing more luxury and prestige brands resulting in an increase in average selling price per unit.

In our fashion business, the increase in AOVs over the four quarters in the Financial Year 2021 and the first quarter in the Financial Year 2022 has been a result of an increase in assortment on our platform including the launch of new consumer divisions like Men and Kids and onboarding of premium brands.

Our AOV over the last seven quarters are as shown below:



Our Ability to Attract and Maintain Brand Relationships and Manage Our Mix of Product Offerings

The number and diversity of our brand relationships whose products are sold on our platform directly affects our revenue from operations. Our product positioning and merchandising strategy are guided by the brands, through our team of brand managers who work closely with the brands. We advise brands that sell their products on our managed marketplace on pricing and commercial strategies including discounting, sampling, gifting and couponing to meet consumer demand while respecting each brand's desired positioning in the market. We need to continue to maintain and expand our brand relationships base to maintain and grow our revenues. The combination of wide selection of products offered on our platform, competitive prices and convenient shopping experience, coupled with our strong brand awareness and commitment to authenticity, enables us to attract more consumers to our platform, which, in turn, draws more brand relationships to our platform, resulting in an expansion of our product portfolio and increased consumer retention. As a result, we have seen a consistent increase in the number of brand relationships and the number of SKUs offered on our platform over the last three Financial Years. As of August 31, 2021, we offered approximately 3.1 million SKUs from 4,078 national and international brands to our consumers across business verticals.

Our beauty and personal care offering is extensive with 256,149 SKUs from 2,644 brands primarily across make-up, skincare, haircare, bath and body, fragrance, grooming appliances, personal care, and health and wellness categories as of August 31, 2021. Our beauty and personal care portfolio includes domestic brands, international brands, luxury brands, premium brands, niche and cult brands. As of August 31, 2021, Nykaa Fashion housed 1,434 brands and over 2.8 million SKUs with fashion products across four consumer divisions: women, men, kids and home. Within these consumer divisions, we merchandise across several categories including western wear, Indian wear, lingerie, footwear, bags, jewellery, accessories, athleisure, home décor, bath, bed and kitchen in order to cater to diverse consumers' journeys across our platform. Having a broad, attractive and updated product mix helps to maintain the popularity of our platforms, increases consumer loyalty and encourages consumer purchases.

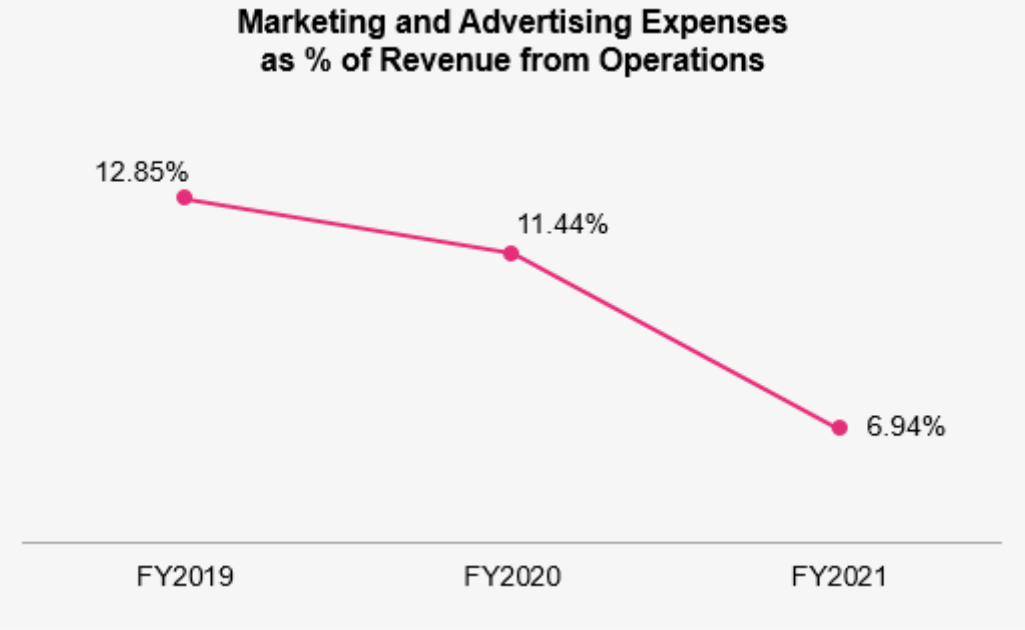
Cost-Effectiveness of Our Platform

Our profitability depends on our ability to maintain a cost-effective platform, which depends on a number of factors such as, the efficiency of our sales and marketing initiatives, fulfillment process and continuous investment to develop our technology for improvement in operational effectiveness.

Marketing and advertisement expenses

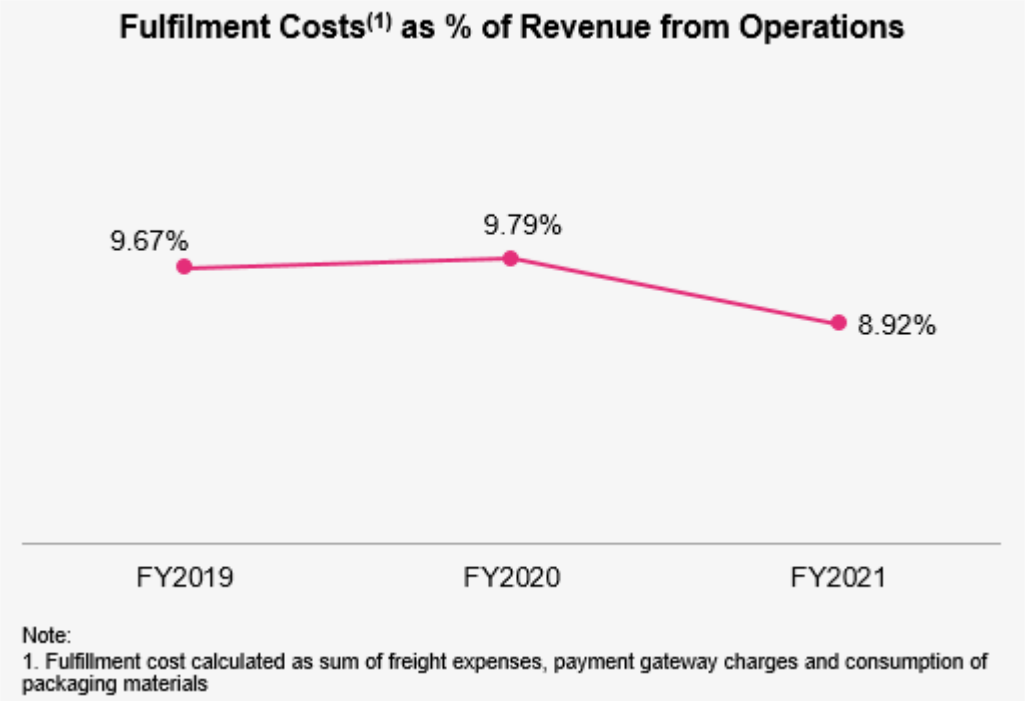
We invest in marketing and advertisement initiatives to drive new consumers acquisitions on our platform and to encourage Existing Consumers to increase the frequency of purchase. While we have gained

prominence as a lifestyle retail platform by leveraging our core capabilities in content, social media and influencer marketing, our cost effectiveness depends on our ability to attract and retain consumers at reasonable marketing expenses. As a percentage of revenue from operations, our marketing and advertisement expenses decreased from 12.85% in the Financial Year 2019 to 11.44% in the Financial Year 2020 and 6.94% in the Financial Year 2021 and increased from 2.48% for the three months ended June 30, 2020 to 11.11% for the three months ended June 30, 2021. The drop in marketing and advertisement spend in the Financial Year 2021 was due to an increase in AOV, an increase in GMV contribution from Existing Consumers and partially due to muted spend during the first half of the Financial Year 2021. However, marketing cost has increased in the first quarter of the Financial Year 2022 primarily due to higher spend in marketing for new consumer acquisition across verticles and building awareness for our online platforms such as “Nykaafashion.com” and “Nykaaman.com”.



Fulfilment Costs

We incur freight, packaging costs and payment gateway charges for the products that we ship from our warehouses as a part of other expenses. We work with delivery companies to execute our deliveries and ensure smooth and efficient courier delivery of products to our consumers. We pay service fees to delivery companies that we engage to carry out deliveries and pick-up services. Our cost effectiveness depends on our ability to continue optimising fulfilment costs on a per Order basis through operational efficiencies like improved terms on service fee with our delivery partners with increasing Orders. As a percentage of revenue from operations, our fulfilment costs decreased from 9.67% in the Financial Year 2019 to 8.92% in the Financial Year 2021 due to an improvement in AOV over this period. However, as a percentage of revenue from operations, our fulfilment costs increased from 9.71% for the three months ended June 30, 2020 to 11.44% for the three months ended June 30, 2021 due to higher split shipment on account of capacity constraints and partial dilution in AOV.



Our Critical Accounting Policies

Basis of Consolidation

The Restated Ind AS Consolidated Financial Statement comprises the financial statements of our Company and subsidiaries as at March 31, 2021. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with the investee and have the ability to affect those returns through our power over the investee. Specifically, we control an investee if and only if we have:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when we have less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- our voting rights and potential voting rights;
- the size of our holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders; and
- any additional facts and circumstances that indicate that we have, or do not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

We re-assess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Ind AS Consolidated Financial Statement from the date we gain control until the date we cease to control the subsidiary.

The Restated Ind AS Consolidated Financial Statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Restated Ind AS Consolidated Financial Statement for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Restated Ind AS Consolidated Financial Statement to ensure conformity with our accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a) Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Ind AS Consolidated Financial Statement at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Ind AS Consolidated Financial Statement. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of our Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with our accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of our group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If we lose control over a subsidiary, we:

- derecognise the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognise the carrying amount of any non-controlling interests;
- derecognise the cumulative translation differences recorded in equity;
- recognise the fair value of the consideration received;
- recognise the fair value of any investment retained;

- recognise any surplus or deficit in profit or loss;

- recognise that distribution of shares of subsidiary to us in our capacity as owners; and

- reclassify the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if we had directly disposed of the related assets or liabilities.

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

We identify the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which we expect to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Contacts where our obligation is to arrange for the provision of goods and services by another party, we recognise revenue in the amount of the commission to which it expects to be entitled in exchange for arranging for the provision of goods and services.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Rendering of services

Income from services are recognised as and when the services are rendered.

Marketing support revenue

- We recognise marketing income i.e. visibility services provided by us to various brands at retail outlets of ours. Revenue from advertisement services is recognised when advertisement is displayed;

- Advertising revenue is derived from displaying web and application-based banner ads and sale of online advertisements. Revenue from banner advertisement is recognised pro rata over the period of display of advertisement as per contract; and

- Revenue from sale of online advertisements is recognised based on output method and we apply the practical expedient to recognise advertising revenue in the amount to which we have a right to invoice upon rendering of services.

Reward points programme

We have a reward points programme which allows customers to accumulate points that can be redeemed against future purchases of products at discounted prices. The reward points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the reward points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the reward points, we consider the likelihood that the customer will redeem the points. We update its estimates of the points that will be redeemed on an annual basis and any adjustments to the contract liability balance are charged against revenue.

Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If we perform by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents our right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in *"– Financial Instruments – initial recognition and subsequent measurement*."

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before we transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when we perform under the contract.

Inventory

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis;

- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis; and

- Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion necessary to make the sale.

An inventory provision is recognised for cases where the net realisable value is estimated to be lower than the inventory carrying value. The net realisable value is estimated taking into account various factors, including obsolescence of material due to design change, process change etc., unserviceable

items i.e. items which cannot be used due to deterioration in quality or due to shelf life or damaged in storage and ageing of material i.e. slow moving/non-moving prevailing sales prices of inventory.

Leases

We assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:
We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

We recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Right of use for properties 2 to 6 years

If ownership of the leased asset transfers to us at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii. Lease liabilities:

At the commencement date of the lease, we recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for terminating the lease, if the lease term reflects our exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use our incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short term leases and leases of low value assets:

We apply the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset is considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Sub-lease

At the commencement date, we recognise assets held under a sub-lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. We use the interest rate implicit in the lease to measure the net investment in the lease. In case if the interest rate implicit in the sublease cannot be readily determined, we being an intermediate lessor uses the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- fixed payments less any lease incentives payable;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;

- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

- payments of penalties, if any, for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

We recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on net investment in the lease.

Net investment in the lease are subject to the derecognition and impairment requirements in Ind AS 109. We regularly review estimated unguaranteed residual values, if any, used in computing the gross investment in the lease and adjusts the income allocation accordingly.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised as incurred and included in administrative and other expenses.

We determine that we have acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When we acquire a business, we assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 “Financial Instruments”, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with Ind AS 109. Other contingent consideration that is not within the scope of Ind AS 109 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, we re-assess whether we have correctly identified all of the assets acquired and all of the liabilities assumed and review the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Current versus Non-current Classification

We present assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be settled within 12 months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period;
- it is held primarily for the purpose of trading; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

We classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. We have identified period of twelve months as our operating cycle.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is included in asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to us and cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss for the period during which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on property, plant and equipment not ready for their intended use is disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation on Property, Plant and Equipment

Depreciation is provided using the straight-line method based on useful lives of the assets prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised on a straight-line basis over the period of primary lease or the expected useful life whichever is lower.

Estimated useful lives of the assets are as follows:

Property Plant and Equipment	Useful lives (in years)
Plant and Equipment	8
Computers	3
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively for any change in estimate, if appropriate. Changes in expected useful lives are treated as change in accounting estimates.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Amortisation of Intangible Assets

Intangible assets are amortised on straight line basis as per the following useful lives:

Intangible asset	Useful lives (in years)
Trade Mark	5
Business application development (Internally generated)	3
Website	3
Software	3

Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when we can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- our intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; or
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Impairment of Non-financial Assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised, i.e. wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the

risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

We base our impairment calculation on most recent budgets and forecast calculations, which are prepared for our CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, we estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement:

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument. All Financial assets and liabilities are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which we have applied the practical expedient, we initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which we have the practical expedient are measured at the transaction price as disclosed under "*–Revenue Recognition – Revenue from contracts with customers*."

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Interest Income

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head “Other income” in the statement of profit and loss.

Provisions

A provision is recognised when we have a present legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Foreign Currency Transactions

Functional and presentation currency

The Restated Ind AS Consolidated Financial Statement is presented in Indian Rupees, which is our functional currency and the currency of the primary economic environment in which we operate.

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on settlement or translation of other monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the statement of profit and loss in the year in which they arise.

Share-based Payments

Employees (including senior executives) of ours receive remuneration in the form of share- based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent

to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Post-employment and Other Employee Benefits

Short term employee benefits

All short term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the statement of profit and loss.

Post-employment Benefits

Defined Contribution Plans:

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the restated statement of profit and loss of the year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund. We recognise contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined Benefit Plans

Gratuity

We have an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity benefits are unfunded.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Net interest is calculated by applying the discount rate to the net defined benefit liability. We recognise the following changes in the net defined benefit obligation as an expense in the restated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through 'Other comprehensive income' in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

We provide for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

Income Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where we operate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax are measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date. Current income tax and deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). We periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. We shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, and other short term highly liquid investments which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of our cash management.

Earnings per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

Segment Reporting Policies

Considering our aggressive expansion plan for driving synergy across fulfilment models, sales channels and product categories, it necessitates change in current review mechanism. The management reviews and allocates resources based on omni business and omnichannel strategy, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment.

Share Capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

Our Results of Operations

The following table sets forth select financial data from our restated Ind AS consolidated summary statement of profit and loss for the three months ended June 30, 2021 and 2020 and for the Financial Years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods:

	Three Months ended June 30,				**Financial Year**					
	2021		**2020**		**2021**		**2020**		**2019**	
	(₹ in million)	***(% of Total Income)***	***(₹ in million)***	***(% of Total Income)***	***(₹ in million)***	***(% of Total Income)***	***(₹ in million)***	***(% of Total Income)***	***(₹ in million)***	***(% of Total Income)***
Income:										
Revenue from operations	8,169.91	99.43	2,886.39	99.17	24,408.96	99.52	17,675.33	99.42	11,113.94	99.55
Other income	47.23	0.57	24.07	0.83	117.41	0.48	103.17	0.58	49.88	0.45
Total income	**8,217.14**	**100.00**	**2,910.46**	**100.00**	**24,526.37**	**100.00**	**17,778.50**	**100.00**	**11,163.82**	**100.00**
Expenses:										

	Three Months ended June 30,				Financial Year					
	2021		2020		2021		2020		2019	
	(₹ in million)	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*
Cost of materials consumed	229.37	2.79	35.08	1.21	382.41	1.56	173.43	0.98	2.41	0.02
Purchase of traded goods	5,509.42	67.05	1,042.55	35.82	14,956.06	60.98	11,787.46	66.30	7,852.43	70.34
Changes in finished goods and stock-in-trade	(885.47)	(10.78)	1,075.45	36.95	(460.22)	(1.88)	(1,818.84)	(10.23)	(1,252.07)	(11.22)
Employee benefits expenses	884.67	10.77	558.74	19.20	2,836.47	11.56	1,956.13	11.00	1,172.96	10.51
Finance costs	90.14	1.10	87.20	3.00	307.01	1.25	442.93	2.49	263.42	2.36
Depreciation and amortisation expense	194.97	2.37	145.71	5.01	671.28	2.74	595.09	3.35	308.76	2.77
Other expenses	2,162.55	26.32	628.01	21.58	5,079.98	20.71	4,766.60	26.81	3,133.11	28.06
Total expenses	**8,185.65**	**99.62**	**3,572.74**	**122.77**	**23,772.99**	**96.93**	**17,902.80**	**100.70**	**11,481.02**	**102.84**
Restated profit/(loss) before tax	**31.49**	**0.38**	**(662.28)**	**(22.76)**	**753.38**	**3.07**	**(124.30)**	**(0.70)**	**(317.20)**	**(2.84)**
Tax expense/(income):										
Current tax	133.63	1.63	-	-	400.78	1.63	45.37	0.26	-	0.00
Deferred tax	(137.36)	(1.67)	(117.21)	(4.03)	(266.85)	(1.09)	(6.27)	(0.04)	(71.81)	(0.64)
Total tax expense/(income)	**(3.73)**	**(0.05)**	**(117.21)**	**(4.03)**	**133.93**	**0.55**	**39.10**	**0.22**	**(71.81)**	**(0.64)**
Restated profit/(loss) for the period/year	**35.22**	**0.43**	**(545.07)**	**(18.73)**	**619.45**	**2.53**	**(163.40)**	**(0.92)**	**(245.39)**	**(2.20)**
Restated total other comprehensive income/(loss) for the period/year (net of tax)	2.10	0.03	(1.59)	(0.05)	(21.80)	(0.09)	1.09	0.01	2.51	0.02
Restated total comprehensive income/(loss) for the period/year	**37.32**	**0.45**	**(546.66)**	**(18.78)**	**597.65**	**2.44**	**(162.31)**	**(0.91)**	**(242.88)**	**(2.18)**

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

Previous period figures for the three months ended June 30, 2020 are not comparable with those of the three months ended June 30, 2021, because of the difference in magnitude of impact of COVID-19 on both quarters.

Total Income

Our total income increased by 182.33% to ₹8,217.14 million for the three months ended June 30, 2021 from ₹2,910.46 million for the three months ended June 30, 2020, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 183.05% to ₹8,169.91 million for the three months ended June 30, 2021 from ₹2,886.39 million for the three months ended June 30, 2020, primarily due to an increase in sale of products and sale of services. Our total revenue growth was also supported by an increase in demand for our products for the three months ended June 30, 2021 as a result of increasing online shopping by consumers in our beauty and personal care vertical as well as the launch of multiple product categories and brands as part of our fashion offering, despite the adverse impact of the second wave of the COVID-19 pandemic.

- Our revenue from operations from sale of products increased by 153.65% to ₹6,916.38 million for the three months ended June 30, 2021 from ₹2,726.73 million for the three months ended June 30, 2020, primarily due to the following trends in our beauty and personal care vertical: (i) an increase in Annual Unique Transaction Consumers from 4.8 million as of June 30, 2020 to 6.7 million as of June 30, 2021 and (ii) an increase in the number of Orders placed on our platform from 1.9 million for the three months ended June 30, 2020 to 5.9 million for the three months ended June 30, 2021, partially offset by a decrease in AOV from ₹2,092 for the three months ended June 30, 2020 to ₹1,837 for the three months ended June 30, 2021.

- Our revenue from sale of services increased by 672.17% to ₹1,205.55 million for the three months ended June 30, 2021 from ₹156.12 million for the three months ended June 30, 2020 due to the growth in revenue from marketing support revenue and income from marketplace services in our fashion vertical.

Other income. Our other income increased by 96.22% to ₹47.23 million for the three months ended June 30, 2021 from ₹24.07 million for the three months ended June 30, 2020, primarily due to an increase in our interest income on bank deposit and miscellaneous income.

Expenses

Cost of goods sold. Cost of goods sold increased by 125.41% to ₹4,853.32 million for the three months ended June 30, 2021 from ₹2,153.08 million for the three months ended June 30, 2020, primarily due to an increase in sale of products that we purchase from brand relationships or their authorised distributors and manufacture under our owned brands which we sell directly to our consumers, in line with the growth in the number of Orders on our platform which was driven by an increase in the number of Annual Unique Transacting Consumers.

	Three Months ended June 30, 2021 (₹ in million)	**Three Months ended June 30, 2020 (₹ in million)**
Cost of Goods Sold:		
Cost of materials consumed	229.37	35.08
Purchase of traded goods	5,509.42	1,042.55
Changes in finished goods and stock-in-trade	(885.47)	1,075.45

	Three Months ended June 30, 2021 (₹ in million)	Three Months ended June 30, 2020 (₹ in million)
Total Cost of Goods Sold	4,853.32	2,153.08

Employee benefits expense. Employee benefits expense increased by 58.33% to ₹884.67 million for the three months ended June 30, 2021 from ₹558.74 million for the three months ended June 30, 2020, primarily due to an increase in salaries, wages and bonus to ₹823.01 million for the three months ended June 30, 2021 from ₹488.60 million for the three months ended June 30, 2020. The increase in salaries, wages and bonus was primarily due to an increase in employee headcount to 2,224 as at June 30, 2021 from 1,811 as at June 30, 2020 and annual increment.

Finance costs. Our finance costs increased by 3.37% to ₹90.14 million for the three months ended June 30, 2021 from ₹87.20 million for the three months ended June 30, 2020, primarily due to an increase in interest expenses on lease liabilities to ₹30.64 million for the three months ended June 30, 2021 from ₹21.61 million for the three months ended June 30, 2020, partially offset by a decrease in interest expenses on borrowings to ₹54.74 million for the three months ended June 30, 2021 from ₹63.74 million for the three months ended June 30, 2020 as a result of lower rate of interest on our working capital borrowings despite higher utilisation.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 33.81% to ₹194.97 million for the three months ended June 30, 2021 from ₹145.71 million for the three months ended June 30, 2020, primarily due to an increase in depreciation of rights-of-use assets to ₹112.18 million for the three months ended June 30, 2021 from ₹87.54 million for the three months ended June 30, 2020 and an increase in depreciation of property, plant and equipment to ₹53.02 million for the three months ended June 30, 2021 from ₹40.57 million for the three months ended June 30, 2020.

Other expenses. Our other expenses increased by 244.35% to ₹2,162.55 million for the three months ended June 30, 2021 from ₹628.01 million for the three months ended June 30, 2020, primarily due to (i) an increase in marketing and advertisement expense to ₹907.44 million for the three months ended June 30, 2021 from ₹71.60 million for the three months ended June 30, 2020, primarily due to higher spend in marketing for new consumer acquisition across verticals and building awareness for our online platforms such as “Nykaafashion.com” and “Nykaaman.com”, (ii) an increase in freight expenses to ₹699.44 million for the three months ended June 30, 2021 from ₹192.77 million for the three months ended June 30, 2020, which was driven by the increase in the volume of Orders processed through our platform and an increase in per order freight cost due to higher split shipment and (iii) an increase in consumption of packing materials to ₹179.54 million for the three months ended June 30, 2021 from ₹54.57 million for the three months ended June 30, 2020, which was primarily due to an increase in shipments in line with an increase in Order volume.

Tax expense/(income). Our total tax income decreased by 96.82% to ₹(3.73) million for the three months ended June 30, 2021 from ₹(117.21) million for the three months ended June 30, 2020. Our tax income for the three months ended June 30, 2021 comprised a current tax of ₹133.63 million and a deferred tax income of ₹137.36 million, while our tax income for the three months ended June 30, 2020 comprised a deferred tax income of ₹117.21 million. Tax income for the three months ended June 30, 2021 was lower on account of taxable profits as compared to taxable losses during the corresponding period in the prior year. Our effective tax rate was (11.85)% and 17.70% for the three months ended June 30, 2021 and 2020, respectively.

Restated profit/(loss) for the period. As a result of the foregoing, our restated profit for the period increased to ₹35.22 million for the three months ended June 30, 2021 from a restated loss of ₹545.07 million for the three months ended June 30, 2020.

Financial Year 2021 Compared to Financial Year 2020

Total Income

Our total income increased by 37.96% to ₹24,526.37 million for the Financial Year 2021 from ₹17,778.50 million for the Financial Year 2020, primarily due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 38.10% to ₹24,408.96 million for the Financial Year 2021 from ₹17,675.33 million for the Financial Year 2020, primarily due to an increase in sale of products and sale of services. Our total revenue growth was also supported by an increase in demand for our products in Financial Year 2021 as a result of increasing online shopping by consumers in our beauty and personal care vertical as well as the launch of multiple product categories and brands as part of our fashion offering, despite the adverse impact of the COVID-19 pandemic.

- Our revenue from operations from sale of products increased by 37.70% to ₹21,809.06 million for the Financial Year 2021 from ₹15,838.25 million for the Financial Year 2020, primarily due to the following trends in our beauty and personal care vertical: (i) an increase in Annual Unique Transaction Consumers from 5.3 million for the Financial Year 2020 to 5.6 million for the Financial Year 2021, (ii) a slight increase in the number of Orders placed on our platform from 17.0 million for the Financial Year 2020 to 17.1 million for the Financial Year 2021 and (iii) an increase in AOV from ₹1,448 for the Financial Year 2020 to ₹1,963 for the Financial Year 2021.

- Our revenue from sale of services increased by 37.90% to ₹2,502.99 million for the Financial Year 2021 from ₹1,815.09 million for the Financial Year 2020 due to the growth in revenue from marketing support revenue and income from marketplace services.

Other income. Our other income increased by 13.80% to ₹117.41 million for the Financial Year 2021 from ₹103.17 million for the Financial Year 2020, primarily due to an increase in our interest income on security deposit and bank deposit, and foreign exchange gain, partially offset by a decrease in miscellaneous income and no gain on financial assets carried at fair value through profit and loss during the Financial Year 2021 (as compared to a gain on financial assets carried at fair value through profit and loss of ₹75.99 million for the Financial Year 2020.

Expenses

Cost of goods sold. Cost of goods sold increased by 46.70% to ₹14,878.25 million for the Financial Year 2021 from ₹10,142.05 million for the Financial Year 2020, primarily due to an increase in sale of products that we purchase from brand relationships or their authorised distributors and manufacture under our owned brands which we sell directly to our consumers, in line with the growth in the number of Orders on our platform which was driven by an increase in the number of Annual Unique Transacting Consumers and AOV.

	Financial Year 2021 (₹ in million)	**Financial Year 2020 (₹ in million)**
Cost of Goods Sold:		
Cost of materials consumed	382.41	173.44
Purchase of traded goods	14,956.06	11,787.46
Changes in finished goods and stock-in-trade	(460.22)	(1,818.84)
Total Cost of Goods Sold	14,878.25	10,142.05

Employee benefits expense. Employee benefits expense increased by 45.00% to ₹2,836.47 million for the Financial Year 2021 from ₹1,956.13 million for the Financial Year 2020, primarily due to an increase

in salaries, wages and bonus to ₹2,582.06 million for the Financial Year 2021 from ₹1,822.27 million for the Financial Year 2020 and a one-off compensated absences expenses of ₹102.81 million for the Financial Year 2021 attributable to a change in our leave policy during the Financial Year 2021 which allowed employees to accumulate leave subject to certain limits and carry forward into subsequent years for availment/encashment. Accordingly, this is the first year where we have made a provision for compensated absences as per the leave policy existing as of March 31, 2021. The increase in salaries, wages and bonus was primarily due to an increase in employee headcount to 2,045 as at March 31, 2021 from 1,772 as at March 31, 2020 and annual increment.

Finance costs. Our finance costs decreased by 30.69% to ₹307.01 million for the Financial Year 2021 from ₹442.93 million for the Financial Year 2020, primarily due to (i) a decrease in interest expenses on borrowings to ₹162.42 million for the Financial Year 2021 from ₹293.04 million for the Financial Year 2020 as a result of the repayment of certain borrowings, lower utilisation of, and a reduction in interest rates on, working capital loan, and (ii) a decrease in interest expenses on lease liabilities to ₹129.69 million for the Financial Year 2021 from ₹140.43 million for the Financial Year 2020.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 12.80% to ₹671.28 million for the Financial Year 2021 from ₹595.09 million for the Financial Year 2020, primarily due to an increase in depreciation of rights-of-use assets to ₹408.36 million for the Financial Year 2021 from ₹382.77 million for the Financial Year 2020 and an increase in depreciation of property, plant and equipment to ₹186.12 million for the Financial Year 2021 from ₹134.52 million for the Financial Year 2020.

Other expenses. Our other expenses increased by 6.57% to ₹5,079.98 million for the Financial Year 2021 from ₹4,766.60 million for the Financial Year 2020, primarily due to (i) an increase in freight expenses to ₹1,580.08 million for the Financial Year 2021 from ₹1,314.15 million for the Financial Year 2020, which was driven by the increase in the volume of Orders processed through our platform and an increase in the number of outsourced personnel in fulfillment centers and (ii) an increase in consumption of packing materials to ₹438.73 million for the Financial Year 2021 from ₹345.74 million for the Financial Year 2020, which was primarily due to an increase in shipments in line with an increase in Order volume. The increase in other expenses was partially offset by the decrease marketing and advertisement expense to ₹1,694.80 million for the Financial Year 2021 from ₹2,022.03 million for the Financial Year 2020, primarily due to a reduction in expenses on advertising and digital marketing.

Tax expense/(income). Our total tax expense increased by 242.53% to ₹133.93 million for the Financial Year 2021 from ₹39.10 million for the Financial Year 2020. Our tax expenses for the Financial Year 2021 comprised a current tax of ₹400.78 million and a deferred tax income of ₹266.85 million, while our tax expenses for the Financial Year 2020 comprised a current tax of ₹45.37 million and a deferred tax of ₹6.27 million. Deferred tax income for the Financial Year 2020 was lower on account of one-time reversal of previously recognised deferred tax asset of ₹92.99 million on account of a reduction in corporate tax rate. Our effective tax rate was 17.78% and 31.46% for the Financial Years 2021 and 2020, respectively.

Restated profit/(loss) for the year. As a result of the foregoing, our restated profit for the year increased to ₹619.45 million for the Financial Year 2021 from a restated loss of ₹163.40 million for the Financial Year 2020.

Financial Year 2020 Compared to Financial Year 2019

Total Income

Our total income increased by 59.25% to ₹17,778.50 million for the Financial Year 2020 from ₹11,163.82 million for the Financial Year 2019, due to an increase in revenue from operations.

Revenue from operations. Our revenue from operations increased by 59.04% to ₹17,675.33 million for the Financial Year 2020 from ₹11,113.94 million for the Financial Year 2019, primarily due to an increase in sale of products and sale of services.

- Our revenue from operations from sale of products increased by 62.63% to ₹15,838.25 million for the Financial Year 2020 from ₹9,739.11 million for the Financial Year 2019, primarily due to the

following trends in our beauty and personal care vertical: (i) an increase in Annual Unique Transaction Consumers from 3.5 million for the Financial Year 2019 to 5.3 million for the Financial Year 2020, (ii) an increase in the number of Orders placed on our platform from 11.0 million for the Financial Year 2019 to 17.0 million for the Financial Year 2020 and (iii) an increase in AOV from ₹1,433 for the Financial Year 2019 to ₹1,448 for the Financial Year 2020.

- Our revenue from sale of services increased by 33.41% to ₹1,815.09 million for the Financial Year 2020 from ₹1,360.55 million for the Financial Year 2019 due to the growth in revenue from marketing support revenue and income from marketplace services.

Other income. Our other income increased by 106.84% to ₹103.17 million for the Financial Year 2020 from ₹49.88 million for the Financial Year 2019, due to an increase in interest income in security deposit, bank deposit, miscellaneous income and gain on financial asset carried at fair value through profit and loss as a result of a one-off gain on sale of mutual fund (relating to investment in liquid/debt funds where we had parked our temporary surpluses) for the Financial Year 2020, partially offset by decrease in liabilities written back.

Expenses

Cost of goods sold. Cost of goods sold increased by 53.60% to ₹10,142.05 million for the Financial Year 2020 from ₹6,602.77 million for the Financial Year 2019, primarily due to an increase in sale of products that we purchase from brand relationships or their authorised distributors and manufacture under our owned brands which we sell directly to our consumers in line with the growth in the number of Orders on our platform which was driven by an increase in the number of Annual Unique Transacting Consumers.

	Financial Year 2020 (₹ in million)	**Financial Year 2019 (₹ in million)**
Cost of Goods Sold:		
Cost of materials consumed	173.44	2.41
Purchase of traded goods	11,787.46	7,852.43
Changes in finished goods and stock-in-trade	(1,818.84)	(1,252.07)
Total Cost of Goods Sold	10,142.05	6,602.77

Employee benefits expense. Employee benefits expenses increased by 66.77% to ₹1,956.13 million for the Financial Year 2020 from ₹1,172.96 million for the Financial Year 2019, primarily due to an increase in salaries, wages and bonus to ₹1,822.27 million for the Financial Year 2020 from ₹1,074.50 million for the Financial Year 2019. The increase in salaries, wages and bonuses was due to an increase in employee headcount to 1,772 as at March 31, 2020 from 1,205 as at March 31, 2019 and annual increment.

Finance costs. Our finance costs increased by 68.15% to ₹442.93 million for the Financial Year 2020 from ₹263.42 million for the Financial Year 2019, primarily due to (i) an increase in interest expenses on borrowings to ₹293.04 million for the Financial Year 2020 from ₹189.13 million for the Financial Year 2019 as a result of higher utilisation of working capital loan and an increase in borrowings and (ii) an increase in interest expenses on lease liabilities to ₹140.43 million for the Financial Year 2020 from ₹65.38 million for the Financial Year 2019 due to the rapid expansion of our physical retail stores in the Financial Year 2020.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 92.74% to ₹595.09 million for the Financial Year 2020 from ₹308.76 million for the Financial Year 2019, primarily due to an increase in depreciation on right-of-use assets to ₹382.77 million for the Financial

Year 2020 from ₹193.83 million for the Financial Year 2019 and an increase in depreciation of property, plant and equipment to ₹134.52 million for the Financial Year 2020 from ₹61.44 million for the Financial Year 2019 as we rapidly expanded physical retail stores in the Financial Year 2020.

Other expenses. Our other expenses increased by 52.14% to ₹4,766.60 million for the Financial Year 2020 from ₹3,133.11 million for the Financial Year 2019, primarily due to (i) an increase in marketing and advertisement expenses to ₹2,022.03 million for the Financial Year 2020 from ₹1,428.27 million for the Financial Year 2019 which was driven by increase in new consumers acquisition and advertisement initiatives, (ii) an increase in freight expenses to ₹1,314.15 million for the Financial Year 2020 from ₹826.04 million for the Financial Year 2019, which was driven by the increase in the volume of Orders processed through our platform and an increase in the number of outsourced personnel in fulfilment centers and (iii) an increase in consumption of packing materials to ₹345.74 million for the Financial Year 2020 from ₹198.23 million for the Financial Year 2019, which was due to an increase in shipments which is in line with an increase in Order volumes.

Tax expense/(income). Our total tax expense increased to ₹39.10 million for the Financial Year 2020 from total tax income of ₹71.81 million for the Financial Year 2019. Our tax expenses for the Financial Year 2020 comprised a current tax of ₹45.37 million and a deferred tax income of ₹6.27 million, while our tax expenses for the Financial Year 2019 comprised nil current tax and a deferred tax income of ₹71.81 million. Deferred tax income for the Financial Year 2020 was lower on account of one-time reversal of previously recognised deferred tax asset of ₹92.99 million on account of a reduction in corporate tax rate. Our effective tax rate was 31.46% and -22.64% for the Financial Years 2020 and 2019, respectively.

Restated loss for the year. As a result of the foregoing, our restated loss for the year decreased by 33.41% to ₹163.40 million for the Financial Year 2020 from ₹245.39 million for the Financial Year 2019.

Short-term Provisions

Short term provision increased to ₹108.47 million as at March 31, 2021 from ₹0.67 million as at March 31, 2020, due to (i) an increase in leave compensated absences to ₹91.05 million as at March 31, 2021 from nil as at March 31, 2020 and (ii) an increase in gratuity provision to ₹17.42 million as at March 31, 2021 from ₹0.67 million as at March 31, 2020.

- Increase in Leave Compensated Absences – We have a policy on compensated absences for our employees which was revised in the Financial Year 2021. The revised policy allows employees to accumulate leaves subject to certain limits and carry forward into subsequent years for availment or encashment. Accordingly, this is the first year where we made a provision for compensated absences as per the leave policy existing as at March 31, 2021. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date using the project unit credit method.

- Increase in Gratuity Provision – The increase in provision is mainly due to increase in headcount, salaries and wages of employees and service period of employees. The gratuity provision is determined by actuarial valuation performed by an independent actuary at the balance sheet date using the project unit credit method.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our capital expenditure and working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As of June 30, 2021, we had ₹2,818.36 million in cash and cash equivalents and ₹1,038.73 million in other bank balances other than cash and cash equivalents. We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for the next 12 months.

Cash Flows

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

(₹ in million)

	Three Months ended June 30,		Financial Year		
	2021	**2020**	**2021**	**2020**	**2019**
Net cash flows from/(used in) Operating Activities	(1,139.89)	43.34	1,498.43	61.51	(997.28)
Net cash flows from/(used in) Investing Activities	460.70	(0.47)	(1,297.44)	149.23	(1,619.54)
Net cash flows from/(used in) Financing Activities	2,659.81	41.22	(377.23)	687.21	2,356.91
Net increase/(decrease) in Cash and Cash Equivalents	1,980.62	84.09	(176.24)	897.95	(259.91)

Operating Activities

Net cash flows used in operating activities was ₹1,139.89 million for the three months ended June 30, 2021. While our restated profit before tax was ₹31.49 million, we had an operating profit before working capital changes of ₹321.54 million, primarily due to adjustments for depreciation and amortisation of ₹194.97 million, finance costs of ₹90.14 million and provision for compensated absence expenses of ₹22.80 million, partially offset by interest income of ₹29.49 million. Our working capital adjustments for the three months ended June 30, 2021 primarily consisted of an increase of inventories of ₹928.98 million, an increase in other current assets of ₹380.38 million and an increase in current financial assets of ₹202.95 million, partially offset by an increase in current other financial liabilities of ₹408.90 million and a decrease in trade receivables of ₹7.98 million. Our cash used in operations was ₹850.87 million, adjusted by payment of taxes of ₹289.02 million.

Net cash flows from operating activities was ₹43.34 million for the three months ended June 30, 2020. While our restated loss before tax was ₹662.28 million, we had an operating loss before working capital changes of ₹368.21 million, primarily due to adjustments for depreciation and amortisation of ₹145.71 million, finance costs of ₹87.20 million and provision for compensated absence expenses of ₹43.13 million, partially offset by interest income of ₹21.17 million. Our working capital adjustments for the three months ended June 30, 2020 primarily consisted of an decrease of inventories of ₹1,103.12 million, an increase in current financial assets of ₹176.01 million and an decrease in other current assets of ₹80.03 million, partially offset by an increase in current other financial liabilities of ₹467.60 million and a decrease in trade receivables of ₹292.97 million. Our cash generated from operations was ₹10.23 million, adjusted by refund of taxes of ₹33.11 million.

Net cash flows from operating activities was ₹1,498.43 million for the Financial Year 2021. While our restated profit before tax was ₹753.38 million, we had an operating profit before working capital changes of ₹1,903.17 million, primarily due to adjustments for depreciation and amortisation of ₹671.28 million, finance costs of ₹307.01 million and provision for compensated absence expenses of ₹102.81 million, partially offset by interest income of ₹102.92 million. Our working capital adjustments for the Financial Year 2021 primarily consisted of an increase of inventories of ₹521.31 million, an increase in current financial assets of ₹222.28 million and an increase in other current assets of ₹157.04 million, partially offset by an increase in current other financial liabilities of ₹462.02 million and a decrease in trade receivables of ₹152.49 million. Our cash generated from operations was ₹1,630.14 million, adjusted by payment of taxes of ₹131.71 million.

Net cash flows from operating activities was ₹61.51 million for the Financial Year 2020. While our net loss before tax was ₹124.30 million, we had an operating profit before working capital changes of ₹890.08 million, primarily due to adjustments for depreciation and amortisation of ₹595.09 million and finance costs of ₹442.93 million, partially offset by realised gain from sale of investments of ₹74.41 million and interest income of ₹18.86 million. Our working capital adjustments for the Financial Year 2020 primarily consisted of an increase in inventories of ₹2,007.45 million and an increase in trade receivables of ₹404.76 million, while partially offset by an increase in trade payables of ₹1,314.99 million, a decrease in current financial asset of ₹197.80 million and an increase in current other financial liabilities of ₹187.85 million. Our cash generated from operations was ₹104.18 million, adjusted by payment of taxes of ₹42.67 million.

Net cash flows used in operating activities was ₹997.28 million for the Financial Year 2019. While our net loss before tax was ₹317.20 million, we had an operating profit before working capital changes of ₹ 286.55 million, primarily due to adjustments for depreciation and amortisation of ₹308.76 million and in finance costs of ₹263.42 million, partially offset by unrealised gain on fair valuation of investments of ₹15.28 million and interest income of ₹8.28 million. Our working capital adjustments for the Financial Year 2019 primarily consisted of an increase in inventories of ₹1,256.67 million, an increase in other current assets of ₹575.89 million, an increase in current financial asset of ₹501.89 million, partially offset by an increase in trade payables of ₹568.80 million and a decrease in non-current assets of ₹239.07 million. Our cash used in operations was ₹997.28 million, adjusted by nil payment of taxes.

Investing Activities

Net cash flows from investing activities was ₹460.70 million for the three months June 30, 2021, primarily comprising redemption of investment in fixed deposits of ₹ 602.15 million and payment for purchase of property, plant and equipment, intangible assets including movement in capital work in progress ("CWIP") and capital creditors (net of proceeds from sales) of ₹160.18 million, offset by interest received of ₹18.73 million.

Net cash flow used in investing activities was ₹0.47 million for the three months ended June 30, 2020, primarily comprising redemption of investment in fixed deposits of ₹34.37 million and payment for purchase of property, plant and equipment, intangible assets including movement in CWIP and capital creditors (net of proceeds from sales) of ₹39.91 million, offset by interest received of ₹5.07 million.

Net cash flows used in investing activities was ₹1,297.44 million for the Financial Year 2021, primarily comprising investment in fixed deposits of ₹896.60 million and payment for purchase of property, plant and equipment, intangible assets including movement in CWIP and capital creditors (net of proceeds from sales) of ₹420.71 million, offset by interest received of ₹36.02 million.

Net cash flows from investing activities was ₹149.23 million for the Financial Year 2020, primarily comprising proceeds from sale of investments of ₹1,344.67 million, offset by investment in fixed deposits of ₹738.94 million and payment for purchase of property, plant and equipment, intangible assets including movement in CWIP and capital creditors (net of proceeds from sales) of ₹457.04 million.

Net cash flows used investing activities was ₹1,619.54 million for the Financial Year 2019, primarily comprising payment for purchase of investments of ₹1,268.45 million and payment for purchase of property, plant and equipment, intangible assets including movement in CWIP and capital creditors (net of proceeds from sales) of ₹349.13 million.

Financing Activities

Net cash flows from financing activities was ₹2,659.81 million for the three months ended June 30, 2021, primarily comprising proceeds from securities premium of ₹2,027.66 million raised from call on OCRPS to make them fully paid up before conversion into equity shares and exercise of employee stock options and proceeds of current borrowings (net) of ₹806.75 million, offset by principal payment of lease liabilities of ₹92.65 million, interest paid of ₹58.56 million and interest expenses on lease liabilities of ₹30.64 million.

Net cash flows from financing activities was ₹41.22 million for the three months ended June 30, 2020, primarily comprising proceeds from securities premium of ₹854.79 million raised from existing investors, offset by repayment of current borrowings (net) of ₹713.66 million, principal payment of lease liabilities of ₹66.56 million, interest paid of ₹30.16 million and interest expenses on lease liabilities of ₹21.61 million.

Net cash flows used in financing activities was ₹377.23 million for the Financial Year 2021, primarily comprising (repayment) of current borrowings (net) of ₹815.21 million, principal payment of lease liabilities of ₹299.50 million, interest paid of ₹176.55 million and interest expenses on lease liabilities of ₹129.69 million, partially offset by proceeds from securities premium of ₹1,022.56 million.

Net cash flows from financing activities was ₹687.21 million for the Financial Year 2020, primarily comprising proceeds from securities premium of ₹1,031.94 and proceeds from current borrowings (net) of ₹418.78 million, offset by principal payment of lease liabilities of ₹330.96 million, interest paid of ₹297.70 million and interest expenses on lease liabilities of ₹140.43 million.

Net cash flows from financing activities was ₹2,356.91 million for the Financial Year 2019, primarily comprising proceeds from current borrowings (net) of ₹1,427.35 million and proceeds from securities premium of ₹1,332.87 million, offset by interest paid of ₹197.10 million, principal payment of lease liabilities of ₹146.09 million and interest expenses on lease liabilities of ₹65.38 million.

Indebtedness

As of June 30, 2021, we had outstanding consolidated total borrowings of ₹2,681.34 million (comprising non-current liabilities – financial liabilities – borrowings of ₹16.60 million and current liabilities – financial liabilities – borrowings of ₹2,664.74 million) as compared with outstanding consolidated total borrowings of ₹1,874.65 million (comprising non-current liabilities – financial liabilities – borrowings of ₹16.60 million and current liabilities – financial liabilities – borrowings of ₹1,858.05 million) as of March 31, 2021. Our borrowings are denominated in Indian Rupee as of such date.

Capital and Other Commitments

As of June 30, 2021, our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was ₹9.83 million.

The following table summarises the maturity profile of our Group's financial liabilities based on contractual undiscounted payments as of June 30, 2021:

(₹ in millions)

Particulars	Total	Up to 1 Year	1-5 Years
Total Borrowings	2,681.34	2,664.74	16.60
Trade payables	3,105.87	3,105.87	-
Other financial liabilities	1,295.47	1,295.47	-
Lease liabilities	2,018.20	549.61	1,468.59
Total	**9,100.88**	**7,615.69**	**1,485.19**

Capital Expenditure

Our capital expenditures primarily relate to the purchase of computers, furniture and other fixtures, office equipment, leasehold improvements, software and business application development. Our

purchase of property, plant and equipment, intangible assets including movement in CWIP and capital creditors (net of proceeds from sales) were ₹160.18 million and ₹39.91 million for the three months ended June 30, 2021 and 2020, respectively, and ₹420.71 million, ₹457.04 million and ₹349.13 million in Financial Years 2021, 2020 and 2019, respectively.

Contingent Liabilities

As at June 30, 2021, we have contingent liabilities (as per Ind As 37) of ₹132.20 million comprising ₹74.37 million for claims against our Group not acknowledged as debts for disputed direct tax matters (including interest up to the date of demand, if any), ₹22.25 million for claims against our Group not acknowledged as debts for disputed indirect tax matters (including interest up to the date of demand, if any) and ₹35.58 million for certain bank guarantees against vendor liabilities.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Offer Document Summary - Related Party Transactions*" on page 22.

Quantitative and Qualitative Analysis of Market, Credit and Liquidity Risks

Our Board has overall responsibility for the establishment and oversight of our risk management framework. We are exposed to the following risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk, product price risk and interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables. Since the Financial Year 2022, we have started hedging our foreign currency payables.

Product price risk

In a potentially inflationary economy, we expect periodical price increases across its product lines. Product price increases which are not in line with the levels of consumers' discretionary spends, may affect the business/ sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to consumers to sustain volumes. We negotiate with our vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the consumers. This helps us to protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Interest rate risk

We are exposed to interest rate risk primarily due to borrowings having floating interest rates. We use available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that we have an effective mix of fixed and variable rate borrowings.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Our retail business is predominantly based on cash on delivery and prepaid, and accordingly the credit risk on such collections is minimal. We have adopted a policy of dealing with only creditworthy counterparties in case of institutional consumers and the credit risk exposure for institutional consumers is managed by us by credit worthiness checks. Our experience of delinquencies and consumer disputes have been minimal. Further, trade and other receivables consist of a large number of consumers, across geographies, hence, we are not exposed to concentration risks. Also we have a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates.

Security deposits

We also carry credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed and property possessions are taken for operations. The risk relating to refunds after vacating the premises is managed through successful negotiations or appropriate legal actions, where necessary.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by our treasury department in accordance with our policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by our Board of Directors on an annual basis, and may be updated throughout the year subject to approval of our Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity Risk

Liquidity risk is a risk that we may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 44. To our knowledge, except as disclosed in this Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Income

Other than as described elsewhere in this Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and income.

See "*Risk Factors – Internal Risk Factors – Health epidemics, including the ongoing COVID-19 pandemic, have had, and could in the future have, an adverse impact on our business, operations and the markets and communities in which we and our consumers, suppliers, sellers and advertisers operate*" for risks of the COVID-19 outbreak on our operations and financial condition on page 58 and see "*Our Business*" on page 190 for more details regarding the impact of COVID-19 on our operations.

Significant Developments Subsequent to June 30, 2021

Acquisition of a Majority Stake in Dot & Key Wellness Private Limited

On September 28, 2021, our Company acquired 51% of the outstanding equity shares of Dot & Key Wellness Private Limited ("**Dot & Key**") through the subscription and purchase of equity shares. Dot & Key is engaged in the business of manufacturing, marketing, branding and sale of skincare and personal care products, including serums, toners, cleansers, face masks and face creams. Dot & Key has also recently launched a few products in the nutraceuticals category. Its products are listed on our and other online retailers' platforms as well as in our physical retail stores. Following this investment, Dot & Key became one of our owned brands and this investment will allow us to expand our skincare, personal care and nutraceuticals offerings. See also "*Our Business— Our Owned Brands*" on page 212.

Financial Results for Quarter Ended September 30, 2021

Our Company, after the completion of this Offer, and with listing of our Equity Shares, within 45 days from the completion of the previous quarter, will be required to publish our quarterly financial results for the quarter ended September 30, 2021. While we have not yet prepared our results of operations for the quarter ended September 30, 2021, we may incur a loss primarily due to higher marketing costs for the quarter ended September 30, 2021 as compared to the quarter ended June 30, 2021, due to (i) a mass media marketing campaign aimed at building brand awareness and (ii) higher customer acquisition costs to acquire new customers. See "*Risk Factors— If we fail to acquire new consumers or fail to do so in a cost-effective manner, we may not be able to increase revenue or maintain profitability."*

Except as disclosed in this Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail credit facilities in their ordinary course of business for purposes such as meeting their working capital requirements, business requirements and other general corporate purposes. As of the date of this Red Herring Prospectus, we have applied for, and obtained, consents from the requisite lenders of our Company and our Subsidiaries to permit the Offer. For further details, see "*Risk Factors - We have incurred indebtedness towards working capital and our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.*" on page 76.

Borrowings of our Company on consolidated basis

As of August 31, 2021, our Company and our Subsidiaries had total borrowings (long term borrowings (including current maturity of long-term debt) and short-term borrowings) amounting to ₹ 2,906.49 million. Set forth below is a brief summary of the aggregate borrowings of our Company and our Subsidiaries:

Details of the outstanding borrowings of our Company and our Subsidiaries, on a consolidated basis, are as follows:

Sr. No	Category of borrowing	Sanctioned amount as on August 31, 2021 (₹ million)^	Outstanding amount as on August 31, 2021 as per unaudited books of accounts (in ₹ million)^
Borrowings of our Company			
	Secured		
	Fund based		
1	Working capital facilities(Including Sub Limit of fund based facility)	600.20	313.67
1.1	Cash Credit facilities (Including Sub Limit of fund based facility)	600.00	13.67
	Non-fund based		
1.2	Bank guarantee (Sub Limit of fund based facility)	170.00	-#
1.3	Letters of credit(Sub Limit of fund based facility)	350.00	-#
	Unsecured		
2	Marked To Market (MTM) limit	20.00	-#
Total A = (1+2)		**620.20**	**313.67**
Borrowings of our Subsidiaries$			
	Secured		
	Fund based		
3	Cash Credit facilities	20.00	-
4	Working capital facilities (Including Sub Limit of fund based facility)	3,520.00	2,576.22
4.1	Cash Credit facilities (Sub Limit of fund based facility)	2,920.00	684.58

Sr. No	Category of borrowing	Sanctioned amount as on August 31, 2021 (₹ million)^	Outstanding amount as on August 31, 2021 as per unaudited books of accounts (in ₹ million)^
	Non-fund based		
4.2	Bank guarantee (Sub Limit of fund based facility)	1,000.00	-*
4.3	Letters of credit (Sub Limit of fund based facility)	1,530.00	-*
4.4	Marked To Market (MTM) limit (Sub Limit of fund based facility)	20.00	-*
	Term Loan		
5	Working capital term loans	16.60	16.60
	Unsecured		
6	Marked To Market (MTM) limit	130.00	-*
Total B = (3+4+5+6)		**3,686.60**	**2,592.82**
Grand total (A+B)		**4,306.80**	**2,906.49**

^As certified by V. C. Shah & Co. Chartered Accountants, pursuant to their certificate dated October 19, 2021.

$ Dot & Key Wellness Private Limited became a subsidiary of the Company with effect from September 28, 2021. Accordingly, the details of outstanding indebtedness of Dot & Key as of August 31, 2021, amounting to ₹42.75 million is not included in the table above.

#The outstanding of non-fund based facilities availed by our Company as at August 31, 2021, ₹ Nil are classified as contingent liabilities.

*The outstanding of non-fund based facilities availed by our Subsidiaries as at August 31, 2021, ₹ 84.73 million are classified as contingent liabilities.

For disclosure of borrowings as at March 31, 2021 and June 30, 2021, as per requirements of Schedule III of Companies Act, 2013 and related accounting standards, please see "*Financial Statements*" on page 287.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered by our Company and our Subsidiaries.

1. ***Interest/ Commission:*** The interest rates for the facilities availed by our Company and Subsidiaries vary and are typically linked to: (a) the marginal cost of fund based lending rates (**"MCLR"**) of a specific lender and spread per annum or rates, subject to a minimum interest rate; (b) the base rate of a specified lender and spread per annum, which varies among different loans for different lenders; and (c) the base repo rate fixed by the RBI and spread per annum, which varies among different loans for different lenders.

   The commission or interest for the working capital facilities availed by our Company and our Subsidiaries is typically based on the applicable rate of commission at the time of issuance of such facility or the underlying rate of the fixed deposit against which the loan has been sanctioned.

2. ***Tenor:*** The working capital facilities and cash credit facilities availed by our Company and our Subsidiaries are typically available for a period of 12 months, while the tenor for some of their sub-limits could be lesser.

   The tenor of the term loan facility availed by our Subsidiary, Nykaa-KK Beauty is for 48 (forty eight) months (including a 12 months moratorium period).

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   (a) create charge by way of hypothecation on entire current assets, both present and future;
   (b) create charge by way of hypothecation over all moveable fixed assets, both present and future;
   (c) create charge by way of lien on the fixed deposits of our Company; and
   (d) execute corporate guarantee(s) by our Company in relation to certain borrowings of our Subsidiaries.

4. ***Penal Interest:*** The terms of certain facilities availed by our Company and our Subsidiaries prescribe penalties for non-payment of interest or repayment instalment, failure to create security within agreed timelines or any other breach of terms and conditions, which are as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The default interest payable on such facilities availed typically ranges from 1% to 2% *per annum* on the outstanding loan.

5. ***Prepayment:*** The terms of certain facilities availed by our Company and our Subsidiaries typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties and such other conditions as laid down in the facility agreements, on giving notice and/or obtaining prior written approval from the concerned lender, as the case may be. Further, the prepayment of the term loan facilities availed by our Subsidiary, Nykaa-KK Beauty, requires prior written approval of the lender and the fulfilment of additional conditions and payment of pre-payment charges prescribed by the lender.

6. ***Repayment****:* The working capital facilities availed by us are either repayable on demand or on their respective due dates within the maximum tenor. While the term loan availed by the Subsidiary, Nykaa-KK, is repayable in thirty six equal instalments, our other financing arrangements are repayable depending on the tenor stipulated in their respective facility agreements. The working capital facilities are revolving in nature and are available for utilization until the availability period mentioned in the sanction letters/ facility agreements.

7. ***Restrictive covenants*****:** Our loan documentation entail various restrictive covenants and conditions restricting certain corporate actions, and we are required to take the lender's prior written consent and/or intimate the respective lender before carrying out such actions, including for:

   (a) entering into any scheme of merger, amalgamation, compromise or reconstruction, dissolution or permitting any change in capital structure, ownership, management or control of the borrower, including whereby the effective beneficial ownership, management or control of the borrower shall change;
   (b) effecting any change in the capital structure of the borrower;
   (c) amending the borrower's Memorandum of Association or Articles of Association, including if such amendments adversely affect the interest of the lender;
   (d) a Subsidiary ceasing to be a wholly-owned subsidiary of the Company;
   (e) reduction/change in promoter shareholding/or change in promoter directorship beyond specified limits or resulting in change in management control of the borrower;
   (f) withdrawing profits or declaring dividend for any year, if any payment default has occurred;
   (g) entering into any borrowing arrangement (secured or unsecured basis) with any other bank/ financial institution;
   (h) undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects;
   (i) permitting any transfer of the controlling interest or making any drastic change in the management set up; and
   (j) investing by way of share capital or lending or advancing funds to or placing deposits with any other concerns except in normal course of our business.

8. ***Events of default:*** In terms of the borrowing arrangements for the facilities availed by us, the occurrence of any of the following, among others, constitute an event of default:

(a) suspension or cessation or threat of suspension or cessation to carry on business or fails to conduct our business to the satisfaction of the lender or change in the general nature or scope of the business, operations, management or ownership, which could have a material adverse effect;
(b) failure or breach on borrower's part to perform any obligations or terms or conditions applicable under the loan documentation or any other agreement with any other bank, financial institution, creditor or any other person including non-payment in full of any part of the outstanding balance when due or when demanded by the bank;
(c) failure to pay/repay any monies in respect of the facilities on the due dates, whether at stated maturity, by acceleration or otherwise;
(d) in case of any attachment or distress or restraint being levied against our assets or any order being passed for recovery of dues and such order is not vacated or discharged;
(e) failure to create and/or perfect security within such period as contemplated under the respective facility agreements;
(f) any deterioration or impairment of the assets underlying the security or any part of such security which causes the security to become unsatisfactory as to character, including depreciation in the margin, value or market price of the assets;
(g) if on business is being carried on at loss, as certified by accountant appointed by the lender;
(h) if a receiver is appointed in respect of whole or any part of the property/assets;
(i) utilization of a loan for purposes other than the sanctioned purpose;
(j) creates any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the secured properties, without prior written consent of the lenders;
(k) breach of any statement, representation, warranty, covenant or confirmation; and
(l) any other event or material change which may have a material adverse effect on the lenders.

9. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangement for the facilities availed by us, upon the occurrence of events of default, our lenders may:

(a) declare the facilities, together with accrued interest and other monies, to be immediately due and payable and upon such declaration, the same shall become immediately payable;
(b) declare that all undisbursed portion of the sanctioned amount shall stand cancelled, whereupon the same shall be cancelled;
(c) exercise any or all rights and recourses available to the lender including enforcement of security under the respective facility agreement;
(d) demand to furnish additional cash collateral in respect of all non-fund based facilities that have not devolved;
(e) impose of penal interest over and above the contracted rate on the amount in default;
(f) initiate legal proceedings for recovery of their dues;
(g) have a right to appointment its nominee and/or receiver;
(h) demand to furnish unencumbered collateral to the satisfaction of the lender; and
(i) exercise all other remedies as available under applicable law.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – We have incurred indebtedness towards working capital and our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.*" on page 76.

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SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings (ii) actions taken by regulatory or statutory authorities; (iii) outstanding claims related to any direct or indirect taxes; (iv) other pending litigation as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, each of our Subsidiaries, Promoters or Directors (collectively, "**Relevant Parties**"); or (v) litigation involving each of our Group Companies which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purposes of (iv) above, in terms of the Materiality Policy adopted by resolution of our Board dated July 30, 2021:

A. *Any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving the Relevant Parties shall be considered "material" for the purposes of disclosure in this Red Herring Prospectus, if:*

    a.) *the aggregate monetary claim made by or against the Relevant Party, in any such pending litigation / arbitration proceeding is equal to or in excess of 1% of consolidated restated turnover or 1% of consolidated restated profit after tax, whichever is lower, as per the latest fiscal year in the Restated IND AS Consolidated Financial Statements, being ₹ 6.19 million; or*

    b.) *any such litigation wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified in A.(i) above, but the outcome of which could, nonetheless, directly or indirectly, or together with other similar proceedings, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company and/or our Subsidiaries.*

B. *Any pending litigation / arbitration proceedings (other than litigations mentioned in points (i) to (iii) above) involving any person other than the Relevant Parties shall be considered "material" for the purposes of disclosure in the Offer Documents, if, the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.*

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (other than notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered as material litigation until such time that a Relevant Party is impleaded as a defendant in proceedings before any judicial / arbitral forum.

Further, creditors of our Company to whom amount due by our Company is equal to or in excess of ₹ 158.11 million, being 5% of the consolidated trade payables of our Company as at the end of the latest Financial Year included in the Restated IND AS Consolidated Financial Statement, would be considered as material creditors.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Litigation involving our Company

Litigations against our Company

Actions by statutory or regulatory authorities

1. Our Company and Falguni Nayar had voluntarily filed a compounding application dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs (the "**Regional Director**") / The National Company Law Tribunal, Mumbai under section 441 of the Companies Act, in relation to appointment of the statutory auditor of the Company for a period of one year i.e. Financial Year 2019-20 at the seventh annual general meeting of the shareholders of our Company held on July 12, 2019, which was not in compliance with the provisions of Section 139 of the Companies Act and the rules promulgated thereunder. The Regional Director *vide* its order dated September 6, 2021 compounded the offences committed under Section 139 of the Companies Act and directed our Company and Falguni Nayar to pay compounding fee of ₹ 0.1 million and ₹ 0.02 million, respectively and accordingly disposed off the compounding application. Our Company and Falguni Nayar have paid the said compounding fee imposed by way of the above order on August 27, 2021 and August 31, 2021, respectively.

2. Our Company had voluntarily filed an application for adjudication dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before The Central Government / The Registrar of Companies, Maharashtra at Mumbai under section 454 of the Companies Act, in relation to a delay of 238 days in appointment of a whole-time company secretary of our Company, which was not in compliance with the provisions of Section 203 of the Companies Act and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the adjudication application was transferred to compounding cell by the Registrar of Companies, Maharashtra at Mumbai on the grounds that the offence made in 2014 was originally punishable with fine. Accordingly, our Company has filed an application under Section 441 of the Companies Act for compounding the non compliance with the provisions of Section 203 of the Companies Act. The said application has been compounded by The Regional Director, Western Region, Ministry of Corporate Affairs *vide* its order dated September 29, 2021 and directed our Company and its Directors to pay a compounding fee, which was paid on September 23, 2021.

3. Our Company had voluntarily filed an application for adjudication dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before The Central Government / The Registrar of Companies, Maharashtra at Mumbai under section 454 of the Companies Act, in relation to an omission to include a list of allotees in the certified true extract of the shareholders' resolution dated September 14, 2016, attached to the e-Form MGT-14 filed by our Company with the Registrar of Companies, Maharashtra at Mumbai on September 22, 2016, which was not in compliance with the provisions of Section 42(2) of the Companies Act and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further to discussions with the office of Registrar of Companies, Maharashtra at Mumbai, our Company has been advised that a non compliance with the provisions of Section 42(2) of the Companies Act has not been committed since the list of allottees was attached e-Form MGT-14 by way of a disclosure in the explanatory statement in the notice of the AGM held on September 22, 2016 and the requisite e-Forms MGT-14 and PAS-3 have been filed for the impugned preferential allotment. Accordingly, our Company has *vide* a letter dated September 23, 2021 has applied for withdrawal of the application for adjudication and the same has been acknowledged by the Registrar of Companies, Maharashtra at Mumbai.

4. Our Company had voluntarily filed a compounding application dated September 20, 2021 by filing e-Form GNL-1 on September 21, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs (the "**Regional Director**") / The National Company Law Tribunal, Mumbai under section 441 of the Companies Act, in relation to a delay of 238 days in appointment of a whole-time company secretary of our Company, which was not in compliance with the provisions of Section 203 of the Companies Act and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Regional Director *vide* its order dated September 29, 2021 compounded the offences committed under Section 203 of the Companies Act and directed our Company and the Directors who were on the Board of Directors of our Company during the period of non-compliance, *viz*., Falguni Nayar, Rashmi Mehta and Om Prakash Nayar to pay a compounding fee of ₹ 0.2 million, ₹ 0.07 million and ₹ 0.07 million, respectively and accordingly disposed off the compounding application. The Regional Director noted the fact that Om Prakash Nayar had passed away on August 16, 2016 and therefore the compounding fee of ₹ 0.07 million cannot be paid by due to his demise. Our

Company and the above-mentioned Directors, except Om Prakash Nayar have paid the said compounding fee on September 23, 2021.

Civil proceedings

L'Oreal S.A. ("**L'Oreal**") filed a civil suit CS (comm) 364/2019 dated November 19, 2019 before the District Court, Saket against our Company and Nykaa E-Retail ("**Defendants**") under sections 134, 135 and 27(2) of the Trade Marks Act, 1999, seeking restraint against copyright infringement and alleging passing off against the Defendants. L'Oreal claimed that it is the owner of the trademark "*Maybelline*" and the Defendants have, without authorization, adopted and used the trade dress and colour combination in relation to its product "*Maybelline – Maybelline New Lasting Drama Gel Liner*". The court passed *ex parte* injunction orders dated November 20, 2019 and December 23, 2019, where the Defendants were restrained from using the trade dress/ packaging in "*Nykaa-Black Magic Gel Eye Liner*" or any other confusingly and deceptively similar trade dress/packaging as being used by L'Oreal in relation to "*Maybelline – Maybelline New Lasting Drama Gel Liner*" and from retailing the same through online and offline outlets/portals. Further, upon the Defendants filing an application with the court for vacating the *ex-parte* interim injunction, the court passed an order dated March 2, 2020 against the defendants and its agents/business partners, restraining them from using the trade dress/ packaging being used by L'Oreal for its product "*Nykaa-Black Magic Gel Eyeliner*", till the final disposal of the matter.

The Defendants filed an appeal before the High Court of Delhi against the injunction order dated March 2, 2020. On March 13, 2020, the High Court of Delhi referred the matter to the mediation cell of the High Court of Delhi. Further, the parties have completed all pleadings before the District Court, Saket and the matter is pending an application to be filed by the Defendants for modification of issues and final framing of issues by the court. The appeal before the High Court of Delhi and the mediation process are currently pending.

Criminal proceedings

NIL

Litigations by our Company

Civil proceedings

NIL

Criminal proceedings

NIL

Litigation involving our Subsidiaries

Litigations against our Subsidiaries

Actions by statutory or regulatory authorities

1. Nykaa E-Retail

   (a) Nykaa E-Retail has received a notice dated January 27, 2021 from the Deputy Director (Legal Metrology), Delhi alleging that pursuant to an advertisement of sale made by Nykaa E-Retail on its website, Nykaa E-Retail has failed to include mandatory declarations as mentioned under Rule 6(1) read with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011. Nykaa E-Retail submitted a response dated February 11, 2021 to the regulator denying the allegations contained in the notice. The regulator has not responded to the letter dated February 11, 2021 submitted by Nykaa E-Retail. This matter is currently pending.

   (b) Nykaa E-Retail has received a notice dated November 15, 2019 from the Drugs

Inspector (Thane), Food and Drugs Administration alleging that certain beauty products manufactured by Belleza Italia were found by the regulator at the premises situated at Pimplas, Bhiwandi. The notice further stated that the licence of Belleza Italia has been surrendered on May 02, 2018 and therefore, the stock available with Nykaa E-Retail has been seized by the regulator. Nykaa E-Retail has filed a response dated November 22, 2019 denying all allegations and submitting that it is engaged in the business of e-commerce with no involvement in manufacturing activities. This matter is currently pending.

(c) Nykaa E-Retail and Falguni Nayar have received a notice dated November 20, 2019 from the office of the Joint Labour Commissioner, District South West, Labour Department regarding failure to furnish statutory returns and payment of cess under Section 3 of the Building and Other Constructions Workers Welfare Cess Act, 1996 and Rule 3 of the Building and Other Construction Workers Welfare Cess Rules, 1998 in respect of construction of warehouses by Nykaa E-Retail. The notice directed Nykaa E-Retail to furnish necessary returns and supporting documents and deposit cess at 1% of the cost of construction. This matter is currently pending.

(d) Nykaa E-Retail has received a notice dated February 09, 2021 from the Deputy Director (Legal Metrology), Delhi alleging that mandatory information required to be disclosed on a digital platform under Rule 6(1) read with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011 was not disclosed by a third party seller on the e-commerce platform of Nykaa E-Retail in non-compliance with Section 18(1) of the Legal Metrology Act, 2009. Nykaa E-Retail *vide* its letter dated August 25, 2021 has informed and intimated the Deputy Director that a notice alleging non-compliance under Rule 6(1) read with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011 has not been received by the third party seller. Nykaa E-Retail also informed the Deputy Director that the alleged offence has been compounded. We are yet to receive a confirmation from the Deputy Director on the above and therefore the matter is currently pending.

(e) Nykaa E-Retail has received notices bearing number 637 and 638 dated August 19, 2021 from the Senior Inspector of Legal Metrology, Office of Legal Metrology, Bareilly alleging that mandatory information required to be disclosed on a digital platform under Rule 6(1) read with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011 was not disclosed by a third party seller on the e-commerce platform of Nykaa E-Retail and alleging non-compliance by Nykaa E-Retail with Section 18(1) of the Legal Metrology Act, 2009. Nykaa E-Retail has replied to the said notices on September 02, 2021 stating that it is in the process of reviewing the contents of the notices and therefore any legal action in respect of the said notices should not be initiated without providing an opportunity for personal hearing. The Senior Inspector has *vide* its order dated October 12, 2021 noted that a compounding fee of ₹ 0.05 million was deposited, by Nykaa E-Retail and its nominee director, Anchit Nayar for the above-mentioned notices and accordingly, compounded and disposed off the notices.

2. Nykaa Fashion

Nykaa Fashion and Adwaita Nayar had voluntarily filed a compounding application dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai (the "**Regional Director**") / The National Company Law Tribunal under section 441 of the Companies Act, in relation to re-appointment of the statutory auditor of Nykaa Fashion for a period of one year i.e. Financial Year 2019-20 at the meeting of the board of directors of Nykaa Fashion held on June 01, 2019 and first annual general meeting held on July 12, 2019, which was not in compliance with the provisions of Section 139 of the Companies Act and the rules promulgated thereunder. The Regional Director *vide* its order dated September 6, 2021 compounded the offences committed under Section 139 of the Companies Act and directed Nykaa Fashion and its directors, Anchit Nayar (being a director of Nykaa Fashion on the date of non-compliance) and Adwaita Nayar to pay compounding fee of ₹ 0.1 million, ₹ 0.02 million and ₹ 0.02 million, respectively and accordingly disposed off the compounding application. Nykaa Fashion and its directors have paid the said

compounding fee imposed by way of the above order on August 30, 2021 and August 31, 2021, respectively.

3. FSN Brands

(a) FSN Brands has received a notice dated April 08, 2021 from the South Delhi Municipal Corporation alleging unauthorised display of advertisements at property/shop no. Plot No. A-3, District Centre Saket, New Delhi – 110 017, beyond the permissible size without obtaining written permission from the South Delhi Municipal Corporation, as required under the provisions of the Delhi Municipal Corporations Act, 1957, advertisement bye-laws, Delhi Prevention of Defacement of Property Act, 2007 and the advertisement policy 2017, as approved by the Supreme Court of India. The South Delhi Municipal Corporation directed FSN Brands to remove all displays and LED screens within three days from the date of issuance of the notice. FSN Brands has responded to the notice dated April 08, 2021 by way of its letter dated July 14, 2021 stating that it is compliant with all applicable provisions of law in respect of display boards at its stores. This matter is currently pending.

(b) FSN Brands has received a notice dated February 25, 2021 from the South Delhi Municipal Corporation alleging unauthorised display of advertisements at Shop No. GF-178A, DLF Avenue Mall Saket, Saket District Centre, New Delhi – 110 017, beyond the permissible size without obtaining written permission from the South Delhi Municipal Corporation, as required under the provisions of the Delhi Municipal Corporations Act, 1957, advertisement bye-laws, Delhi Prevention of Defacement of Property Act, 2007 and the advertisement policy 2017, as approved by the Supreme Court of India. The South Delhi Municipal Corporation directed FSN Brands to remove all displays and LED screens within five days from the date of issuance of the notice. FSN Brands has responded to the notice dated April 08, 2021 by way of its letter dated July 14, 2021 stating that it is compliant with all applicable provisions of law in respect of display boards at its stores. This matter is currently pending.

4. Nykaa-KK

Nykaa-KK, Reena Chhabra and Neha Kanoria had voluntarily filed a compounding application dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai (the "**Regional Director**") / The National Company Law Tribunal under section 441 of the Companies Act, in relation to re-appointment of the statutory auditor of Nykaa-KK for a period of one year i.e. Financial Year 2019-20 at the meeting of the board of directors of Nykaa-KK held on June 01, 2019 and first annual general meeting held on July 12, 2019, which was not in compliance with the provisions of Section 139 of the Companies Act and the rules promulgated thereunder. The Regional Director *vide* its order dated September 6, 2021 compounded the offences committed under Section 139 of the Companies Act and directed Nykaa-KK, Reena Chhabra and Neha Kanoria to pay compounding fee of ₹ 0.1 million, ₹ 0.02 million and ₹ 0.02 million, respectively and accordingly disposed off the compounding application. Nykaa-KK, Reena Chhabra and Neha Kanoria have paid the said compounding fee imposed by way of the above order on August 31, 2021 and August 30, 2021, respectively.

Civil proceedings

NIL

Criminal proceedings

NIL

Litigations by our Subsidiaries

Civil proceedings

NIL

Criminal proceedings

A first information report bearing number 563 of 2021 has been registered in a complaint filed by Nykaa E-Retail at Lower Parel Police Station under Sections 419 and 420 of the Indian Penal Code, 1860 and Sections 66(K) and 66(E) of the Information Technology Act, 2000 against unknown persons, for allegedly fabricating some advertisements of Nykaa E-Retail by inserting fake contact numbers and misrepresenting to and defrauding some customers of Nykaa E-Retail with fake offers. This matter is currently under investigation.

Litigation involving our Promoters

Actions by statutory or regulatory authorities

1. Our Company and Falguni Nayar had voluntarily filed a compounding application dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs (the "**Regional Director**") / The National Company Law Tribunal, Mumbai under section 441 of the Companies Act, in relation to appointment of the statutory auditor of our Company for a period of one year i.e. Financial Year 2019-20 at the seventh annual general meeting of the shareholders of our Company held on July 12, 2019, which was not in compliance with the provisions of Section 139 of the Companies Act and the rules promulgated thereunder. The Regional Director *vide* its order dated September 6, 2021 compounded the offences committed under Section 139 of the Companies Act and directed our Company and Falguni Nayar to pay compounding fee of ₹ 0.1 million and ₹ 0.02 million, respectively and accordingly disposed off the compounding application. Our Company and Falguni Nayar have paid the said compounding fee imposed by way of the above order on August 27, 2021 and August 31, 2021, respectively.

2. Nykaa E-Retail and Falguni Nayar received a notice dated November 20, 2019 from the office of the Joint Labour Commissioner, District South West, Labour Department alleging failure to furnish statutory returns and payment of cess under Section 3 of the Building and Other Constructions Workers Welfare Cess Act, 1996 and Rule 3 of the Building and Other Construction Workers Welfare Cess Rules, 1998 in respect of construction of warehouses by Nykaa E-Retail. The notice directed Nykaa E-Retail to furnish necessary returns and supporting documents and deposit cess at 1% of the cost of construction. This matter is currently pending.

3. A complaint bearing number 5349 of 2019 has been filed by the Legal Metrology Department, State of Karnataka before the Court of Principal Civil Judge and JMFC at Gokak against Dabur India Limited ("**Dabur**") and its directors alleging non-compliance in declaring statutory information on one of the e-commerce platforms of Dabur and consequent violation of Section 18(1) of Legal Metrology Act, 2009 and Rule 6(10), 6(1)(b)(d) and (c), (da) and 12(6) of the Legal Metrology (Package Commodities) Rules, 2011 (the complaint is hereinafter referred to as the "**Complaint**"). Our Promoter, Falguni Nayar is an independent director on the board of directors of Dabur and has been made a party to the Complaint. In April 2021, Dabur filed a criminal petition bearing number No. 100673 of 2021 before the High Court of Karnataka ("**Criminal Petition**") praying for an order to be passed by the court for quashing the Complaint and imposing a stay on the proceedings of the Complaint. The court by way of its order dated April 15, 2021 granted a stay on the proceedings of the Complaint. The Complaint and the Criminal Petition are currently pending before the Court of Principal Civil Judge and Judicial Magistrate, First Class, Gokak and the High Court of Karnataka, respectively.

4. Our Company had voluntarily filed a compounding application dated September 20, 2021 by filing e-Form GNL-1 on September 21, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs (the "**Regional Director**") / The National Company Law Tribunal, Mumbai under section 441 of the Companies Act, in relation to a delay of 238 days in appointment of a whole-time company secretary of our Company, which was not in compliance

with the provisions of Section 203 of the Companies Act and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Regional Director *vide* its order dated September 29, 2021 compounded the offences committed under Section 203 of the Companies Act and directed our Company and the Directors who were on the Board of Directors of our Company during the period of non-compliance, *viz*., Falguni Nayar, Rashmi Mehta and Om Prakash Nayar to pay a compounding fee of ₹ 0.2 million, ₹ 0.07 million and ₹ 0.07 million, respectively and accordingly disposed off the compounding application. The Regional Director noted the fact that Om Prakash Nayar had passed away on August 16, 2016 and therefore the compounding fee of ₹ 0.07 million cannot be paid by due to his demise. Our Company and the above-mentioned Directors, except Om Prakash Nayar have paid the said compounding fee on September 23, 2021.

Civil proceedings

NIL

Criminal litigation

NIL

Disciplinary action taken against our Promoters in the five Financial Years preceding the date of this Red Herring Prospectus by SEBI or any stock exchange

NIL

Litigation involving our Directors

Actions by statutory or regulatory authorities

1. Our Company and Falguni Nayar had voluntarily filed a compounding application dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs (the "**Regional Director**") / The National Company Law Tribunal, Mumbai under section 441 of the Companies Act, in relation to appointment of the statutory auditor of our Company for a period of one year i.e. Financial Year 2019-20 at the seventh annual general meeting of the shareholders of our Company held on July 12, 2019, which was not in compliance with the provisions of Section 139 of the Companies Act and the rules promulgated thereunder. The Regional Director vide its order dated September 6, 2021 compounded the offences committed under Section 139 of the Companies Act and directed our Company and Falguni Nayar to pay compounding fee of ₹ 0.1 million and ₹ 0.02 million, respectively and accordingly disposed off the compounding application. Our Company and Falguni Nayar have paid the said compounding fee imposed by way of the above order on August 27, 2021 and August 31, 2021, respectively.

2. Nykaa E-Retail and Falguni Nayar received a notice dated November 20, 2019 from the office of the Joint Labour Commissioner, District South West, Labour Department alleging failure to furnish statutory returns and payment of cess under Section 3 of the Building and Other Constructions Workers Welfare Cess Act, 1996 and Rule 3 of the Building and Other Construction Workers Welfare Cess Rules, 1998 in respect of construction of warehouses by Nykaa E-Retail. The notice directed Nykaa E-Retail to furnish necessary returns and supporting documents and deposit cess at 1% of the cost of construction. This matter is currently pending.

3. Nykaa Fashion and Adwaita Nayar had voluntarily filed a compounding application dated May 20, 2021 by filing e-Form GNL-1 on June 02, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai (the "**Regional Director**") / The National Company Law Tribunal under section 441 of the Companies Act, in relation to re-appointment of the statutory auditor of Nykaa Fashion for a period of one year i.e. Financial Year 2019-20 at the meeting of the board of directors of Nykaa Fashion held on June 01, 2019 and first annual general meeting held on July 12, 2019, which was not in compliance with the provisions of Section 139 of the Companies Act and the rules promulgated thereunder. The Regional

Director *vide* its order dated September 6, 2021 compounded the offences committed under Section 139 of the Companies Act and directed Nykaa Fashion and its directors, Anchit Nayar and Adwaita Nayar to pay compounding fee of ₹ 0.1 million and ₹ 0.02 million (each), respectively and accordingly disposed off the compounding application. Nykaa Fashion and its directors have paid the said compounding fee imposed by way of the above order on August 30, 2021 and August 31, 2021, respectively.

4. A complaint bearing number 5349 of 2019 has been filed by the Legal Metrology Department, State of Karnataka before the Court of Principal Civil Judge and JMFC at Gokak against Dabur India Limited ("**Dabur**") and its board of directors alleging non-compliance in declaring statutory information on one of the e-commerce platforms of Dabur and consequent violation of Section 18(1) of Legal Metrology Act, 2009 and Rule 6(10), 6(1)(b)(d) and (c), (da) and 12(6) of the Legal Metrology (Package Commodities) Rules, 2011 (the complaint is hereinafter referred to as the "**Complaint**"). Our Promoter, Managing Director and Chief Executive Officer, Falguni Nayar is an independent director on the board of directors of Dabur and has been made a party to the Complaint. In April 2021, Dabur filed a criminal petition bearing number No. 100673 of 2021 before the High Court of Karnataka ("**Criminal Petition**") praying for an order to be passed by the court for quashing the Complaint and imposing a stay on the proceedings of the Complaint. The court by way of its order dated April 15, 2021 granted a stay on the proceedings of the Complaint. The Complaint and the Criminal Petition are currently pending before the Court of Principal Civil Judge and Judicial Magistrate, First Class, Gokak and the High Court of Karnataka, respectively.

5. Our Company had voluntarily filed a compounding application dated September 20, 2021 by filing e-Form GNL-1 on September 21, 2021 before The Regional Director, Western Region, Ministry of Corporate Affairs (the "**Regional Director**") / The National Company Law Tribunal, Mumbai under section 441 of the Companies Act, in relation to a delay of 238 days in appointment of a whole-time company secretary of our Company, which was not in compliance with the provisions of Section 203 of the Companies Act and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Regional Director *vide* its order dated September 29, 2021 compounded the offences committed under Section 203 of the Companies Act and directed our Company and the Directors who were on the Board of Directors of our Company during the period of non-compliance, *viz*., Falguni Nayar, Rashmi Mehta and Om Prakash Nayar to pay a compounding fee of ₹ 0.2 million, ₹ 0.07 million and ₹ 0.07 million, respectively and accordingly disposed off the compounding application. The Regional Director noted the fact that Om Prakash Nayar had passed away on August 16, 2016 and therefore the compounding fee of ₹ 0.07 million cannot be paid by due to his demise. Our Company and the above-mentioned Directors, except Om Prakash Nayar have paid the said compounding fee on September 23, 2021.

6. Nykaa E-Retail has received notices bearing number 637 and 638 dated August 19, 2021 from the Senior Inspector of Legal Metrology, Office of Legal Metrology, Bareilly alleging that mandatory information required to be disclosed on a digital platform under Rule 6(1) read with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011 was not disclosed by a third party seller on the e-commerce platform of Nykaa E-Retail and alleging non-compliance by Nykaa E-Retail with Section 18(1) of the Legal Metrology Act, 2009. Nykaa E-Retail has replied to the said notices on September 02, 2021 stating that it is in the process of reviewing the contents of the notices and therefore any legal action in respect of the said notices should not be initiated without providing an opportunity for personal hearing. The Senior Inspector has *vide* its order dated October 12, 2021 noted that a compounding fee of ₹ 0.05 million was deposited, each by Nykaa E-Retail and its nominee director, Anchit Nayar for the above-mentioned notices and accordingly, compounded and disposed off the notices.

Civil proceedings

NIL

Criminal litigation

NIL

Tax proceedings

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Subsidiaries, Promoters and Directors.

Nature of case	Number of cases	Demand amount involved* (in ₹ million)
Our Company		
Direct tax	Nil	Nil
Indirect tax	5	26.64
Subsidiary		
Direct tax	1	74.37
Indirect tax	6	9.29
Promoter		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Directors		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

**To the extent quantifiable*

Material tax proceedings

1. The Department of Goods and Services Tax, Government of Maharashtra has passed an assessment order dated March 26, 2021 under section 23 of the Maharashtra Value Added Tax Act, 2002 against our Company for the financial year 2017, imposing an additional tax liability of ₹ 10.25 million along with interest amounting to ₹ 10.25 million. This matter is currently pending.

2. The Assessing Officer, National e-Assessment Centre passed an assessment order dated April 20, 2021 under Section 143(3) read with Section 144B of the Income Tax Act, 1961 against Nykaa E-Retail wherein certain disallowances were undertaken to the returned income resulting in a disputed tax of ₹ 74.37 million for the assessment year 2018-19. Nykaa E-Retail has filed an appeal dated May 30, 2021 before the Commissioner of Income-tax (Appeals), The National Faceless Appeal Centre, Delhi. This matter is currently pending.

3. The Assistant Commissioner of Commercial Taxes, Department of Commercial Taxes, Government of Karnataka has passed orders dated August 19, 2021 under Section 9(2) of the Central Sales Tax Act, 1956 and Section 39(1) of the KVAT Act, 2003 against Nykaa E-Retail disallowing exemptions claimed on sales returns and levying additional tax on short declared sales and deemed sales of aggregate amounts of ₹ 3.17 million and ₹ 4.09 million under the KVAT Act, 2003 and the Central Sales Tax Act, 1956, respectively.

Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company, shall be considered to be material ("**Material Creditors**") for the purpose of disclosure in this Red Herring Prospectus, if amounts due to such creditor by our Company is equal to, or in excess of, 5% of the consolidated trade payables of our Company as at the end of the latest Financial Year in the Restated IND AS Consolidated Financial Statements (*i.e.*, as at March 31, 2021). As of June 30, 2021, we had 1,965 creditors and the aggregate amount outstanding to such creditors was ₹ 3,105.87 million. Accordingly, a creditor has been considered 'material' by our Company if the amount due to such creditor exceeds ₹ 155.29 million, as on June 30, 2021. As of June 30, 2021, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors were as follows:

S. No.	Type of creditor	Number of creditors	Amount outstanding (in Million ₹)
1.	Dues to Micro, Small and Medium Enterprises	93	96.34*

S. No.	Type of creditor	Number of creditors	Amount outstanding (in Million ₹)
2.	Dues to Material Creditor(s) (as defined below)	3	934.12
3.	Dues to other creditors	1,869	2075.41**
	Total	**1,965**	**3,105.87**

**The amount includes outstanding debit balances with respect to certain MSMEs for which the number of cases has been taken as 'Nil'.*

***The amount includes outstanding debit balances with respect to certain creditors and miscellaneous provision for purchases for which the number of cases has been taken as 'Nil'.*

For further details about outstanding overdues to Material Creditors as on June 30, 2021, along with the name and amount involved for each such Material Creditor, see https://www.nykaa.com/investor-relations.

It is clarified that such details available on our Company's website do not form a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, https://www.nykaa.com/investor-relations would be doing so at their own risk.

Material Developments

There have been no material developments, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of its assets or its ability to pay liabilities, except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 369.

Litigation involving the Group Companies

As on the date of this Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company and our Material Subsidiaries which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Offer, and our Company and our Material Subsidiaries can undertake their respective business activities. Other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. Unless otherwise stated, these approvals or licenses are valid as of date of this Red Herring Prospectus. In addition, certain of our key approvals may have expired or may expire in the ordinary course of business, from time to time and our Company or our Material Subsidiaries, as the case may be, have either already made an application to the appropriate authorities for renewal of such key approvals or are in the process of making such renewal applications. In relation to the business activities and operations of our Company and our Material Subsidiaries, we have disclosed below (i) approvals applied for but not received; and (ii) approvals that have expired and renewal to be applied for and (iii) approvals required but not obtained or applied for. For details in connection with the applicable regulatory and legal framework, see "Risk Factors" and "Key Regulations and Policies" on pages 44 and 219, respectively.

I. Incorporation details of our Company and Material Subsidiaries

1. Certificate of incorporation dated April 24, 2012 issued by the RoC, to our Company, under the name FSN E-Commerce Ventures Private Limited.

2. Fresh certificate of incorporation dated July 28, 2021 issued by the RoC, consequent upon change in our name from FSN E-Commerce Ventures Private Limited to FSN E-Commerce Ventures Limited, pursuant to conversion of our Company from a private limited company to a public limited company.

3. The CIN of our Company is U52600MH2012PLC230136.

4. Certificate of incorporation dated February 22, 2017, issued by the RoC, to Nykaa E-Retail Private Limited.

5. The CIN of Nykaa E-Retail Private Limited is U74999MH2017PTC291558.

6. Certificate of incorporation dated February 19, 2015, issued by the RoC, to FSN Brands Marketing Private Limited.

7. The CIN of FSN Brands Marketing Private Limited is U74120MH2015PTC262096.

   For details in relation to incorporation of our subsidiaries, other than our Material Subsidiaries, see "*Our Subsidiaries*", beginning on page 238.

8. The Legal Entity Indentifier code of FSN E-Commerce Ventures Limited is 335800X5BJYC18NHDQ91.

II. Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 424.

III. Approvals in relation to operations of our Company and Material Subsidiaries

A. *Tax related approvals*

1. The permanent account number of our Company is AABCF9661J.
2. The tax deduction account number of our Company is MUMF06729C.
3. The permanent account number of Nykaa E-Retail is AAFCN5072P.
4. The tax deduction account number of Nykaa E-Retail is MUMN24000E.

5. The permanent account number of FSN Brands is AACCF5505E.
6. The tax deduction account number of FSN Brands is MUMF07720G.
7. The GST registrations obtained by our Company, Nykaa and our Material Subsidiaries as per the states where our business operations are conducted are as follows:

Our Company:

State	Registration Number
Maharashtra	27AABCF9661J1Z8
Karnataka	29AABCF9661J1Z4
Uttarakhand	05AABCF9661J1ZE
Delhi	07AABCF9661J1ZA
Uttar Pradesh	09AABCF9661J1Z6
Gujarat	24AABCF9661J1ZE
West Bengal	19AABCF9661J1Z5
Mumbai-ISD	27AABCF9661J2Z7

Nykaa E-Retail:

State	Registration Number
Assam	18AAFCN5072P1ZU
Haryana	06AAFCN5072P1ZZ
West Bengal	19AAFCN5072P1ZS
Maharashtra	27AAFCN5072P1ZV
Karnataka	29AAFCN5072P1ZR
Delhi	07AAFCN5072P1ZX
Mumbai-ISD	27AAFCN5072P3ZT
Telangana	36AAFCN5072P1ZW
Assam	18AAFCN5072P1C5
Chandigarh	04AAFCN5072P1CE
Chhattisgarh	22AAFCN5072P1CG
Delhi	07AAFCN5072P1C8
Goa	30AAFCN5072P1CJ
Gujarat	24AAFCN5072P1CC
Haryana	06AAFCN5072P1CA
Jharkhand	20AAFCN5072P1CK
Jammu & Kashmir	01AAFCN5072P1CK
Karnataka	29AAFCN5072P1C2
Kerala	32AAFCN5072P1CF
Maharashtra	27AAFCN5072P1C6
Madhya Pradesh	23AAFCN5072P1CE
Odisha	21AAFCN5072P1CI
Punjab	03AAFCN5072P1CG
Rajasthan	08AAFCN5072P1C6
Tamil Nadu	33AAFCN5072P1CD
Telangana	36AAFCN5072P1C7
Uttarakhand	05AAFCN5072P1CC
Uttar Pradesh	09AAFCN5072P1C4
West Bengal	19AAFCN5072P1C3
Tamil Nadu	33AAFCN5072P1Z2

FSN Brands:

State	Registration Number
Assam	18AACCF5505E1ZY
Chhattisgarh	22AACCF5505E1Z9
Chandigarh	04AACCF5505E1Z7
Goa	30AACCF5505E1ZC
Delhi	07AACCF5505E1Z1
Jharkhand	20AACCF5505E1ZD
Gujarat	24AACCF5505E1Z5
Jammu & Kashmir	01AACCF5505E1ZD
Haryana	06AACCF5505E1Z3
Karnataka	29AACCF5505E1ZV
West Bengal	19AACCF5505E1ZW
Maharashtra	27AACCF5505E1ZZ
Kerala	32AACCF5505E1Z8
Madhya Pradesh	23AACCF5505E1Z7
Mumbai-ISD	27AACCF5505E2ZY
Odisha	21AACCF5505E1ZB
Tamil Nadu	33AACCF5505E1Z6
Uttarakhand	05AACCF5505E1Z5
Uttar Pradesh	09AACCF5505E1ZX
Rajasthan	08AACCF5505E1ZZ
Punjab	03AACCF5505E1Z9
Telangana	36AACCF5505E1Z0

B. ***Labour related approvals***

1. Certificate of registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

2. Registration for employees' insurance issued by the Sub-Regional Office, Employees State Insurance Corporation under the Employees' State Insurance Act, 1948.

3. Registration under the Contract Labour (Regulation & Abolition) Act, 1970.

4. Registrations under the Labour Welfare Fund Act, under applicable state specific laws.

5. Registrations under the Employment Exchanges Act, under applicable state specific laws.

6. Trade licenses issued to FSN Brands under various state municipal corporations under applicable state specific laws.

7. 365 days licenses issued to FSN Brands under various state municipal corporations under applicable state specific laws.

C. ***Key approvals obtained for business operations***

1. In order to operate as commercial establishments, our Company and its material subsidiaries have obtained the necessary registrations under the respective shops and commercial establishment acts of those states, wherever enacted or in force.

2. Licenses issued by Food Safety and Standards Authority of India to our Company and Nykaa E-Retail Private Limited.

3. Certificate of Importer-Exporter Code issued by the office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992, to enable our Company and the Subsidiaries to carry out its export and import operations.

4. Certificate of Registration as importer/ manufacturer and packer issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities), Rules, 2011 to our Company and the Subsidiaries.

5. Cosmetic manufacturing license issued to our Company and Nykaa-KK Beauty by state FDA authorities under applicable state specific laws.

6. Public Performance License issued to FSN Brands by Phonographic Performance Limited under the Copyright Act, 1957.

7. Signage license issued to FSN Brands by various state municipal corporations under applicable state specific laws.

8. Import registration license issued by Central Drugs Standard Control Organization to our Company and Material Subsidiaries under the Drugs and Cosmetics Act, 1940.

IV. *Approvals applied for but not received*

As on the date of this Red Herring Prospectus, there are 11 approvals that have been applied for by our Company or our Material Subsidiaries but not received.

V. *Approvals expired and renewal to be applied for*

As on the date of this Red Herring Prospectus, there are no approvals that have expired but have not been renewed by our Company or Material Subsidiaries.

VI. *Approvals required but not obtained or applied for*

As on the date of this Red Herring Prospectus, there are no approvals which our Company or Material Subsidiaries were required to obtain or apply for, but which have not been obtained or been applied for.

VII. *Intellectual property*

Our various house marks such as “Nykaa”, “Nykaa Cosmetics”, “Nykaa Naturals”, “Kay Beauty”, “Twenty Dresses” and “Pipa Bella” have been registered under multiple classes. We have successfully filed the petition for inclusion of our house brand “NYKAA” as a well-known mark in May 2021.

As of October 12, 2021, we had 465 registrations in India, under classes 3, 5, 8, 9, 10, 11, 14, 16, 18, 20, 21, 24, 25, 26, 27, 35, 41, 42 and 44 of the Trade Mark Act. In our intent to expand outside India, we have eight registrations overseas in countries such as the United Kingdom, UAE, Mauritius and Singapore. Further, we had a total of 165 pending trademark applications as of October 12, 2021. We also have various domain names which are registered under our name, including “Nykaa.com”, and “Nykaafashion.com”

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board of Directors has authorised the Offer pursuant to resolutions passed at its meetings held on July 15, 2021, July 30, 2021 and September 18, 2021.

- Our Shareholders have approved and authorised the Fresh Issue by way of a special resolution passed at their extraordinary general meeting held on July 16, 2021 and September 30, 2021.

- Our Board and the IPO Committee have approved the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges by way of resolutions passed dated July 30, 2021 and August 1, 2021, respectively.

- Our Board has approved this Red Herring Prospectus by way of a resolution dated October 20, 2021.

Authorisation by the Selling Shareholders

The Selling Shareholders have, severally and not jointly, confirmed and approved their participation in the Offer for Sale in relation to their respective portion of Offered Shares as follows:

Sr. no.	Name of Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of resolutions	Date of consent letters
	Promoter Selling Shareholders			
1.	Sanjay Nayar Family Trust	Up to 4,800,000	July 20, 2021	August 1, 2021
	Investor Selling Shareholders			
2.	TPG Growth IV SF Pte. Ltd	Up to 5,421,510	July 21, 2021	August 1, 2021
3.	Lighthouse India Fund III, Limited	Up to 4,844,620	July 29, 2021	August 1, 2021
4.	Lighthouse India III Employee Trust	Up to 51,530	July 29, 2021	August 1, 2021
5.	Yogesh Agencies & Investments Private Limited	Up to 2,538,450	July 8, 2021	August 1, 2021
6.	J M Financial and Investment Consultancy Services Private Limited	Up to 914,000	July 27, 2021	August 1, 2021
	Other Selling Shareholders			
7.	Sunil Kant Munjal	Up to 7,050,000	N.A.	August 1, 2021
8.	Harindarpal Singh Banga jointly with Indra Banga	Up to 10,200,000	N.A.	August 1, 2021
9.	Narotam Sekhsaria	Up to 2,340,000	N.A.	August 1, 2021
10.	Rishabh Mariwala	Up to 1,599,000	N.A.	August 1, 2021
11.	Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar	Up to 900,000	N.A.	August 1, 2021
12.	Michael Carlos	Up to 450,000	N.A.	August 1, 2021
13.	Samina Hamied	Up to 230,850	N.A.	August 1, 2021
14.	Sanjay Maliah	Up to 344,700	N.A.	August 1, 2021
15.	Vikram Sud	Up to 180,000	N.A.	August 1, 2021
16.	Karan Swani	Up to 108,000	N.A.	August 1, 2021

Our IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution passed at its meeting held on August 1, 2021.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated August 30, 2021 and August 16, 2021, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the persons in control of our Company and the persons in control of our Promoters, have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Equity Shares of our Company held by our Promoters are in the dematerialised form.

The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus.

Each Selling Shareholder, severally and not jointly, confirms that it has not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters and the members of the Promoter Group and the Selling Shareholders (to the extent applicable), severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent in force and applicable.

Directors associated with the Securities Market in any manner

Except as stated below none of our Directors are associated with the securities market:

Our Executive Chairperson, Managing Director and Chief Executive Officer, Falguni Nayar, is also a director on the board of directors of Kotak Securities Limited, a SEBI registered entity.

Our Director, Sanjay Nayar is also a director on the board of directors of Avendus Capital Private Limited, a SEBI registered entity.

Our Director, Alpana Parida is also a director on the board of directors of Prime Securities Limited, a SEBI registered entity.

Accordingly, Falguni Nayar, Sanjay Nayar and Alpana Parida are associated with the securities market.

There have been no actions initiated by SEBI against any of our Directors in the five years preceding the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company confirms that it is eligible to make the Offer in terms of the SEBI ICDR Regulations, to the extent applicable. Our Company is eligible for undertaking the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states the following:

An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to

allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.

We are an unlisted company not satisfying with the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Not less than 75% of the Net Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the full Bid Amounts shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

Each of the Selling Shareholders has, severally and not jointly, confirmed that it has held its respective portion of Offered Shares for a period of at least one year prior to the date of the Draft Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

Further, in accordance with the conditions specified in Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall be not less than 1,000 failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and other applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to undertake the Offer, in terms of Regulation 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable.

The details of compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company, our Promoters or Directors is a wilful defaulter.

(d) None of our Promoters or Directors has been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

(e) Except employee stock options granted pursuant to the ESOS Schemes, there are no convertible securities, including any outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, BOFA SECURITIES INDIA LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, ICICI SECURITIES LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE

REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 1, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and the Lead Managers

Our Company, our Directors, the Selling Shareholders and the Lead Managers accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.nykaa.com or the respective website of any of our Subsidiaries or Group Companies or members of the Promoter Group and affiliates (each as applicable) would be doing so at his or her own risk. The Selling Shareholders, their respective directors, affiliates, associates, and officers, as applicable, accept no responsibility for any statements made in this Red Herring Prospectus other than those statements or undertakings specifically made or confirmed by such Selling Shareholders in relation to themselves and their respective proportion of the Offered Shares.

The Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the Lead Managers to the Bidders and the public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the Underwriters and each of their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders and the Underwriters and each of their respective directors, partners, designated partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholders and its respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our

Company, its Subsidiaries, the Selling Shareholders, their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Non-debt Instruments Rules), and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to subscribe or purchase the Equity Shares.

This Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. Any person who possesses this Red Herring Prospectus is required to keep themselves informed and observe and comply with to the extent applicable, any restrictions under the applicable legal requirements of any jurisdiction. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by

persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Red Herring Prospectus and the purchase of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the Lead Managers that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(5) the purchaser is a sophisticated investor that has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Equity Shares and is able to bear the economic risk, and sustain a complete loss, of such investment in the Equity Shares.

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to another available exemption from the registration requirements under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;

(7) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(8) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A under the U.S. Securities Act restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(10) the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares; and

(11) the purchaser acknowledges that our Company and the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Red Herring Prospectus and the purchase of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the Lead Managers that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(4) the purchaser is not purchasing the Equity Shares as a result of any "directed selling efforts" (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act);

(5) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer of such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(6) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(7) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States.;

(8) the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

(9) the purchaser acknowledges that our Company and the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE is as set out below:

"*BSE Limited ("the Exchange") has given vide its letter dated August 30, 2021 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-*

a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not

have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE is as set out below:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1124 dated August 16, 2021 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer."

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law for the delayed period.

Other than the listing fees for the Offer, which will be borne by our Company, and the fees and expenses of the legal counsel and the chartered accountants to the Selling Shareholders, which will be borne by the Selling Shareholders, all cost, fees and expenses in respect of the Offer will be shared amongst our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, upon successful completion of the Offer. Upon successful completion of the Offer, any payments by our Company in relation to the Offer expenses on behalf of any of the Selling Shareholders shall be reimbursed by such Selling Shareholder to our Company inclusive of taxes.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company and the Promoter Selling Shareholders, as to Indian Law, Legal Counsel to the Lead Managers as to Indian Law, International Legal Counsel to the Lead Managers, Legal Counsel to the Investor Selling Shareholders and Individual Selling Shareholders, Bankers to our Company, the Lead Managers, the Registrar to the Offer, RedSeer Management Consulting Private Limited, have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency and the Banker(s) to the Offer to act in their respective capacities, have been

obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act and all such consents, as applicable, shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for filing with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our company has received written consent dated October 20, 2021 from S.R.Batliboi & Associates LLP, Chartered Accountants and from V.C. Shah & Co, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our joint Statutory Auditors, and in respect of their (i) examination report, dated September 27, 2021 on our Restated Financial Statements; and (ii) their report dated July 31, 2021 on the Statement of Special Tax Benefits in this RHP and such consent has not been withdrawn as on the date of this RHP. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act. Further, V.C. Shah & Co, has provided their report dated July 31, 2021 on the Statement of Special Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's incorporation.

Capital issue during the previous three years by our Company, the listed Group Companies, subsidiaries and associates of our Company

Except as disclosed in "*Capital Structure – Notes to the capital structure*" on page 112, our Company has not made any capital issues during the previous three years. Further, neither our Group Companies nor Subsidiaries are listed on any stock exchange.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries/Promoters of our Company

None of our Subsidiaries or Promoters are listed on any stock exchange.

Price information of past issues handled by the Lead Managers

A. Kotak Mahindra Capital Company Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited*

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-	-	-
2.	Vijaya Diagnostic Centre Limited	18,942.56	531[1]	September 14, 2021	540.00	+5.41%,[+4.50%]	-	-
3.	Aptus Value Housing Finance India Limited	27,800.52	353	August 24, 2021	333.00	-2.82%,[+5.55%]	-	-
4.	Cartrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31%,[+6.90%]	-	-
5.	Devyani International Limited	18,380.00	90	August 16, 2021	140.90	+32.83%,[+4.93%]	-	-
6.	Glenmark Life Sciences Limited	15,136.00	720	August 6, 2021	750.00	-6.40%,[+6.68%]	-	-
7.	Zomato Limited	93,750.00	76	July 23, 2021	116.00	+83.29%,[+3.75%]	+81.45%, [+15.20%]	-
8.	Clean Science and Technology Limited	15,466.22	900	July 19, 2021	1,755.00	+66.33%,[+5.47%]	+138.53% [+16.42%]	-
9.	G R Infraprojects Limited	9,623.34	837[2]	July 19, 2021	1,715.85	+90.82%,[+5.47%]	+138.85% [+16.42%]	-
10.	Krishna Institute of Medical Sciences Limited	21,437.44	825[3]	June 28, 2021	1,009.00	+48.10%,[-0.43%]	+48.35%, [+12.89%]	-

Source: www.nseindia.com

Notes:

1. *In Vijaya Diagnostic Centre Limited, the issue price to eligible employees was ₹ 479 after a discount of ₹ 52 per equity share*
2. *In G R Infraprojects Limited, the issue price to eligible employees was ₹ 795 after a discount of ₹ 42 per equity share*
3. *In Krishna Institute of Medical Sciences Limited, the issue price to eligible employees was ₹ 785 after a discount of ₹ 40 per equity share*
4. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
5. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
6. *Restricted to last 10 equity initial public issues.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	12	358,203.77	-	-	3	3	4	1	-	-	-	1	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:

1. *The information is as on the date of this Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

B. Morgan Stanley India Company Private Limited

Table 1: Price information of past issues handled

Serial Number	Issue Name	Issue Size[1] (₹Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	% Change in closing price, (% change in closing benchmark[2]) - 30th calendar day from listing [(3) (4) (5)]	% Change in closing price, (% change in closing benchmark[2]) - 90th calendar day from listing [(3) (4) (5)]	% Change in closing price, (% change in closing benchmark[2]) - 180th calendar day from listing [(3) (4) (5)]
1.	Zomato Limited	93,750	76	July 23, 2021	116.00	+67.4%[+4.2%]	+ 81.4% [+ 15.4%]	NA

***Source**: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.*

***Notes**:*

1. *Issue Size is as per the prospectus filed with SEBI with the figures rounded off to the nearest decimal point*
2. *Benchmark index considered is NIFTY50*
3. *If the 30th/90th/180th day falls on a trading holiday then pricing information on the immediate next trading day has been considered*
4. *Pricing Performance for the company is calculated as per the final offer price*
5. *Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date*

Table 2: Summary statement of disclosure

Financial Year	Total number of IPOs	Total amount of funds raised (₹ Mn.)	Number of IPOs trading at discount - 30th calendar day from listing			Number of IPOs trading at premium - 30th calendar day from listing			Number of IPOs trading at discount - 180th calendar day from listing			Number of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	1	93,750	-	-	-	1	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

***Source**: www.nseindia.com*

C. BofA Securities India Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited

Sr. No.	Offer Name	Offer Size (₹ in mm)	Offer Price (₹)	Listing Date	Opening Price on Listing Date (₹)[2]	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing [3] [4] [5]	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing [3] [4] [6]	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing [3] [4] [7]
1	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	11-Oct-2021	715.00	-	-	-
2	Glenmark Life Sciences Limited	15,136.00	720.00	6-Aug-2021	750.00	-6.40% [+6.68%]	-	-
3	Zomato Limited	93,750.00	76.00	23-July-21	116.00	+83.29% [+3.75%]	-	-
4	UTI Asset Management Company Limited	21,598.80	554.00	12-Oct-20	500.00	-10.43% [5.87%]	-0.60%[+20.25%]	5.81% [24.34%]
5	SBI Cards and Payment Services Limited	103,407.80	755.00	16-Mar-20	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	12.50% [24.65%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *Equity public issues in last 3 financial years considered.*
2. *Opening price information as disclosed on the website of NSE.*
3. *Benchmark index is CNX Nifty.*
4. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *90th listing day has been taken as listing date plus 89 calendar days.*
7. *180th listing day has been taken as listing date plus 179 calendar days.*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing	No. of IPOs trading at premium - 30th calendar days from listing	No. of IPOs trading at discount - 180th calendar days from listing	No. of IPOs trading at premium - 180th calendar days from listing

			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	3	1,36,568.56	-	-	1	1	-	-	-	-	-	-	-	-
2020-21	1	21,598.80	-	-	1	-	-	-	-	-	-	-	-	1
2019-20	1	103,407.80	-	1	-	-	-	-	-	-	-	-	-	1

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *Based on the day of listing*

D. Citigroup Global Markets India Private Limited

1. Price information of past issues handled by Citigroup Global Markets India Private Limited

S.No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	NA	NA	NA
2	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82%[+5.55%]	NA	NA
3	Cartrade Tech Limited	29,985.13	1,618.00	August 20, 2021	1,599.80	-10.31%[+6.90%]	NA	NA
4	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	+83.29%[+3.75%]	+81.45%[+15.20%]	NA
5	Kalyan Jewellers India Limited	11,748.16	87.00	March 26, 2021	73.95	-24.60%[-1.14%]	-7.07%[+8.13%]	-21.95%[+19.92%]
6	Gland Pharma Limited	64,795.45	1,500.00	November 20, 2020	1,710.00	+48.43%[+7.01%]	+57.27%[+18.27%]	+104.17%[+17.49%]
7	UTI Asset Management Company Limited	21,598.84	554.00	October 12, 2020	500.00	-10.43%[+5.87%]	-0.60%[+20.25%]	+5.81%[+24.34%]
8	Polycab India Limited	13,452.60	538.00	April 16, 2019	633.00	+15.36%[-5.35%]	+14.70%[-1.99%]	+23.76%[-4.09%]

Source: www.nseindia.com

Notes:
(1) Nifty is considered as the benchmark index.
(2) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.
(3) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	4	1,79,218.21	-	-	2	1	-	-	-	-	-	-	-	-
2020-21	3	98,142.45	-	-	2	-	1	-	-	-	1	1	-	1
2019-20	1	13,452.6	-	-	-	-	-	1	-	-	-	-	-	1

Source: www.nseindia.com

Notes:
(1) The information is as on the date of the document.
(2) The information for each of the financial years is based on issues listed during such financial year.
(3) Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

E. ICICI Securities Limited

The price information of past issues handled by ICICI Securities is as follows:

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Shyam Metalics and Energy Limited	9,087.97	306.00(1)	24-Jun-21	380.00	+40.95%,[+0.42%]	+22.65%,[+11.22%]	NA*
2	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	+44.94%,[-0.43%]	+40.02,[+12.89%]	NA*
3	G R Infraprojects Limited	9,623.34	837.00(2)	19-Jul-21	1,715.85	+90.82%,[+5.47%]	+90.82%,[+5.47%]	NA*
4	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	29-July-21	2,111.85	+92.54%,[+5.87%]	NA*	NA*
5	Nuvoco Vistas Corporation Limited	50,000.00	570.00	23-Aug-21	485.00	-5.91%,[+6.46%]	NA*	NA*
6	Chemplast Sanmar Limited	38,500.00	541.00	24-Aug-21	550.00	+2.06%,[+5.55%]	NA*	NA*
7	Aptus Value Housing Finance India Limited	27,800.52	353.00	24-Aug-21	333.00	-2.82%,[+5.55%]	NA*	NA*
8	Vijaya Diagnostic Centre Limited	18,944.31	531.00(3)	14-Sept-21	540.00	+5.41%,[+4.50%]	NA*	NA*
9	Sansera Engineering Limited	12,825.20	744.00(4)	24-Sept-21	811.50	NA*	NA*	NA*
10	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	11-Oct-21	715.00	NA*	NA*	NA*

**Data not available*

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(1) *Discount of Rs. 15 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 306.00 per equity share.*
(2) *Discount of Rs. 42 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 837.00 per equity share.*
(3) *Discount of Rs. 52 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 531.00 per equity share.*
(4) *Discount of Rs. 36 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 744.00 per equity share.*

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	11	2,29,665.67	-	-	2	2	3	2	-	-	-	1	-	-
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

* This data covers issues upto YTD

Notes:

1. All data sourced from www.nseindia.com, except for Computer Age Management Services Limited for which the data is sourced from www.bseindia.com
2. Benchmark index considered is NIFTY

3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.

F. JM Financial Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	Not Applicable	Not Applicable	Not Applicable
2.	Krsnaa Diagnostics Limited[9]	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	Not Applicable	Not Applicable
3.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	22.28% [6.79%]	Not Applicable	Not Applicable
4.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	92.54% [5.87%]	Not Applicable	Not Applicable
5.	Clean Science and Technology Limited	15,466.22	900.00	July 19, 2021	1,755	66.33% [5.47%]	138.53% [16.42%]	Not Applicable
6.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	12.64% [1.87%]	4.26% [10.72%]	Not Applicable
7.	Shyam Metalics and Energy Limited[7]	9,085.50	306.00	June 24, 2021	380.00	40.95% [0.42%]	22.65% [11.22%]	Not Applicable
8.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45% [0.42%]	93.40% [11.22%]	Not Applicable
9.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	146.32% [27.71%]
10.	Anupam Rasayan India Limited[8]	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49%[8.23%]	37.12%[20.87%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. *Opening price information as disclosed on the website of NSE.*
2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("**Employee Discount**") equivalent to ₹ 15 per Equity Share.*
8. *A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

9. *A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

Not Applicable – Period not completed

2. Summary statement of price information of past issues handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	9	1,65,177.63	-	-	1	2	3	2	-	-	-	1	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

***Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million*

Track record of past issues handled by the Lead Managers

For details regarding the track record of the Lead Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Lead Managers as set forth in the table below:

S. No	Name of the BRLM	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Morgan Stanley India Company Private Limited	www.morganstanley.com
3.	BofA Securities India Limited	www.ml-india.com
4.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
5.	ICICI Securities Limited	www.icicisecurities.com
6.	JM Financial Limited	www.jmfl.com

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, UPI ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode and ASBA Account number (for Bidders other than RIBs and Eligible Employees using the UPI Mechanism) in which the a mount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs and Eligible Employees using the UPI Mechanism. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, the Refund Circulars and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such

delay.

Our Company, the Selling Shareholders, the Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any act of the SCSBs, including any default in complying with their obligations under the applicable SEBI ICDR Regulations

Anchor Investors are required to address all grievances in relation to the Offer to the Lead Managers.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company has not received investor complaints during the period of three years preceding the date of this Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus and this Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES and will comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholder's Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 263.

Our Company has also appointed Rajendra Punde, our Company Secretary, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 101.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Other confirmations

No person connected with the Offer, except for fees or commission for services rendered in rela tion to the Offer, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the terms of this Red Herring Prospectus the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, any other terms and conditions as may be incorporated in the CAN, Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue of capital and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by such governmental, statutory and/or regulatory authority while granting their approval for the Offer.

Ranking of the Equity Shares

The Equity Shares being issued and Allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 480.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to Shareholders as per the provisions of the Companies Act, our Memorandum and Articles, the SEBI Listing Regulations and any guidelines or regulations which may be issued by the Government in this regard and any other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Description of Equity Shares and Terms of the Articles of Association"* on pages 285 and 480, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 1. The Floor Price of the Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band for the Offer will be decided by our Company and the Selling Shareholders Committee in consultation with the Lead Managers and the Offer Price and the Employee Discount and the Minimum Bid Lot for the Offer will be decided by our Company in consultation with the Lead Managers, and advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta and all editions of the Marathi national daily newspaper Navshakti (Marathi being the regional language of the Maharashtra, wherein our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites.

The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the Lead Managers after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares issued and offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 162.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 480.

Allotment of Equity Shares only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, and the SEBI Listing Regulations the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated May 25, 2021, amongst our Company, NSDL and the Registrar to the Offer.

- Tripartite agreement dated May 21, 2021, amongst our Company, CDSL and the Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" on page 457.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" on page 454.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the Sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office and at our Corporate Office or with the Registrar and Share transfer agent.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or if the subscription level falls below 90% after the closure of Offer on account of withdrawal of applications; or after technical rejections; or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company, Selling Shareholders and every Director who are officers in default, shall pay interest as prescribed under applicable law.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the Lead Managers and the Designated Stock Exchange, subject to applicable law. In the event of an under-subscription in the Offer, (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed; (ii) post (i), the remaining 10% of the Fresh Issue, and the Offered Shares shall be Allotted to the Allottees on a proportionate basis.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

No liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Allotments made to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 112 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of the Articles of Association*" on page 480.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Withdrawal of the Offer

Our Company in consultation with the Lead Managers, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre- Offer advertisements were published, within two days of the Bid/ Offer Closing Date, or such other time as may be prescribed by SEBI providing reasons for not proceeding with the Offer. Further, the Stock Exchanges on which the Equity Shares are proposed to be listed shall be informed promptly in this regard by our Company The Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism) , as applicable, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors within one Working Day from the date of receipt of such notification.

In the event of withdrawal of the Offer, a fresh draft red herring prospectus will be submitted again to SEBI for any subsequent plans of a fresh offer by our Company, in terms of the UPI Circulars, in relation to the Offer, the Lead Managers will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, in consultation with the Lead Managers withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer of up to [●] Equity Shares, at an Offer Price of ₹ [●] per Equity Share for cash, including a premium of ₹[●] per Equity Share, aggregating up to ₹ [●] million by our Company comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 6,300 million by our Company and an Offer for Sale of up to 41,972,660 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to 250,000 Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and Net Offer shall constitute [●] % and [●] % of the post- Offer paid-up Equity Share capital of our Company, respectively**.** The face value of the Equity Shares is ₹1 each.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / Allocation*[(2)]	Up to 250,000 Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs.	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and NIBs.
Percentage of Offer available for Allotment/allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not less than 75% of the Net Offer shall be available for allocation to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be added to the Net QIB Portion.	Not more than 15% of the Offer or the Net Offer less allocation to QIB Bidders and RIBs	Not more than 10% of the Offer or the Net Offer less allocation to QIB Bidders and NIBs
Basis of Allotment if respective category is oversubscribed	Proportionate[#]; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹ 200,000, subject to total Allotment to an Eligible Employee not exceeding ₹ 500,000	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only subject to valid Bid received from Mutual Funds	Proportionate.	Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*" beginning on page 457.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
		at or above the Anchor Investor Allocation Price.		
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹ 500,000, less Employee Discount, if any.	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can Apply[(3)]	Eligible Employees (such that the Bid Amount does not exceed ₹ 500,000)	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SIs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the karta) and Eligible NRIs.
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)]. **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors). In case of RIBs, ASBA process will include the UPI mechanism.			

** Assuming full subscription in the Offer.*

[#] Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the

first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Further, an Eligible Employee Bidding in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹200,000 in value. Only in the event of an undersubscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value.

(1) *Our Company may, in consultation with the Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see "Offer Procedure" on page 457.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the Lead Managers and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" on page 446.

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bids by FPIs with certain structures as described under *"Offer Procedure-Bids by FPIs"* on page 463 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price less Employee Discount, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the Lead Managers and the Designated Stock Exchange, on a proportionate basis.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Bid/Offer Programme

BID/ OFFER OPENS ON*	**Thursday, October 28, 2021**
BID/ OFFER CLOSES ON	**Monday, November 1, 2021**

** Our Company may, in consultation with the Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*
 # UPI mandate end time and date shall be at 12:00 pm on Tuesday, November 2, 2021.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Day and Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, November 8, 2021
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about Tuesday, November 9, 2021
Credit of the Equity Shares to depository accounts of Allottees	On or about Wednesday, November 10, 2021
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, November 11, 2021

*********In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.*

The above timetable is indicative and does not constitute any obligation on our Company, Selling Shareholders or the Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or such period as may be prescribed, with reasonable support and co-operation of each of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, in consultation with the Lead Managers, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Except in relation to the Bids received from the Anchor Investors, submission of Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** IST during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(ii) on the Bid/Offer Closing Date: (*UPI mandate end time and date shall be at 12.00pm on Tuesday, November 2, 2021)*

(a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(b) in case of Bids by Retail Individual Bidders, and Eligible Employees Bidding in the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of Bids received up to the closure of timings and reported by Lead Managers to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs and the Sponsor Bank or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected. The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the bank day and submit the confirmation to the Lead Managers and the RTA on daily basis, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

Due to limitation of the time available for uploading the Bids on the Bid/ Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

None amongst our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company in consultation with the Selling Shareholders Committee and the Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date, and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, may, in consultation with the Lead Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the Lead Managers and at the terminals of the members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circular (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidder/ Applicants s; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 ("**UPI Circular**") has to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**") with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Offer will be made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid / Offer Opening Date. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the provisions of this circular are deemed to form part of this Red Herring Prospectus. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.*

Our Company the Selling Shareholders and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

Further, our Company and the members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company, in consultation with the Lead Managers may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the full Bid Amounts shall be refunded in accordance with SEBI ICDR Regulations and other applicable laws. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to 250,000 Equity Shares, aggregating to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the Lead Managers and the Designated Stock Exchange, subject to applicable laws. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of other categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 and press release dated June 25, 2021.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of Unified Payments Interface

SEBI has issued the 2018 Circular on Streamlining of Public Issues in relation to streamlining the process of public issue of *inter alia* equity shares. Pursuant to the 2018 Circular on Streamlining of Public Issues, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration

from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the 2018 Circular on Streamlining of Public Issues has introduced the UPI Mechanism in three phases in the following manner:

(a) ***Phase I*****:** This phase was applicable from January 1, 2019 till June 30, 2019. Under this phase, a RII had the option to submit the Bid cum Application Form with any of the intermediaries and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) ***Phase II*****:** This phase has become applicable from July 1, 2019 and was supposed to continue up till March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the Bid cum Application Form by a RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

(c) ***Phase III*****:** Subsequently, under this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Managers.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of English national daily newspaper Financial Express, and all editions of Hindi national daily newspaper, Jansatta , and all editions of the Marathi daily newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation, on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI mechanism.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the 2018 Circular on Streamlining of Public Issues, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) RIBs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the Lead Managers.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors**	White
Eligible Employees Bidding in the Employee Reservation Portion	Green

** Excluding electronic Bid cum Application Forms.*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the Lead Managers.*

^ Electronic Bid cum Application forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com).

The relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/

investor complaints to the Sponsor Banks and the bankers to an issue. The Lead Managers shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

In case of ASBA forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For RIBs Bidding using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs, for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date ("**Cut-Off Time**"). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

For ASBA Forms (other than RIBs Bidding using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Bidding process.

In the event that the Bid/ Offer Opening Date is on or prior to September 30, 2021, the Sponsor Bank shall send the prescribed details to the email addresses of the closed user group (CUG) entities periodically in intervals not exceeding three hours. In case of exceptional events such as technical issues with UPI handles/ PSPs/ TPAPS/ SCSBs etc, the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Offer process.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the Lead Managers and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group

The Lead Managers and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the Lead Managers and the Syndicate Members may purchase Equity Shares in the

Offer, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

In terms of SEBI ICDR Regulations, neither the Lead Managers or any associates of the Lead Managers (except Mutual Funds sponsored by entities which are associates of the Lead Managers or insurance companies promoted by entities which are associates of Lead Managers or AIFs sponsored by the entities which are associates of the Lead Managers or FPIs sponsored by entities which are associates of the Lead Managers) nor any person related to the Promoter/ Promoter Group shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Lead Managers.

The Promoters and the members of the Promoter Group will not participate in the Offer except to the extent of the participation of the Promoter Selling Shareholder in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason, thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme.

Bids by HUFs

Bids by HUFs Hindu Undivided Families or HUFs, in the individual name of the karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB to block their Non- Resident Ordinary ("**NRO**") accounts for the full

Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents.

For details, see "*Restriction on Foreign Ownership of Indian Securities*" on page 478.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In terms of the FEMA Rules and Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2019 ("**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% or common control) shall be below 10% of our post- Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates. The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall (i) use the PAN issued by the income tax department of the Government of India for checking compliance for a single FPI, and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Further, Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account

numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids: (i) FPIs which utilise the MIM Structure, indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as category 1 FPIs; and (vii) Entities registered as collective investment scheme having multiple share classes.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

(a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF or FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Neither our Company nor the Lead Managers will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 (the "**Financial Services Directions**"), is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to *inter alia* make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Financial Services Directions. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by systemically important non-banking financial companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), and such other approval as may be required by the Systemically Important Non-Banking Financial Companies must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SIs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be less Employee Discount). Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" beginning on page 451.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 500,000 on a net basis.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" beginning on page 457.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**") are set forth below:

(i) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the Lead Managers, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the Lead Managers, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Lead Managers.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company, in consultation with the Lead Managers may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

(a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

(b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and

(c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Office Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) Neither the Lead Managers or any associate of the Lead Managers (except Mutual Funds sponsored by entities which are associates of the Lead Managers or insurance companies promoted by entities which are associate of Lead Managers or AIFs sponsored by the entities which are associate of the Lead Managers or FPIs, nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion. For further details, see "- *Participation by associates and affiliates of the Lead Managers and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group*" on page 461.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see the General Information Document.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.
In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer**.**

Information for Bidders

The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip"**), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, RIBs who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 200,000 with respect to RIBs if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e. the original Bid Amount plus additional payment) exceeds ₹ 200,000 with respect to RIBs, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering this Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of the Hindi national daily newspaper Jansatta and Marathi daily national newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located).

Our Company shall, in the pre- Offer advertisement state the Bid/ Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed under the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of the Hindi national daily newspaper Jansatta and Marathi daily national newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located).

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this

Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. In case of joint Bids, ensure that the first applicant is the ASBA Account holder, and also signs the Bid cum Application Form (for all Bidders other than RIBs using the UPI mechanism);

7. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI mechanism) in the Bid cum Application Form;

8. RIBs using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Bid cum Application Form;

9. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

11. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

13. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

14. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

15. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

16. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the Lead Managers;

19. Ensure that the Demographic Details are updated, true and correct in all respects;

20. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

21. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

24. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

25. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and in case of Bidding through a Designated Intermediary (other than for Anchor Investors and RIBs using the UPI mechanism) the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in) or such other websites as updated from time to time;

27. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

28. For RIBs using the UPI mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

30. RIBs using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form;

31. RIBs using the UPI mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and

32. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

33. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
8. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
9. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Bidders;
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;
11. If you are a Non-Institutional Bidder or a Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/ Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;
13. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

14. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders; and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect UPI ID details if you are a RIB Bidding through the UPI mechanism;
17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
19. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding through the Designated Intermediaries using the UPI mechanism;
20. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;
22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
24. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI mechanism;
25. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
26. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
27. Do not submit a Bid cum Application Form using a third party bank account or using third party linked bank account UPI ID (in case of in case of Bids submitted by RIBs using the UPI mechanism).and
28. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in this Red Herring Prospectus, as applicable, is not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Head - Company Secretary & Legal and Compliance Officer. For details of the Head - Company Secretary & Legal and Compliance Officer., see "*General Information*" beginning on page 101.

For helpline details of the Lead Managers pursuant to the SEBI letter bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M, dated March 16, 2021, see "*General Information – Lead Managers*" on page 103.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID;

5. Bids by HUFs not mentioned correctly as provided in -*"Who can Apply?"*
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or Sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000 and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash; and
14. Bids by OCB.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the Lead Managers and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the offer Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Offer may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account

Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "FSN E-COMMERCE VENTURES LIMITED – ANCHOR INVESTOR – R"
(ii) In case of non-resident Anchor Investors: "FSN E-COMMERCE VENTURES LIMITED – ANCHOR INVESTOR - NR"

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated May 25, 2021, among NSDL, our Company and the Registrar to the Offer.

- Tripartite Agreement dated May 21, 2021, among CDSL, our Company and Registrar to the Offer.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of our company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/ Offer Closing Date or such other time as may be prescribed ;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law,

giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company, in consultation with the Lead Managers, withdraw the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

(ix) that, except for any allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the ESOS Schemes, no further issue of Equity Shares shall be made until the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.; and

(x) Compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly undertakes that:

i. the Equity Shares offered by it in the Offer for Sale have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus;

ii. it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose of any the Offered Shares until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;

iii. it shall provide reasonable assistance to our Company, and the Lead Managers, with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, to the extent of the Offered Shares;

iv. it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI;

v. it shall provide reasonable assistance to our Company and the Lead Managers in redressal of such investor grievances in relation to the Offered Shares and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder;

vi. it shall provide reasonable cooperation to our Company in relation to the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges,; and

vii. it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, and the revision of Price Band, if applicable, will be taken by our Company in consultation with the Selling Shareholders Committee and the Lead Managers. The Offer Price and the minimum Bid lot will be decided by our Company in consultation with the Lead

Managers, on the Pricing Date in accordance with the Book Building Process and this Red Herring Prospectus.

Only the statements and undertakings in relation to any of the Selling Shareholders and their respective portion of the Offered Shares which are specifically "confirmed" or "undertaken" by it in this Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such Selling Shareholder. All other statements and/ or undertakings in this Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to any of the Selling Shareholders.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in Section 40(3) of the Companies Act;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Offer shall be disclosed under an appropriate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA NDI Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

In terms of the FEMA NDI Rules and the FDI Policy, up to 100% foreign investment is currently permitted in a company engaged in manufacturing activities in India (including contract manufacturing in India). With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company. Each Bidder should seek independent legal advice about its ability to participate in the Offer and in our Company. In the event a prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/ Offer Period.

Given that more than 50% of our Company's Equity Share capital is owned by resident Indian citizens and our Company is controlled by resident Indian citizens, our Company is a "company owned by resident Indian citizens" and a "company controlled by resident Indian citizens" within the meaning the FEMA Rules and the FDI Policy. Consequently, no investment made by our Company into our Subsidiaries is deemed to be 'indirect foreign investment' within the meaning of the FEMA Rules and the FDI Policy, and the FEMA Rules and FDI Policy are not applicable to our Subsidiaries or our Company's investment into our Subsidiaries.

Any change in our Company's shareholding or control, as a result of which our Company ceases to be a "company owned by resident Indian citizens" or a "company controlled by resident Indian citizens", within the meaning of the FEMA Rules and FDI Policy could have an adverse impact on our business and financial condition, and on our Company's investment in its subsidiaries.

For further details, please see "*Risk Factors - Our ability to raise foreign capital may be constrained by Indian law.*" on page 76 of this Red herring Prospectus.

As per the existing policy of the Government, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as

"QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the Lead Managers are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which do not exceed the applicable limits under applicable laws and regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION[1]

OF

FSN E-COMMERCE VENTURES LIMITED

These Articles of Association of the Company comprises two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of any conflict between the provisions of Part A and Part B, the provisions of Part A shall prevail over the provisions of Part B to the extent of such conflict. The provisions of Part B shall be subject to the provisions of Part A for as long as the provisions of Part A have effect.

Notwithstanding the foregoing or anything contained in these Articles, Part A (including all annexures and schedules) shall stand automatically, terminated deleted and cease to have force and effect from the date of receipt of final listing and trading approvals from the stock exchanges on which the equity shares of the Company are proposed to be listed, following an initial public offering of the equity shares of the Company, without the requirement of any further action by the Company or its Shareholders. Part B will continue to be in effect from the date of receipt of the above-mentioned final listing and trading approvals.

PART A

	INTERPRETATION
1.	In these Articles, unless the context otherwise requires: "**Acquirer**" shall have the meaning ascribed to such term in Article 44(b)(i). "**Act**" shall mean the Companies Act, 2013, including, in each case, applicable rules thereof, as amended, substituted or replaced from time to time. "**Additional Securities**" shall have the meaning ascribed to it in Article 43(a). "**Adjourned Shareholder Meeting**" shall have the meaning ascribed to it in Article 40 (e). "**Adjustment Events**" shall mean any event resulting in an alteration of the Equity Share Capital of the Company in which all holders of the Equity Securities are treated equally and ratably in all circumstances in connection with such event, including pursuant to a consolidation or subdivision or splitting of its shares, issue of bonus shares, stock split, sub-division, any similar corporate action, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities. "**Affiliates**" of a Person ("**Subject Person**") shall mean (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person who is a natural person, any other Person that, is either directly or indirectly, is Controlled by the Subject Person or is a Relative of such Subject Person, or any family trust or similar juridical person, the sole trustees and/or beneficiaries of which are the Subject Person and/or any Relative of the Subject Person, provided that, the term "**Affiliate**" shall include, without prejudice to the generality of the foregoing (i) in relation to Lighthouse and the Co-Investment Trust, (a) any beneficiary of the Co-Investment Trust; and (b) any fund, collective investment scheme, trust, partnership (including,

[1] By a Special Resolution passed at the Extraordinary General Meeting of the shareholders of FSN E-Commerce Ventures Limited (the "**Company**") held on **16th July, 2021**, these Articles were amended as the Articles of Association of the Company in substitution for and to the exclusion of all the existing articles of the Company.

	any co-investment partnership), special purpose or other vehicle Controlled by Lighthouse or any Affiliate of Lighthouse; (ii) in relation to TPG, any funds managed by TPG Growth GenPar IV, L.P., including any successor fund of TPG Growth IV, L.P, and any Persons Controlled by such Persons, but excluding any portfolio or investee companies of such Persons; and (iii) in relation to each Fidelity Investor, (a) the fund manager managing or advising or sub-advising such Fidelity Investor (and general partners and officers thereof) and other funds managed or advised or sub-advised by such fund manager and any affiliate of such fund manager, and (b) trusts controlled by or for the benefit of any such Person referred to in (iii) (a) but excluding any portfolio or investee companies of such Persons. "**Agenda**" shall have the meaning ascribed to such term in Article 30 (d). "**Alternate Director Nomination Notice**" shall have the meaning ascribed to it in Article 29 (g). "**Amended and Restated Shareholders Agreement**" shall mean the amended and restated shareholders agreement dated April 21, 2020 entered into between the Company, the Promoters, HB, NS, the Munjals, Lighthouse and the Co-Investment Trust, AN, Anchit Nayar and TPG, as amended by the amendment agreement dated May 22, 2020. "**Amended Shareholder Offer Period**" shall have the meaning ascribed to such term in Article 21(e)(vi). "**Amended Shareholder Offer Terms**" shall have the meaning ascribed to such term in Article 21 (e)(vi). "**Anti-Dilution Threshold**" shall mean such number of Equity Shares as represents not less than 0.1% (zero point one per cent) of the Equity Share Capital on a Fully Diluted Basis. "**AN**" shall mean Adwaita Nayar. "**Applicable Law**" or "**Law**" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any Governmental Authority, (ii) Governmental Approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority, (iv) rules of any stock exchange, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles. "**Articles**" shall mean the articles of association of the Company. "**Board**" or "**Board of Directors**" shall mean the board of Directors of the Company as constituted from time to time. "**Board Meeting**" shall mean any meeting of the Board and includes any Board Meeting held in accordance with the procedure set out in Article 30. "**Business**" shall mean the business of manufacturing and marketing of own private label cosmetic, beauty products and accessories under Nykaa brand name to consumers in India through third party distribution, retail outlets and e-commerce platform. "**Business Day**" shall mean any day other than a Saturday, Sunday or any day on which banks in Mumbai (India) and New Delhi (India) are open for business. "**CEO**" shall have the meaning ascribed to such term in Article 29 (a). "**Change in Promoter Management**" shall mean any acquisition of Equity Securities by a Person(s) which results in Falguni Nayar (i) ceasing to be an Executive Chairperson of the Board, CEO of the Company, or a Whole-time Director of the Company; or (ii) ceasing to manage the day to day affairs of the Company, including the preparation and presentation of business plans and budgets of the Company and the right to take the decisions in relation to the hiring and/or termination of any key managerial personnel and/or key executive employees of the Company. "**Charter Documents**" shall mean these Articles and the Memorandum of Association. "**Co-Investment Trust**" shall mean Lighthouse India III Employee Trust, represented by Sachin Kumar Bhartiya, in his capacity as the trustee of Lighthouse India III Employee Trust.

	"**Company**" shall mean FSN E-Commerce Ventures Limited. "**Company Competitor**" shall mean any Person that undertakes, either directly or indirectly, whether itself or through any Affiliates, any business that is the same as or similar to the Restricted Business. "**Confidential Information**" shall mean (a) any information concerning the organization, business, technology, intellectual property, trade secrets, know-how, finance, transactions or affairs of the Company (including the existence of the Amended and Restated Shareholders Agreement, the subject matter and content of Amended and Restated Shareholders Agreement and negotiations, process and proposals / negotiated terms included in / excluded from Amended and Restated Shareholders Agreement), its Affiliate(s), any company with which the Company and / or its Affiliates cooperate pursuant to contractual arrangements or any Party to the Amended and Restated Shareholders Agreement, or any of its Affiliates of such Party or any of their respective Representatives (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the Effective Date); (b) any knowledge and information shared between the Parties to the Amended and Restated Shareholders Agreement whether relating to the management, operation and/or financial condition / projections of any Party, to the Amended and Restated Shareholders Agreement including the business plan, if any, and operating plans of the Company from time to time; (c) any information or materials prepared by a Party to the Amended and Restated Shareholders Agreement or its Representatives that contains or otherwise reflects, or is generated from, Confidential Information; and (d) any information whatsoever concerning or relating to (1) any dispute or claim arising out of or in connection with Amended and Restated Shareholders Agreement; or (2) the resolution of such claim or dispute. "**Control**" (together with its correlative meanings, "Controlled by" and "under common Control with") shall mean, with respect to any Subject Person, the possession, directly or indirectly, of power to direct or cause the direction of management or policies of the Subject Person, whether through (a) ownership of over 50% (fifty per cent) of voting securities; (b) through the power to appoint over half of the members of the board of directors or similar governing body of such Subject Person; or (c) pursuant to any contractual arrangements, including shareholders agreements, investment agreement or otherwise. "**Deed of Adherence**" shall have the meaning ascribed to it in the Amended and Restated Shareholders Agreement. "**Director**" shall mean a director appointed to the Board of the Company (including any duly appointed alternate director). "**Director Notice**" shall have the meaning ascribed to in Article 29(b) hereto. "**Drag Shareholders**" shall have the meaning ascribed to such term in Article 21(g)(i)(1). "**Drag Shareholders Drag Along Notice**" shall have the meaning ascribed to such term in Article 21(g)(i)(2). "**Drag Shareholders Drag Along Shares**" shall have the meaning ascribed to such term in Article 21(g)(i)(1). "**Effective Date**" shall mean the Seventh Round Completion Date. "**Encumbrance**" shall mean (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, non-disposal undertaking, option, guarantee, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including, any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) any voting agreement, interest, option, right of first offer, refusal or Transfer restriction in favour of any Person; and (iii) any adverse claim as to title, possession or use. "**Equity Securities**" shall mean Equity Shares or any other shares, securities, debentures, warrants or options that are, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, other than the Identified OCRPS; it being clarified that (i) any references to Equity Securities shall not include any of the Identified OCRPS until such Identified OCRPS have been converted into Equity Shares, in accordance with their terms, and (ii) if any Identified OCRPS have been converted into Equity Shares in accordance with their terms, such resultant Equity Shares into which the Identified OCRPS have been converted shall thereafter form a part of the Equity Securities of the Company.

	"**Equity Share**" shall mean an equity share of the Company having a par value of INR 10 (Rupees ten) per equity share, and 1 (one) vote per equity share. "**Equity Share Capital**" shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis. "**Exit Shareholder Exit Election Notice**" shall have the meaning ascribed to such term in Article 44(b)(iii). "**Exit Shareholder Exit Offer Notice**" shall have the meaning ascribed to such term in Article 44(b)(ii). "**Exit Shareholder Exit Offer Period**" shall have the meaning ascribed to such term in Article 44(b)(iii). "**Exit Shareholder Exit Shares**" shall have the meaning ascribed to such term in Article 44(b)(i). "**Exit Shareholder Sale Right**" shall have the meaning ascribed to such term in Article 44(b)(i). "**Exit Shareholders**" shall have the meaning ascribed to such term in Article 44(b)(i). "**Family Trusts**" means collectively all of the family trusts established for the benefit of Falguni Nayar, Sanjay Nayar and their family members. "**Fidelity Funds**" means collectively all the Fidelity Investors, for as long as they hold any Equity Securities of the Company and all Affiliates of the Fidelity Investors that hold any Equity Securities in the Company. "**Fidelity Investors**" shall mean Variable Insurance Products Fund III: Growth Opportunities Portfolio, Fidelity Securities Fund: Fidelity Flex Large Cap Growth Fund, Fidelity Advisor Series I: Fidelity Advisor Series Growth Opportunities Fund, Fidelity Investment Trust: Fidelity Emerging Markets Fund, Fidelity Securities Fund: Fidelity Series Blue Chip Growth Fund, Fidelity Securities Fund: Fidelity Blue Chip Growth K6 Fund, FIAM Group Trust for Employee Benefit Plans: FIAM Target Date Blue Chip Growth Commingled Pool, Fidelity Securities Fund: Fidelity Blue Chip Growth Fund, Fidelity Group Trust for Employee Benefit Plans: Fidelity Blue Chip Growth Commingled Pool and Fidelity Advisor Series I: Fidelity Advisor Growth Opportunities Fund . "**Fidelity Investment Contact Person(s)**" shall mean the designated Person(s) of Fidelity Investors and/or its Affiliates, initially the Persons as set out in Clause 12(k) of the Letter Agreement for the Purchasers (as defined in the Letter Agreement), or such other Person(s) as updated in accordance to the Letter Agreement from time to time. "**Fifth Round Investment**" shall mean the fifth round of capital raising by the Company through any subscription for and/or secondary acquisition of, any Equity Shares of the Company, in one or more tranches, and at a price per Equity Share equal to or higher than the Fifth Round Threshold Price, , and, for the avoidance of doubt, the term "**Fifth Round Investment**" shall include: (i) the subscription of Equity Shares by TPG in terms of the share subscription agreement identified in Clause 23.2.2.k of the Amended and Restated Shareholders Agreement; and (ii) the purchase of Equity Shares by: (a) TPG from various sellers in terms of the share purchase agreement identified in Clause 23.2.2.l of the Amended and Restated Shareholders Agreement; (b) Lexdale International Ltd. from various sellers in terms of the share purchase agreements identified in Clause 23.2.2.m of the Amended and Restated Shareholders Agreement; (c) JM Financial from various sellers in terms of the share purchase agreement identified Clause 23.2.2.n of the Amended and Restated Shareholders Agreement; (d) Jyoti Ahuja jointly with Pramod Ahuja from the Seller (as defined therein) in terms of the share purchase agreement identified in Clause 23.2.2.o of the Amended and Restated Shareholders Agreement; (e) Firoza Kavarana from various sellers in terms of the share purchase agreements identified in Clause 23.2.2.p of the Amended and Restated Shareholders Agreement; (f) Kravis Investment Partners II LLC from Arun Gandhi jointly with Reetu Gandhi in terms of the share purchase agreement identified in Clause 23.2.2.q of the Amended and Restated Shareholders Agreement; and (g) Steadview and ABG Capital from Sunil Kant Munjal in terms of the share purchase agreement identified in Clause 23.2.2.r of the Amended and Restated Shareholders Agreement. "**Fifth Round Investor Shares**" shall mean collectively, Equity Shares of the Company acquired by the Fifth Round Investors as a part of the Fifth Round Investment, and as set out against the names of each Fifth Round Investor in **Part E** of **Schedule 2** of these Articles.

	"**Fifth Round Investors**" shall mean each of those Investors and/or Minority Investors who acquired the Fifth Round Investor Shares in the Company as a part of the Fifth Round Investment, as listed in **Part E** of **Schedule 2** of these Articles, in each case to the extent of such Fifth Round Investor Shares. "**Fifth Round Threshold Price**" shall mean an amount of INR 3,530 (Rupees three thousand five hundred and thirty). "**Financial Year**" shall mean a financial year commencing on April 1 of a calendar year and ending on March 31 of the immediately succeeding calendar year. "**First Round Investment**" shall mean the first round of capital raising by the Company through any subscription for / acquisition of any Equity Shares of the Company, in one or more tranches, and at a price per Equity Share equal to or higher than the First Round Threshold Price. "**First Round Investor Shares**" shall mean collectively, the Equity Shares of the Company acquired by the First Round Investors as a part of the First Round Investment, and as set out against the names of each First Round Investor in **Part A** of **Schedule 2** of these Articles. "**First Round Investors**" shall mean each of those Investors and/or Minority Investors who acquired the First Round Investor Shares in the Company as a part of the First Round Investment, as listed in **Part A** of **Schedule 2** of these Articles, in each case to the extent of such First Round Investor Shares. "**First Round Threshold Price**" shall mean an amount of INR 97.40 (Rupees ninety seven and Paise forty). "**Fourth Round Investment**" shall mean the fourth round of capital raising by the Company through any subscription for / secondary acquisition of any Equity Shares of the Company, in one or more tranches, and at a price per Equity Share equal to or higher than the Fourth Round Threshold Price, and, for avoidance of doubt, the term "Fourth Round Investment" shall include the purchase of Equity Shares by (i) Lighthouse and the Co-Investment Trust from various sellers in terms of the share purchase agreements identified in Clauses 23.2.2(g) to (j) of the Amended and Restated Shareholders Agreement; (ii) Mr. Sunil Kant Munjal from TVS Shriram Growth Fund 1B in terms of the share purchase agreement identified in Clause 23.2.2(e) of the Amended and Restated Shareholders Agreement; and (iii) Lexdale International Ltd. from Techpro Ventures in terms of the share purchase agreement identified in Clause 23.2.2(f) of the Amended and Restated Shareholders Agreement. "**Fourth Round Investor Shares**" shall mean collectively, the Equity Shares of the Company acquired by the Fourth Round Investors as a part of the Fourth Round Investment, and as set out against the names of each Fourth Round Investor in **Part D** of **Schedule 2** of these Articles. "**Fourth Round Investors**" shall mean each of those Investors and/or Minority Investors who acquired the Fourth Round Investor Shares in the Company as a part of the Fourth Round Investment, as listed in **Part D** of **Schedule 2** of these Articles, in each case to the extent of such Fourth Round Investor Shares. "**Fourth Round Threshold Price**" shall mean an amount of INR 2,213.25 (Rupees two thousand, two hundred thirteen and Paise twenty five). "**Fully Diluted Basis**" shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares other than the Identified OCRPS or debentures, options, employee stock options (whether vested or unvested, and whether granted or not, as long as such options have been allocated by the board of directors as part of the employee stock option pool), warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof, it being clarified that (i) any calculation of the Equity Share Capital of the Company on a Fully Diluted Basis shall not include any of the Identified OCRPS until such Identified OCRPS have been converted into Equity Shares, in accordance with their terms, and (ii) if any Identified OCRPS have been converted into Equity Shares in accordance with their terms, such resultant Equity Shares into which the Identified OCRPS have been converted shall thereafter form a part of the Equity Share Capital of the Company. "**Governmental Approval**" shall mean any consent of, from or to any Governmental Authority.

	"**Governmental Authority**" shall mean any government or any province, or state in the applicable jurisdiction; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the applicable jurisdiction or any relevant jurisdiction, or any political subdivision thereof; any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange in the applicable jurisdiction. "**HB**" shall mean Harindarpal Singh Banga, jointly with Indra Banga. "**HB Director**" shall have the meaning ascribed to such term in Article 28(c)(i) hereto. "**Identified Investor Reserved Matters**" shall have the meaning ascribed to such term in Article 42(a)(i). "**Identified Investor Subject Meeting**" shall have the meaning ascribed to such term in in Article 42(a)(ii). "**Identified Investor Subsidiary Reserved Matters**" shall have the meaning ascribed to such term in in Article 42(a)(iv). "**Identified Investor Subsidiary Subject Meeting**" shall have the meaning ascribed to such term in in Article 42(a)(v). "**Identified Investor Threshold**" shall mean such number of Equity Securities held by one or more Identified Investors, as is equivalent to more than 50% (fifty per cent) of the aggregate of all Equity Securities held by all Identified Investors, on a Fully Diluted Basis. "**Identified Investors**" shall mean collectively, HB, NS, the Munjals, Lighthouse, the Co-Investment Trust and TPG, provided that each such Investor shall be considered as an Identified Investor only for as long as such Investor holds such number of Equity Securities as represents at least 2% (two per cent) of the Equity Share Capital on a Fully Diluted Basis as adjusted for any Adjustment Event; it being clarified that in the event that an Investor ceases to hold such number of Equity Securities as represents at least 2% (two per cent) of the Equity Share Capital on a Fully Diluted Basis as adjusted for any Adjustment Event, such Investor shall cease to be considered an Identified Investor. "**Identified OCRPS**" shall mean all optionally convertible redeemable preference shares issued and allotted by the Company to its employees (including Falguni Nayar (through Family Trusts), AN (through Family Trusts) and Anchit Nayar (through Family Trusts) and employees of its Affiliates, from time to time, as approved by the Company by way of resolutions passed by the Board and Shareholders. "**IN**" shall mean Mrs. Indira Nayar. "**Indebtedness**" shall mean any indebtedness, including in each case any principal amount of indebtedness as well as any accrued interest, premium or other such returns in respect of such indebtedness, for or in respect of: (i) any moneys borrowed; (ii) any amount raised by acceptance under any, acceptance credit facility or dematerialised equivalent; (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (iv) any amount raised by the issue of redeemable preference shares; (v) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; and (vi) any guarantee, letter of comfort, indemnity, encumbrance, non disposal requirements, asset cover, pledge, Security or similar assurance against financial loss of any Person in respect of any item referred to in the above paragraphs. "**Investors**" shall mean the Persons named in **Part B** of **Schedule 1** of the Amended and Restated Shareholders Agreement.

	"**Identified Investor Director**" shall have the meaning ascribed to such term in Article 28(c)(vi). "**Identified Investor Directors**" shall have the meaning ascribed to such term in Article 28(c)(vi). "**IPO**" has the meaning ascribed to such term in Article 44(a)(i). "**JM Financial**" shall mean JM Financial & Investment Consultancy Services Private Limited. "**Last Right to Match Notice**" shall have the meaning ascribed to such term in Article 21(e)(v). "**Letter Agreement**" shall mean the letter agreement dated October 7, 2020 executed between the Company, the Promoters and Fidelity Investors. "**Lighthouse**" shall mean Lighthouse India Fund III, Limited. "**Lighthouse Director**" shall have the meaning ascribed to such term in Article 28(c)(iii). "**Lighthouse Investment Date**" shall mean August 31, 2018. "**Losses**" shall have the meaning ascribed to such term in Article 46(a). "**Minority Investors**" shall mean any Shareholder of the Company other than the Promoters, Family Trusts, AN, Anchit Nayar, RM and IN (i) who hold such number of Equity Securities as represent less than 3% (three per cent) of the Equity Share Capital of the Company on a Fully Diluted Basis; or (ii) who are not entitled to exercise any affirmative voting rights in respect of any reserved matters under Article 42, a list of which Minority Investors as on March 31, 2021 is set out at **Part H** of **Schedule 2** of these Articles. "**Munjals**" shall mean, collectively, SKM and SM. "**Munjals Director**" shall have the meaning ascribed to such term in Article 28(c)(iv). "**Nominating Investor**" shall have the meaning ascribed to such term in Article 28(c)(vi). "**Nominating Investors**" shall have the meaning ascribed to such term in Article 28(c)(vi). "**NS**" shall mean Narotam Sekhsaria. "**NS Director**" shall have the meaning ascribed to it in Article 28(c)(ii) hereto. "**Offered Equity Shares**" shall have the meaning ascribed to such term in Article 21(e)(i). "**Permitted Investors**" shall have the meaning ascribed to such term in Article 21(c)(i). "**Permitted Transferee**" shall have the meaning ascribed to such term in Article 21(c)(i). "**Person**" shall mean any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body. "**Primary Issuance**" shall mean issue of any Equity Securities by the Company to any Person. "**Promoters**" shall mean collectively, the Persons named in **Part A** of **Schedule 1** of the Amended and Restated Shareholders Agreement and Family Trusts as Permitted Promoter Transferee, to the extent of the Promoter Shares held by them. "**Promoter Directors**" shall have the meaning ascribed to such term in Article 28(b). "**Promoter Issue Price I**" shall have the meaning ascribed to such term in Article 43(b). "**Promoter Issue Price II**" shall have the meaning ascribed to such term in Article 43(c). "**Promoter Issue Price III**" shall have the meaning ascribed to such term in Article 43(d).

	"**Promoter Issue Price IV**" shall have the meaning ascribed to such term in Article 43(e). "**Promoter Issue Price V**" shall have the meaning ascribed to such term in Article 43(g). "**Promoter Issue Price VI**" shall have the meaning ascribed to such term in Article 43(h). "**Promoter Issue Price VII**" shall have the meaning ascribed to such term in Article 43(i). "**Promoter Liquidity Shares**" shall have the meaning ascribed to such term in Article 21(b)(iii). "**Promoter Permitted Transferee**" shall have the meaning ascribed to such term in Article 21(b)(i). "**Promoter Sale Shares**" shall have the meaning ascribed to such term in Article 21(f)(i). "**Promoter Sale Shares** – **Drag Shareholders**" shall have the meaning ascribed to such term in Article 21(g)(i)(1). "**Promoter Shares**" shall mean collectively, (a) the Equity Securities held by the Promoters in the Company; (b) any Equity Securities (other than Equity Shares resulting from any conversion of the Identified OCRPS) that may be acquired by AN and/or her Family Trust after October 3, 2015 (including by way of secondary transfer by a Promoter or a Promoter Permitted Transferee to AN); it being clarified that (i) no Equity Shares acquired by or held by AN prior to October 3, 2015 shall be considered to be Promoter Shares; and (ii) no Equity Shares acquired by AN or her Family Trust after October 3, 2015 by way of a secondary transfer by any employee of the Company or its Subsidiaries to AN shall be considered to be Promoter Shares; and (c) any Equity Securities (other than Equity Shares resulting from any conversion of the Identified OCRPS) that may be acquired by Anchit Nayar and/or his Family Trust after November 23, 2018 (including by way of a secondary transfer by a Promoter or a Promoter Permitted Transferee to Anchit Nayar); it being clarified that (i) no Equity Shares acquired by or held by Anchit Nayar prior to November 23, 2018 shall be considered to be Promoter Shares; (ii) no Equity Shares acquired by Anchit Nayar after November 23, 2018 by way of a secondary transfer by any employee of the Company or its Subsidiaries to Anchit Nayar shall be considered to be Promoter Shares; and (iii) the 4,00,000 (four lakh) Equity Shares acquired by Anchit Nayar through his Family Trust from AN on August 14, 2019 shall not be considered to be Promoter Shares. "**Promoters' Right to Drag Along Drag Shareholders**" shall have the meaning ascribed to such term in Article 21(g)(i)(1). "**Proposed Purchaser**" shall have the meaning ascribed to such term in Article 21(e)(v). "**Purchaser**" shall have the meaning ascribed to such term in Article 21(f)(i)(1). "**Recognized Stock Exchange(s)**" shall mean the National Stock Exchange of India Limited, the Bombay Stock Exchange Limited or any other nationally recognised stock exchange on which the Equity Shares of the Company are to be listed following an IPO of the Company. **"Restricted Business**" shall mean collectively, (i) the business of retail in beauty products, cosmetic, wellness products, fashion apparels, accessories, lingerie, beauty services, fashion services, beauty advice and fashion advice through all forms of retail platforms including brick and mortar stores, digital and e-commerce platforms, and through all forms of retail including multi brand retail, single brand retail, wholesale and cash and carry trading, e-commerce, private label sales, etc. if and to the extent such business is approved by the Board and is being carried on by the Company and/or any Subsidiary as of the Effective Date; and (ii) any other line of business that is carried on by the Company and/or any Subsidiary from time to time after the Effective Date in India or abroad, in accordance with the business plan and to the extent approved by the Board in accordance with the Act and these Articles. "**Related Party**" shall have the meaning ascribed to such term under the Act. "**Relative**" shall have the meaning ascribed to such term under the Act. "**Representatives**" shall mean with regard to any Person, such Person's Affiliates, and each of such Person's and its Affiliates' respective and duly authorized directors, officers, managers, partners, members, employees (including those on secondment), legal, financial and other professional advisors.

	"**RM**" shall mean Mrs. Rashmi Mehta. "**ROC**" shall mean the Registrar of Companies, Mumbai. "**Rupees**" or "**Rs.**" or "**INR**" shall mean Indian Rupees or the lawful currency of the Republic of India. "**Second Round Investment**" shall mean the second round of capital raising by the Company through any subscription for / acquisition of any Equity Shares of the Company, in one or more tranches, and at a price per Equity Share equal to or higher than the Second Round Threshold Price. "**Second Round Investor Shares**" shall mean collectively, the Equity Shares of the Company acquired by the Second Round Investors as a part of the Second Round Investment, and as set out against the names of each Second Round Investor in **Part B** of **Schedule 2** of the these Articles. "**Second Round Investors**" shall mean each of those Investors and/or Minority Investors who acquired the Second Round Investor Shares in the Company as a part of the Second Round Investment, as listed in **Part B** of **Schedule 2** of these Articles, in each case to the extent of such Second Round Investor Shares. "**Second Round Threshold Price**" shall mean an amount of INR 357.95 (Rupees three hundred fifty seven and Paise ninety five). "**Selling Shareholder**" shall have the meaning ascribed to it in Article 21(e)(i). "**Shareholder(s)**" shall mean any Person, holding Equity Securities of the Company in accordance with these Articles, in each case for so long as such Person remains a shareholder of the Company. "**Shareholder Acceptance Notice**" shall have the meaning ascribed to such term in Article 21(e)(ii). "**Shareholder Consent Notice**" shall have the meaning ascribed to such term in Article 21(e)(iii). "**Shareholder Offer Terms**" shall have the meaning ascribed to it such term Article 21(e)(ii). "**Shareholder Rejection Notice**" shall have the meaning ascribed to such term in Article 21(e)(iii). "**Shareholder ROFO Notice**" shall have the meaning ascribed to such term in Article 21(e)(i). "**Shareholder ROFO Notice Period**" shall have the meaning ascribed to such term in Article 21(e)(ii). "**Shareholders' Meeting**" shall mean any meeting of the Shareholders held in accordance with the Act, these Articles and the Amended and Restated Shareholders Agreement. "**Seventh Round Completion Date**" shall mean the date on which the Seventh Round Investment is consummated, in its entirety, and for clarity, in the event that the Seventh Round Investment is completed in multiple tranches and the Seventh Round Investor Shares are issued by the Company or acquired by the Seventh Round Investors on multiple dates, the last such date on which any Seventh Round Investor Shares are issued and/or purchased, as the case may be, will be deemed to be the Seventh Round Completion Date. "**Seventh Round Investment**" shall mean the seventh round of capital raising by the Company through any subscription for and/or secondary acquisition of, any Equity Shares of the Company, in one or more tranches, and at a price per Equity Share equal to or higher than the Seventh Round Threshold Price, and, for the avoidance of doubt, the term "**Seventh Round Investment**" shall include the share purchase agreement dated March 25, 2021 entered into by Steadview Capital Opportunities PCC CELL 0221-007, with certain Shareholders of the Company identified as the respective sellers therein "**Seventh Round Investor Shares**" shall mean collectively, Equity Shares of the Company acquired by the Seventh Round Investors as a part of the Seventh Round Investment, and as set out against the names of each Seventh Round Investor in **Part G** of **Schedule 2** of these Articles. "**Seventh Round Investors**" shall mean each of those Investors and/or Minority Investors who acquired the Seventh Round Investor Shares in the Company as a part of the Seventh Round Investment, as listed

	in **Part G** of **Schedule 2** of these Articles, in each case to the extent of such Seventh Round Investor Shares. "**Seventh Round Threshold Price**" shall mean an amount of INR 10,766.75 (Rupees ten thousand seven hundred and sixty six paisa seventy five). "**Sixth Round Investment**" shall mean the sixth round of capital raising by the Company through any subscription for and/or secondary acquisition of, any Equity Shares of the Company, in one or more tranches, and at a price per Equity Share equal to or higher than the Sixth Round Threshold Price. "**Sixth Round Investor Shares**" shall mean collectively, the Sixth Round Subscription Shares and the Sixth Round Purchase Shares. "**Sixth Round Investors**" shall mean the Investors who acquired the Sixth Round Investor Shares in the Company as a part of the Sixth Round Investment, as listed in **Part F** of **Schedule 2** of these Articles. "**Sixth Round Purchase Shares**" shall mean the Equity Shares of the Company proposed to be acquired by the Sixth Round Investors as a part of the Sixth Round Investment, pursuant to the Sixth Round SPAs. "**Sixth Round SPAs**" shall mean: (i) the share purchase agreement dated April 29, 2020 entered into by Firoza Kavarana; (ii) the share purchase agreement dated April 29, 2020 entered into by Shivani Parikh; (iii) the share purchase agreement dated April 29, 2020 entered into by Reshma Jairam Shetty; (iv) the share purchase agreement dated July 22, 2020 entered into by Reshma Jairam Shetty; (v) the share purchase agreement dated July 22, 2020 entered into by Katrina Rosemary Turcotte; (vi) the share purchase agreement dated July 22, 2020 entered into by Alia Bhatt; (vii) the share purchase agreement dated July 22, 2020 entered into by Karan Swani; (viii) the share purchase agreement dated August 17, 2020 entered into by Parbro Trading LLP; (viii) the share purchase agreement dated August 17, 2020 entered into by Alia Bhatt; and (ix) the share purchase agreement dated October 7, 2020 entered into by Fidelity Investors with certain Shareholders of the Company identified as the respective sellers therein; (x) the share purchase agreement dated October 26, 2020 entered into by Fidelity Investors with certain Shareholders of the Company identified as the respective sellers therein; and (xi) the share purchase agreement dated November 2, 2020 entered into by Faering Capital India Evolving Fund II and Faering Capital India Evolving Fund III with certain Shareholders of the Company identified as the respective sellers therein, in connection with the purchase, by the Sixth Round Investors, of Equity Shares from such Shareholders. "**Sixth Round SSAs**" shall mean: (i) the share subscription agreement dated March 24, 2020 executed between Steadview and the Company; (ii) the share subscription agreement dated April 21, 2020 executed between Steadview and the Company; and (iii) the share subscription agreement dated May 22, 2020 entered into by the Company with SKM, in connection with the subscription, by the Sixth Round Investors, for Equity Shares in the Company. "**Sixth Round Subscription Shares**" shall mean collectively, the Equity Shares of the Company acquired by the Sixth Round Investors as part of the Sixth Round Investment, pursuant to the Sixth Round SSAs. "**Sixth Round Threshold Price**" shall mean an amount of INR 6,059.56 (Rupees six thousand fifty nine paise fifty six). "**SKM**" shall mean Sunil Kant Munjal. "**SM**" shall mean Shefali Munjal. "**Steadview**" shall mean Steadview Capital Mauritius Limited. "**Subsidiary**" shall have the meaning ascribed to such term under Applicable Law. "**Tag Shareholders**" shall have the meaning ascribed to such term in Article 21(f)(i)(1). "**Tag Shareholders Tag Along Election Notice**" shall have the meaning ascribed to such term in Article 21(f)(i)(4). "**Tag Shareholders Tag Along Offer Notice**" shall have the meaning ascribed to such term in Article 21(f)(i)(3).

	"**Tag Shareholders Tag Along Offer Period**" shall have the meaning ascribed to such term in Article 21(f)(i)(4). "**Tag Shareholders Tag Along Right**" shall have the meaning ascribed to such term in Article 21(f)(i)(1). "**Tag Shareholders Tag Along Shares**" shall have the meaning ascribed to such term in Article 21(f)(i)(1). "**Techpro Ventures**" shall mean Techpro Ventures LLP. "**Third Round Investment**" shall mean the third round of capital raising by the Company through any subscription for / acquisition of any Equity Shares of the Company, in one or more tranches, and at a price per Equity Share equal to or higher than the Third Round Threshold Price. "**Third Round Investor Shares**" shall mean collectively, the Equity Shares of the Company acquired by the Third Round Investors as a part of the Third Round Investment, and as set out against the names of each Third Round Investor in **Part C** of **Schedule 2** of these Articles. "**Third Round Investors**" shall mean each of those Investors and/or Minority Investors who acquired the Third Round Investor Shares in the Company as a part of the Third Round Investment, as listed in **Part C** of **Schedule 2** of these Articles, in each case to the extent of such Third Round Investor Shares. "**Third Round Threshold Price**" shall mean an amount of INR 650 (Rupees six hundred fifty). "**TPG**" shall mean TPG Growth IV SF Pte. Ltd. "**TPG Director**" shall have the meaning ascribed to such term in Article 28(c)(v). "**Transfer**" shall mean (i) any, direct or indirect, transfer or other disposition of the equity shares or equity securities or voting interests or any interest therein, including, by operation of Applicable Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such equity shares or equity securities or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such equity shares or equity securities or any interest therein passes from one person to another person or to the same person in a different legal capacity, whether or not for value; or (iii) the granting of any Encumbrance in, or extending or attaching to, such equity shares or equity securities or any interest therein. The word "Transferred" shall be construed accordingly. "**Trigger Acquisition**" shall have the meaning ascribed to such term in Article 44(b)(i). "**Trigger Acquisition Price**" shall have the meaning ascribed to such term in Article 44(b)(i). "**Yogesh Agencies**" shall mean Yogesh Agencies and Investments Private Limited. Except as provided above and unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act and the rules made there under. Any capitalized terms used but not defined herein shall have the meaning ascribed to them in the Amended and Restated Shareholders Agreement. In these Articles (unless the context requires otherwise): (i) Any reference to any Article, Sub – Article, Clause or Sub - Clause or Schedule is to an Article, Sub – Article, Clause or Sub - Clause or Schedule to these Articles unless the context otherwise requires. The Schedules to these Articles shall be deemed to form part of these Articles. (ii) References to a Party shall, to the extent expressly permitted, include such Party's successors and permitted assigns. (i) The headings are inserted for convenience only and shall not affect the construction of these Articles.

	(ii) Unless the context requires otherwise, words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings. (iii) References to words "**include**," "**includes**" and "**including**" shall be deemed to be followed by the words "**without limitation**". (iv) Any date or period as set out in any Article of these Articles may be extended with the prior written consent of the Parties, failing which time shall be of the essence. (v) References to the knowledge, information, belief or awareness of any Person shall be deemed to be the knowledge and information, belief or awareness such Person would have if such Person had made reasonable enquiry which would be expected or required from a person of ordinary prudence. (vi) Reference to Applicable Laws or any specific statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions. (vii) Unless otherwise specified, all references to Equity Share Capital, shall be deemed to be references to Equity Share Capital on a Fully Diluted Basis. (viii) References to any particular number or percentage of equity securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including all Adjustment Events. (ix) The words "directly or indirectly" and "directly and/or indirectly" mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and "direct or indirect" and "direct and/or indirect" shall have the correlative meanings, respectively. (x) In determining any Person's shareholding in the Company for any purpose whatsoever under these Articles, all Equity Securities held by the relevant Person or any Affiliate of such Person shall also be counted and shall be treated as a single block. (xi) Where any obligation is imposed on the Company under these Articles and/or the Amended and Restated Shareholders Agreement, it shall be deemed that the Promoters have a corresponding obligation to cause the Company to comply with its obligation such that the Promoters shall exercise all their respective powers (including voting power) and take all necessary steps and do or cause to be done all acts, deeds and things as required to ensure compliance of all obligations of the Company. (xii) Any reference to these Articles or the Amended and Restated Shareholders Agreement shall be deemed to include all amendments, changes and/or modifications made to these Articles or the Amended and Restated Shareholders Agreement, as the case may be, in accordance with the provisions thereof.
	PROVISIONS OF TABLE "F" APPLICABLE
2.	Regulations contained in Table 'F' of the First Schedule to the Act, to the extent applicable shall apply to the Company so far only as they are not inconsistent with any of the provisions contained in these Articles.
3.	Intentionally Left Blank
	SHARES
4.	Neither the original capital nor any additional capital shall be of more than two kinds, namely: (a) Equity share capital with voting rights; or with differential rights as to dividend, voting or otherwise in accordance with the rules and regulations and subject to such conditions as may be prescribed from time to time. (b) Preference share capital.

	(c) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
5.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
6.	Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
7.	(a) The authorized share capital of the Company is as stated in clause V of the Memorandum of Association of the Company.
8.	(a) Subject to the provisions of the Act and these Articles, the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. (b) Subject to the provisions of the Act and these Articles, the Company may, by ordinary resolution – (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of the share capital.
9.	Subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, and subject to these Articles, the Company may purchase its own shares.
10.	The Company shall have the power, subject to and in accordance with the provisions of the Act and other relevant regulations in this regard from time to time and subject to these Articles, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by law from time to time.
	DEMATERIALIZATION OF SHARES
11.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its shares and to offer shares in a dematerialized form as per the Depositories Act, 1996.
12.	Notwithstanding anything contained in these Articles, and subject to the provisions of law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the shares, which are in dematerialized form.
13.	Every person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a depository. If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the share, and on receipt of the

	information, the depository shall enter in its record the name of the allottee as the beneficial owner of the share.
14.	All shares held by a depository shall be dematerialized and shall be in a fungible form.
15.	(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owners. (b) Save as otherwise provided in (a) above, the depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it. (c) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a depository.
16.	Notwithstanding anything in the Act or these Articles to the contrary, where shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks or any other mode as prescribed by law from time to time.
17.	Nothing contained in Section 56 of the Act shall apply to the process of transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository, provided that any such transfer of securities will be in accordance with these Articles.
18.	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
19.	Nothing contained in the Act or these Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
	TRANSFER AND TRANSMISSION OF SHARES
20.	The Company shall cause a Register of Members to be maintained in accordance with the Act and Section 11 of the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register of Beneficial Owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register of Members holding Shares in dematerialised form, for the purposes of the Act.
21.	(a) No Shareholder shall Transfer or attempt to Transfer any Equity Securities or any right, title or interest therein or thereto, except as expressly permitted by these Articles. Any Transfer or attempt by any Shareholder to Transfer Equity Securities in violation of these Articles shall be null and *void ab initio*, and the Company shall not register any such Transfer. (b) <u>Permitted Transfers by Promoters</u> (i) Notwithstanding anything to the contrary contained herein, the Promoters may, at any time without compliance with the provisions of Article 21(f) below, Transfer any Equity Securities held by the Promoters to each other or to any other Affiliate of a Promoter ("**Promoter Permitted Transferee**"), subject to Applicable Law and subject to such Affiliate agreeing to be bound by the terms and conditions of the Amended and Restated Shareholders Agreement by executing a Deed of Adherence. (ii) The Promoters undertake that each of them shall, prior to a Promoter Permitted Transferee ceasing to be an Affiliate, acquire by themselves or, through any of their Affiliates, all of the Securities held by such Affiliate, notwithstanding that such Promoter Permitted Transferee has executed a Deed of Adherence. (iii) Notwithstanding anything contained in these Articles, the Promoters shall be permitted to Transfer (including by way of creation of an Encumbrance and/or transfer pursuant to such Encumbrance), in one or more tranches at any time after May 26, 2020 to any Person without compliance with the provisions of Article 21(f) below, up to such number of Equity Securities as represent, in the aggregate, 5% (five per cent) of the Equity Share Capital on a Fully Diluted Basis as on the date of the last such transfer ("**Promoter Liquidity Shares**"); it

being clarified that (a) only (i) the Transfers of any Equity Securities by any Promoter to any Person after May 26, 2020 shall be taken into consideration for determining the number of Equity Securities Transferred by the Promoters, and any Equity Securities Transferred by a Promoter prior to May 26, 2020 shall not be taken into consideration for such purpose; and (ii) any Transfers of Equity Securities by any Promoter to a Promoter Permitted Transferee shall not be taken into consideration for determining the number of Equity Securities Transferred by the Promoters, as long as the Equity Securities Transferred to such Promoter Permitted Transferee continue to be subject to all rights and restrictions that such Equity Securities would have been subject to had they continued to be held by the Promoters; and (b) all Transfers made by a Promoter Permitted Transferee to any Person other than a Promoter or Promoter Permitted Transferee shall also be taken into consideration for determining the number of Equity Securities Transferred by the Promoters out of the Promoter Liquidity Shares and to determine whether the Promoters have exhausted the 5% (five per cent) or 10% (ten per cent) thresholds set forth in Article 21(f)(i)(1) and Article 21(f)(i)(2) respectively.

(iv) Notwithstanding anything contained in these Articles, the Promoters shall be permitted, without any restriction and without compliance with the provisions of Article 21(f) below, to create an Encumbrance over any Equity Securities held by them in the Company, at any time after May 26, 2020, in addition to the Promoter Liquidity Shares, as long as such Encumbrance is created for the purpose of securing the repayment of any Indebtedness extended to the Company and/or any Subsidiary in connection with its business and operations.

(c) Permitted Transfers by Techpro Ventures, JM Financial, HB, NS, Yogesh Agencies, the Munjals, Lighthouse, Co-Investment Trust, TPG, Steadview, ABG Capital and/ or Fidelity Investors

(i) Notwithstanding anything to the contrary contained herein, Techpro Ventures, JM Financial, HB, NS, Yogesh Agencies, the Munjals, Lighthouse, Co-Investment Trust, TPG, Steadview, ABG Capital and/ or Fidelity Investors ("**Permitted Investors**") may, at any time without compliance with the provisions of Article 21(e) below, Transfer any Equity Securities held by them to their respective Affiliates, subject to Applicable Law and such Affiliate ("**Permitted Transferee**") agreeing to be bound by the terms and conditions of the Amended and Restated Shareholders Agreement by executing a Deed of Adherence and in the case of the Fidelity Investors, subject to the Permitted Transferee agreeing to be bound by the terms and conditions of the Letter Agreement by becoming a party to such Letter Agreement.

(ii) Each of the Permitted Investors severally undertakes that, prior to any Permitted Transferee ceasing to be an Affiliate of such Permitted Investor, the Permitted Investor shall, acquire by itself or, through any of its Affiliates, all of the Equity Securities held by such Permitted Transferee, notwithstanding that such Permitted Transferee has executed a Deed of Adherence.

(iii) Notwithstanding anything contained in this Article 21(c), each of Techpro Ventures, JM Financial, HB, NS, Yogesh Agencies, the Munjals, Lighthouse, Co-Investment Trust, TPG, Steadview and ABG Capital, shall, in the event of a Transfer to an Affiliate in the manner contemplated in this Article 21(c), be entitled to transfer the Equity Securities held by it to up to 4 (four) of its Affiliates; provided that the Equity Securities held by it shall not be Transferred to more than 4 (four) Affiliates in total.

(iv) Notwithstanding anything in this Article 21(c), each Fidelity Investor shall, in the event of a Transfer to an Affiliate in the manner contemplated in this Article 21(c), be entitled to any time Transfer any Equity Securities held by them to their respective Affiliates provided that the total number of Fidelity Investors and their Affiliates comprising the Fidelity Funds shall not, at any point exceed 14 (fourteen) in total.

(d) Notwithstanding anything contained in these Articles:

(i) none of the Investors or Minority Investors shall Transfer any Equity Securities, at any time, to a Company Competitor; and

(ii) none of the Promoters, Promoter Permitted Transferees, Anchit Nayar or AN shall Transfer any Equity Securities, at any time, to a Company Competitor, unless the Investors and Minority Investors are entitled to exercise, as a result of such Transfer, a tag along right in respect of up to all of the Equity Securities then held by them pursuant to Article 21(f)(i)(2).

(e) Right Of First Offer For Investor Transfers

(i) If at any time any Investor or Minority Investor proposes to Transfer all or part of the Equity Securities held by such Investor or Minority Investor ("**Selling Shareholder**"), the Selling Shareholder shall inform the Promoters of its intention to Transfer such Equity Securities ("**Offered Equity Shares**") by way of a written notice ("**Shareholder ROFO Notice**").

(ii) Within 15 (fifteen) Business Days of the receipt of the Shareholder ROFO Notice (the "**Shareholder ROFO Notice Period**"), the Promoters shall have the right to offer to acquire all and not less than all of the Offered Equity Shares by providing a written notice to the Selling Shareholder within the Shareholder ROFO Notice Period (the "**Shareholder Acceptance Notice**"). The Shareholder Acceptance Notice shall set out the price and the other terms at which the Promoters are willing to purchase such Offered Equity Shares from the Shareholder (the "**Shareholder Offer Terms**").

(iii) Within a period of 15 (fifteen) Business Days from the Promoters delivering the Shareholder Acceptance Notice to the Selling Shareholder, the Selling Shareholder may elect to sell the Offered Equity Shares on the Shareholder Offer Terms as mentioned in the Shareholder Acceptance Notice received from the Promoters, by sending the Promoters a written notice conveying the Selling Shareholder's acceptance of the Shareholder Offer Terms (the "**Shareholder Consent Notice**"). In the event the Selling Shareholder rejects the Shareholder Offer Terms, the Selling Shareholder shall inform the Promoters of such rejection, through a written notice (the "**Shareholder Rejection Notice**").

(iv) Upon the Selling Shareholder delivering a Shareholder Consent Notice, the Promoters shall purchase the Offered Equity Shares on the Shareholder Offer Terms within a period of 15 (fifteen) Business Days from the date of the Shareholder Consent Notice. The completion of the sale and purchase of the Offered Equity Shares shall take place at the registered office of the Company at a time and date to be notified by the Promoters to the Selling Shareholder. Such Offered Equity Shares shall be sold by the Selling Shareholder free from any Encumbrances and shall provide representations, warranties and indemnities to the Promoters in relation to the title of the Offered Equity Shares and there being no Encumbrance over or attaching to the Offered Equity Shares. No other representations, warranties or indemnities shall be required to be provided by the Selling Shareholders including in relation to the Company's business or operations. The Promoters shall deliver, at such completion, payment of the purchase price in full and in cash for the Offered Equity Shares. At such completion, the Selling Shareholder and the Promoters shall execute such further documents as may be required to consummate the sale and purchase of the Offered Equity Shares. Any stamp duty, transfer taxes or fees payable in relation to the Transfer of the Offered Equity Shares shall be borne by the Promoters.

(v) In the event the Selling Shareholder issues a Shareholder Rejection Notice, or fails to issue either a Shareholder Consent Notice or a Shareholder Rejection Notice, the Selling Shareholder, following the expiry of the Shareholder Acceptance Period, shall be free to offer the Offered Equity Shares to any Person other than a Company Competitor ("**Proposed Purchasers**"), at a price that is higher than the price offered in the Shareholder Offer Terms, if applicable. If such Proposed Purchaser has agreed to purchase the Offered Equity Shares, the Selling Shareholder shall send a written notice to the Promoters ("**Last Right to Match Notice**"), which shall state: (i) the name, address and beneficial ownership (to the extent possible) of the Proposed Purchaser, (ii) the number of Offered Equity Shares proposed to be purchased by the Proposed Purchaser, (iii) the price per Offered Equity Share at which the Proposed Purchaser is willing to purchase the Offered Equity Shares, (iv) the other terms and conditions of the proposed Transfer, and (v) a representation that the Proposed Purchaser has been informed of the rights of the Promoters under this Article 21(e)(v) and of all obligations of the Shareholders under the Amended and Restated Shareholders Agreement. The Last Right to Match Notice shall also contain as annexures all the relevant documents which reflect the details mentioned in (i)-(v) above.

(vi) Within a period of 15 (fifteen) Business Days from receipt of the Last Right to Match Notice ("**Amended Shareholder Offer Period**"), the Promoters shall have the right to issue amended Shareholder Offer Terms including to amend the price of Offered Equity Shares ("**Amended Shareholder Offer Terms**"). If the terms contained in such Amended Shareholder Offer Terms are the same as or better terms than the terms offered by the Proposed Purchaser for the purchase of the Offered Equity Shares, as notified to the Promoters by the Selling Shareholder under the Last Right to Match Notice, the Selling

Shareholder shall be obliged to sell and the Promoters shall purchase the Offered Equity Shares at the price contained in the Amended Shareholder Offer Terms within a period of 15 (fifteen) Business Days from the date of issue of the Amended Shareholder Offer Terms. Completion in relation to the sale and purchase of the Offered Equity Shares shall take place in accordance with the process set out under Article 21(e)(iv).

(vii) In the event that the Promoters do not issue Amended Shareholder Offer Terms or the terms contained in the Amended Shareholder Offer Terms are not the same as or better than the terms offered by the Proposed Purchaser for the purchase of the Offered Equity Shares, the Selling Shareholder shall have the right to Transfer the Offered Equity Shares to the Proposed Purchaser, within a period of 60 (sixty) Business Days (from the expiry of the Amended Shareholder Offer Period, or issuance of the Amendment Shareholder Offer Terms, as relevant), provided that the Proposed Purchaser executes a Deed of Adherence or in a form mutually agreed between the Proposed Purchaser, the Selling Shareholder, the Company and the Promoters.

(viii) In the event that the Promoters do not issue or fail to issue Shareholder Acceptance Notice for the purchase of the Offered Equity Shares in accordance with the process set out under Article 21(e)(ii), the Selling Shareholder shall, following the expiry of the Shareholder ROFO Notice Period, be free to offer the Offered Equity Shares to any Proposed Purchaser(s). If such Proposed Purchaser has agreed to purchase the Offered Equity Shares, the Selling Shareholder shall send a Last Right to Match Notice to the Promoters. The provisions of Article 21(e)(vi) and Article 21(e)(vii) shall apply mutatis mutandis in respect of the sale of the Offered Equity Shares by the Selling Shareholder in such a case.

(f) Tag Along Right

(i) Minority Investors' and Investors' Tag Along Right

1. If any of the Promoters propose to sell Equity Securities, which, together with Equity Securities, if any, previously sold by Promoters after May 26, 2020 are in excess of the Promoter Liquidity Shares (the number of such aggregate Equity Securities proposed to be sold by the Promoters in excess of the Promoter Liquidity Shares, being the "**Promoter Sale Shares**"), to any Person (other than a Permitted Transferee) or another Shareholder of the Company or any of their respective Affiliates ("**Purchaser**"), then each Investor and each Minority Investor and each of their respective Nominees or Affiliates holding any Equity Securities (collectively, the "**Tag Shareholders**") shall have a right, but not the obligation ("**Tag Shareholders Tag Along Right**") to Transfer to such Purchaser along with the Promoters, up to such number of Equity Securities held by such Tag Shareholder as bears the same proportion to the total number of Equity Securities held by such Tag Shareholder as the number of Promoter Sale Shares bears to the total number of Promoter Shares (collectively, "**Tag Shareholders Tag Along Shares**"), at a price per Tag Shareholders Tag Along Share equal to the price at which each Promoter Sale Share is to be sold by the Promoters.

2. Notwithstanding anything contained in Article 21(f),

A. if the total number of Promoter Sale Shares proposed to be sold by the Promoters (a) would exceed, when aggregated with all Equity Securities previously sold by the Promoters, 10% (ten per cent) of the Equity Share Capital on a Fully Diluted Basis as on the date of the last such sale, or (b) would result in the Promoter Shares representing less than 35% (thirty five per cent) of the Equity Share Capital on a Fully Diluted Basis as on the date of the last such sale, or (c) would result in Change in Promoter Management, or

B. in the event of a Transfer of any Equity Securities by Promoters, Promoter Permitted Transferees, Anchit Nayar or AN to a Company Competitor,

then each Tag Shareholder shall have the right to exercise the Tag Shareholders Tag Along Right for up to all of the Equity Securities held by such Tag Shareholder, in accordance with the process set out in this Article 21(f), and the reference to the term "**Tag Shareholders Tag Along Shares**" shall be construed accordingly.

3. If any of the Promoters propose to sell any of the Promoter Sale Shares to a Purchaser, such Promoter shall provide a notice in writing ("**Tag Shareholders Tag Along Offer**

Notice") to each of the Tag Shareholders at least 15 (fifteen) Business Days prior to completing any such sale. The Tag Shareholders Tag Along Offer Notice shall state: (i) to the extent possible, the name of the Purchaser, (ii) the number of Promoter Sale Shares proposed to be sold, (iii) the total number of Equity Securities held by the Promoters prior to undertaking the proposed sale to the Purchaser, (iv) the price per Promoter Sale Shares at which the Purchaser is willing to purchase the Promoter Sale Shares, (v) the other terms and conditions of the proposed Transfer, and (vi) a representation that the Purchaser has been informed of the Tag Shareholders Tag Along Right of each of the Tag Shareholders. The Tag Shareholders Tag Along Offer Notice shall also contain as annexures all the relevant documents which reflect the details mentioned in (i)-(vi) above.

4. In the event that any of the Tag Shareholders wishes to exercise the Tag Shareholders Tag Along Right, it shall deliver a written notice of such election to the Promoters ("**Tag Shareholders Tag Along Election Notice**") within a period of 15 (fifteen) Business Days of receipt of the Tag Shareholders Tag Along Offer Notice ("**Tag Shareholders Tag Along Offer Period**"). If any of the Tag Shareholders has issued a Tag Shareholders Tag Along Election Notice during the Tag Shareholders Tag Along Offer Period, the Promoters shall cause the Purchaser to purchase the Tag Shareholders Tag Along Shares from the relevant Tag Shareholders who are willing to sell simultaneously with the Promoter Sale Shares on terms no less favorable as the terms on which the Purchaser purchases the Promoter Sale Shares. If none of the Tag Shareholders issue a Tag Shareholders Tag Along Election Notice during the Tag Shareholders Tag Along Offer Period, the Promoters shall be free to sell the Promoter Sale Shares to the Purchaser on the same terms and conditions as contained in the Tag Shareholders Tag Along Offer Notice.

5. If the Purchaser is not willing to purchase all of the Tag Shareholders Tag Along Shares that the relevant Tag Shareholders are willing to sell, other than due to any reason attributable to the relevant Tag Shareholder, the Promoters shall not Transfer any of the Promoter Sale Shares to such Purchaser. If the Purchaser is willing to purchase only a part of the Tag Shareholders Tag Along Shares that the relevant Tag Shareholders are willing to sell, the number of Promoter Sale Shares and Tag Shareholders Tag Along Shares proposed to be Transferred shall be reduced pro rata so that the Tag Shareholders who may have issued a Tag Shareholders Tag Along Election Notice may Transfer such reduced number of Tag Shareholders Tag Along Shares on a proportionate basis as the Promoter Sale Shares.

6. The completion of the sale and purchase of the Tag Shareholders Tag Along Shares shall take place at a place, time and date as may be notified by the Promoters to the Tag Shareholders, to the extent that they have issued a Tag Shareholders Tag Along Election Notice. The Tag Shareholders Tag Along Shares shall be sold by the relevant Tag Shareholders, free from any Encumbrances and the Tag Shareholders shall provide representations, warranties and indemnities to the Purchaser in relation to the title of the Tag Shareholder Tag Along Shares and there being no Encumbrance over or attaching to the Tag Shareholder Tag Along Shares. No other representations, warranties or indemnities shall be required to be provided by the Tag Shareholders, including in relation to the Company's business or operations. The Purchaser shall deliver, at such completion, payment of the purchase price in full and in cash for the Tag Shareholders Tag Along Shares. At such completion, the relevant Tag Shareholders and the Promoters shall execute such further documents as may be required to consummate the sale and purchase of the Tag Shareholders Tag Along Shares. The Promoters and the Tag Shareholders exercising the Tag Shareholders Tag Along Right shall not be required to bear any stamp duty, transfer taxes or fees payable in relation to the Transfer of the Tag Shareholders Tag Along Shares.

(g) **DRAG ALONG RIGHT**

(i) Promoters' Right to Drag Along Drag Shareholders

1. In the event that pursuant to sale of any Promoter Sale Shares to a Purchaser, the shareholding of the Promoters in the Company falls below 35% (thirty five per cent) of the Equity Share Capital of the Company calculated on a Fully Diluted Basis ("**Promoter Sale Shares – Drag Shareholders**") and any of the Tag Shareholders do not exercise the Tag Shareholders Tag Along Right in accordance with Article 21(f) above (such Shareholders being referred to as the "**Drag Shareholders**"), the Promoters shall have

	the right to require the relevant Drag Shareholders to sell all of the Equity Securities held by the Drag Shareholders ("**Drag Shareholders Drag Along Shares**") to such Purchaser on the same terms and conditions at which the Promoters propose to sell their Promoter Sale Shares – Drag Shareholders to such Purchaser ("**Promoters' Right to Drag Along Drag Shareholders**"). 2. The Promoters shall notify the relevant Drag Shareholders of their intention to exercise the Promoters' Right to Drag Along Drag Shareholders by delivering a notice in writing to the relevant Drag Shareholders ("**Drag Shareholders Drag Along Notice**") at least 15 (fifteen) Business Days prior to the date proposed for completing the sale and purchase of the Drag Shareholders Drag Along Shares, and the Drag Shareholders Drag Along Notice shall state: (i) to the extent possible, the name of the Purchaser, (ii) the number of Promoter Sale Shares – Drag Shareholders proposed to be sold, (iii) the price per Promoter Sale Shares – Drag Shareholders at which the Purchaser is willing to purchase the Promoter Sale Shares – Drag Shareholders, and (iv) the Drag terms and conditions of the proposed Transfer. The Drag Shareholders Drag Along Notice shall also contain as annexures all the relevant documents which reflect the details mentioned in (i)-(iv) above. 3. The completion of the sale and purchase of the Drag Shareholders Drag Along Shares shall take place at a place, time and date as may be notified by the Promoters to the relevant Drag Shareholders. The Drag Shareholders Drag Along Shares shall be Transferred by the Drag Shareholders, free from any Encumbrances and shall provide representations, warranties and indemnities to the Purchaser in relation to the title of the Drag Shareholders Drag Along Shares and there being no Encumbrance over or attaching to the Drag Shareholders Drag Along Shares. No other representations, warranties or indemnities shall be required to be provided by the Drag Shareholders, including in relation to the Company's business or operations. The Purchaser shall deliver, at such completion, payment of the purchase price in full and in cash for the Drag Shareholders Drag Along Shares. At such completion, the relevant Drag Shareholders and the Promoters shall execute such further documents as may be required to consummate the sale and purchase of the Drag Shareholders Drag Along Shares. The Promoters and the Drag Shareholders, upon exercise of the Promoter's Right to Drag Along Drag Shareholders shall not be required to bear any stamp duty, transfer taxes or fees payable in relation to the Transfer of the Drag Shareholders Drag Along Shares.
22.	If the transfer of shares of the Company is not in conformity with these Articles including but not limited to Article 21 above, the Board may decline to register any transfer or transmission of shares and shall not be bound to give any reason for such refusal. This Article shall also apply in the case of a transferee who is already a Shareholder. The Board shall within a period of 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferor and the transferee or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Subject to these Articles, no shares shall be transferred to any person who is not a member of the Company so long as any member or any person selected by the Board is willing to purchase the same at a value determined by the Board in their absolute discretion to be fair and reasonable.
23.	(a) Any person becoming entitled to any share as a consequence of the death, lunacy, bankruptcy or insolvency of any Shareholder or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence in respect his/her/its title as the Directors may require, either be registered as a Shareholder in respect of such shares or may, subject to the regulations relating to transfer of shares contained in these presents, transfer such shares to some other person. (b) Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until such verification is complete or until or unless an indemnity be given to the Company with regard to such registration, which the Directors, at their discretion, shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to register any transmission upon an indemnity as aforesaid being provided. (c) A fee not exceeding the prescribed amount may be charged in respect of the transfer or transmission to the same party for any number of shares of any class or denomination subject to such maximum on any one transfer or transmission as may from time to time be fixed by the Directors. Such maximum may be a single fee payable on any one transfer or on transmission of

	any number of shares of one class or denomination or may be on a scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors may at their discretion determine. The Directors in their absolute discretion may reduce or waive any fee payable.
24.	No person shall exercise any rights or privileges of Shareholders until such person shall have paid all sums (whether in respect of call or otherwise) for the time being due in respect of the shares held by him or due in any manner whatsoever to the Company.
25.	The transfer books and Register of Members and Register of Debenture Holders may be closed during such time or times not exceeding in whole a period of 45 (forty five) days in each year as the Board of Directors of the Company may think fit but in such manner that such a period does not exceed 30 (thirty) days at a time.
26.	The provisions of these Articles shall *mutatis mutandis* apply to the transfer of or the transmission by operation of law of, the right to the debentures of the Company.
27.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing on the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to attend or give effect to any such notice which may be given to it by any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors of the Company shall so think fit.
	DIRECTORS
28.	(a) The Directors of the Company shall be appointed in accordance with the Act and these Articles from time to time, to the extent applicable (b) The Board shall comprise a maximum of 12 (twelve) Directors. Each of (i) HB; (ii) NS; (iii) Lighthouse; (iv) the Munjals; and (v) TPG shall have the right to appoint 1 (one) Director to the Board, subject to the provisions of Article 28(c) below. The Promoters shall have the right to appoint 5 (five) Directors to the Board ("**Promoter Director(s)**") (c) The Directors shall be appointed in the following manner: (i) For as long as HB holds such number of Equity Securities as represents at least 5% (five percent) of the Equity Share Capital on a Fully Diluted Basis, HB shall have the right to nominate a Director for appointment to the Board ("**HB Director**"). The individual nominated as the HB Director shall not also serve as a director on the board of directors of any Company Competitor for as long as he or she is a Director of the Company, unless otherwise agreed to by the Company. (ii) For as long as NS holds such number of Equity Securities as represents at least 2% (two percent) of the Equity Share Capital on a Fully Diluted Basis, NS shall have the right to nominate a Director for appointment to the Board ("**NS Director**"). The individual nominated as the NS Director shall not also serve as a director on the board of directors of any Company Competitor for as long as he or she is a Director of the Company, unless otherwise agreed to by the Company. (iii) For as long as Lighthouse holds such number of Equity Securities as represents at least 2% (two per cent) of the Equity Share Capital on a Fully Diluted Basis, Lighthouse shall have the right to nominate either (i) William Sean Sovak or (ii) any other Director acceptable to the Board, as a Director for appointment to the Board ("**Lighthouse Director**"). The Lighthouse Director shall not serve as a director on the board of directors of any Company Competitor for as long as he or she is a Director of the Company, unless otherwise agreed to by the Company. Provided that William Sean Sovak may serve as a Director on the board of directors of Kama Ayurveda Private Limited and/ or Fab India Overseas Private Limited.

	(iv) For as long as the Munjals, collectively hold such number of Equity Securities as represents at least 2% (two percent) of the Equity Share Capital on a Fully Diluted Basis, the Munjals shall have the right to nominate one of (i) SKM or (ii) SM as a Director for appointment to the Board ("**Munjals Director**"). The Munjals Director shall not serve as a director on the board of directors of any Company Competitor for as long as he or she is a Director of the Company, unless otherwise agreed to by the Company. (v) For as long as TPG is holds such number of Equity Securities as represents at least 2% (two per cent) of the Equity Share Capital on a Fully Diluted Basis, TPG shall have the right to nominate a Director for appointment to the Board ("**TPG Director**"). The TPG Director shall not serve as a director on the board of directors of any Company Competitor for as long as he or she is a Director of the Company, unless otherwise agreed to by the Company. (vi) Each of the HB Director, NS Director, Lighthouse Director, the Munjals Director and the TPG Director shall be individually referred to as an "**Identified Investor Director**" and collectively, as the "**Identified Investor Directors**". Each of the Investors that are entitled to nominate a Director to the Board pursuant to this Article 28(c) shall individually be referred to as a "**Nominating Investor**", and all such Investors shall be collectively referred to as the "**Nominating Investors**". (d) The Shareholders shall each exercise their respective votes in relation to the Equity Share Capital held by each of them at any Shareholders' Meeting called for the purpose of election of the Identified Investor Directors and Promoter Directors to the Board and shall subject to Applicable Law take all other actions necessary to ensure the election of the Identified Investor Directors and Promoter Directors to the Board. (e) Each Identified Investor Director may be removed from the Board and any committee thereof, without cause, only upon the written request or with the affirmative vote of the Nominating Investor that has appointed such Identified Investor Director. In the event an Identified Investor Director resigns or is removed in accordance with this Article 28(e), the relevant Nominating Investors shall have the right to nominate such Identified Investor Director's successor or replacement. (f) Liability of Identified Investor Directors. The Promoters and the Company expressly agree that the Identified Investor Directors (a) will be non-executive directors who are not responsible for any operational or management related matters pertaining to the Company; and (b) shall not be identified as officer in charge/ default of the Company or occupier of any premises used by the Company. Further, the Company will appoint any Directors or suitable persons, other than the Identified Investor Directors, as officers in charge/ default and for the purpose of statutory compliances, occupiers, as the case may be; provided that, in any event, the Company shall (at its expense) procure and maintain directors and officers insurance. (g) The Promoters shall cause their nominees on the Board to exercise their voting rights in any Board (or any committees thereof) meetings of the Company in accordance with the terms and provisions of the Amended and Restated Shareholders Agreement and to give full and complete effect to the provisions of the Amended and Restated Shareholders Agreement.
29.	(a) The Board shall be responsible for the management, supervision, direction and control of the Company. Subject to the provisions set out in Article 42 below, the Board shall be entitled to delegate powers to such persons and such committees that the Board may create to assist it in its business strategy and objectives. The management of the affairs of the Company shall be entrusted to an individual to be appointed by the Board as "**CEO**". The CEO shall be in charge of and responsible to the Company for the conduct of the business of the Company as well as for ensuring compliance by the Company with all Applicable Laws in relation to its business and affairs. The CEO, as the key managerial personnel, shall be the "officer who is in default" for the purposes of the Act and shall be deemed to carry such similar responsibility with respect to or under any other Applicable Laws. (b) Any person appointed as Director of the Company in accordance with these Articles shall hold office for such period and upon such conditions, as may be specified, subject to the applicable provisions of the Act. In order to effect any decision regarding appointment, replacement and/or removal of any Director, the Nominating Investor may issue a written notice to the Company specifying its decision and providing, in the case of an appointment or replacement of its Identified Investor Director, the name and DIN of the nominee ("**Director Notice**"). The Company shall procure that such appointment, replacement and/or removal of the relevant Identified Investor Director is effected, including the filings of appropriate forms with the ROC, as soon as practicable

	after receipt of the Director Notice. (c) Subject to Applicable Law, the Company shall pay the Directors remuneration in line with its regular Board practice. Each Nominating Investor shall bear all out of pocket expenses (including all reasonable travel and boarding expenses) incurred in order to enabling its Identified Investor Director to attend Board Meetings (including airfare, hotel accommodation and local transportation). (d) Subject to the provisions of the Act, in the event a vacancy occurs for any reason on the Board, each Shareholder shall cause the Company to immediately convene a meeting of the Board and shall cause its nominee Directors to exercise their voting rights so as to appoint a replacement in accordance with Article 28 above to hold office until the date of the next annual general meeting. Such vacancy shall be filled by an individual nominated for appointment by the Shareholder that nominated the appointment of the individual to be replaced. (e) The Board of Directors shall have power to appoint additional Directors on the Board subject to the provisions of the Act. (f) Subject to the provisions of the Act, the Board of Directors may appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India. The alternate shall vacate office upon the return of the original Director to India. (g) Each Nominating Investor shall be entitled to nominate an alternate Director to act in accordance with the Act for the Identified Investor Director nominated by it and shall issue a written notice to the Company providing the name and contact address of such alternate Director ("**Alternate Director Nomination Notice**"). The Board shall appoint, as an alternate to the relevant Investor Director, the alternate Director so nominated within 5 (five) Business Days of receipt of such Alternate Director Nomination Notice. Each of the Identified Investor Directors shall also have a right to withdraw his or her nominated alternate Director and nominate another in his/her place. (h) None of the Identified Investor Directors shall be liable to retire by rotation.
	MEETINGS OF THE BOARD
30.	(a) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit, provided, however, that the meeting of the Board of Directors shall be held at least once in every three calendar months and at least four such meetings shall be held every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings. Meetings of the Board may be held within or outside India. (b) Falguni Nayar shall be the chairperson of the Board. If the chairperson is not present for a Board Meeting within 15 (fifteen) minutes after the time appointed for holding the Board Meeting, the Directors present at such Board Meeting shall appoint the chairperson from amongst themselves. The chairperson shall not have a casting vote. (c) The Chairperson may at any time and the manager, secretary or such other officer of the Company as may be authorized by the Directors shall, upon the requisition of a Director, convene a meeting of the Board. (d) A Board Meeting may be called by the chairperson of the Board or any other Director. At least 7 (seven) days' written notice shall be given to each of the Directors of any Board Meeting provided always that a shorter period of notice may be given to the extent permitted by and in accordance with Applicable Law. Such written notice shall be given at the usual address of the Director in India and in case of Directors not ordinarily residing in India or then out of India; the same shall be given at such address as notified by the concerned Director as a valid address for the service of notices for the time being. Such notice shall be accompanied by copies of any document(s) to be reviewed and discussed at such meeting ("**Agenda**"). Notices may be provided by electronic mail. (e) Subject to the provisions of the Act, all Board Meetings shall require a quorum of at least 2 (two) Directors, including at least 1 (one) Promoter Director; provided that the quorum for any meeting that includes in its Agenda, an Identified Investor Reserved Matter, shall require the attendance and presence of at least 2 (two) Identified Investor Directors throughout such meeting, unless the Identified Investors or Identified Investor Directors have previously approved of such matter, in

	accordance with Article 42. If such a quorum is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall adjourn to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time 7 (seven) Business Days later, at which meeting the Directors present shall subject to Applicable Law constitute a valid quorum, provided that written notice of such adjourned meeting shall have been delivered to all Directors at least 5 (five) Business Days prior to the date of such adjourned meeting; and provided further that no resolution in respect of an Identified Investor Reserved Matter shall be passed at such meeting, unless (a) Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold; or (b) Identified Investor Directors nominated by Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold have previously approved of such matter in accordance with Article 42. (f) Subject to Article 42 below, at any Board meeting, each Director may exercise 1 (one) vote. The Board shall not at any meeting adopt any resolution covering any matter that is not expressly specified on the Agenda for such meeting unless a majority of the Directors present at such meeting, including a Promoter Director vote in favor of such resolution. Provided that William Sean Sovak shall not be entitled to speak, vote or be part of discussions on matters pertaining to Nykaa's private label at any meeting. (g) Subject to Article 42 below, except as prescribed by Applicable Law, a written resolution circulated to all the Directors, whether in India or overseas, and signed by a majority of them (including at least 1 (one) Promoter Director) as approved shall be as valid and effective as a resolution duly passed at a Board Meeting, provided that such resolution had been circulated in draft form to all Directors, together with the necessary background and other information and/or supporting documents pertaining to the subject matter thereof. (h) A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions by law or under the Articles and regulations for the time being vested or exercisable by the Directors generally. (i) All acts done by a Director shall be valid, notwithstanding that it may be afterwards discovered that such Director's appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles, provided that this Article shall not give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
31.	If permitted by the Act, Directors may participate in Board meetings by video conferencing or any other means of contemporaneous communication, provided that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting.
32.	The Company shall prepare minutes of each Board Meeting and circulate them to all Directors within the time required under Applicable Law. The minutes shall be signed at the commencement of the immediately following Board Meeting.
33.	Each Director may provide any information received in its capacity as Director to the Shareholder who has appointed such Director and its Representatives provided, however, all such information shall be deemed to be Confidential Information of the Company and each Shareholder and each Director shall be requested to comply with the provisions of the Amended and Restated Shareholders Agreement with regard to such Confidential Information.
34.	A Director need not hold any shares in the capital of the Company to qualify him to be a Director of the Company.
35.	Whenever the Company enters into an agreement or contract with the Central or state Government, a local authority, bank or financial institutions or any person or persons (hereinafter referred to as "the appointer") for borrowing of money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company or business takeover agreements, the Board of Directors shall have, subject to the provisions of the Act, if applicable, the power to agree that such appointer shall have the power, if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board of Directors for such period and upon such conditions as may be mentioned in the agreement or contract, and that such Directors may not be liable to retire by rotation, nor be required to hold any qualification shares. The Board of Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer

	may appoint or nominate another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised or enjoyed by the other Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors, as may be agreed to by the Company with the appointer. Any nominee Director so appointed shall hold said office only so long as any money remains owed by the Company to the appointer or so long as the appointer holds shares or debentures in the Company as a result of underwriting the issue of any shares of the Company or so long as the liability of the Company arising out of any guarantee is outstanding and any Nominee Director so appointed in exercise of said power shall ipso facto vacate such office immediately upon the moneys owed by the Company to the appointer being paid or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the appointer.
36.	A Director may be paid such sum for each meeting of the Board of Directors of the Company or meeting of the committee of the Board of Directors of the Company attended by him, as may be determined by Shareholders of the Company from time to time, and may also be paid such sum for his traveling, lodging and boarding expenses (if any), as may be determined by the Board of Directors from time to time provided that the total remuneration shall not exceed the limits specified under the Act.
37.	If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include, work done by a Director as a member of any committee of the Board of Directors), the Board of Directors of the Company may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or otherwise as may be determined by the Board of Directors of the Company and such remuneration may be either in addition to or in substitution for his remuneration provided pursuant to Article 36 above.
38.	Subject to the provisions of the Act, a resolution passed without any meeting of the Board of Directors of the Company, or of a committee of the Board of Directors of the Company, and circulated to all the Directors of the Company or members of such committee as aforesaid, will be as valid and effective as a resolution duly passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these Articles, provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the committee (not being less in number than the quorum fixed for a meeting of the Board of Directors or the committee, as the case may be) and to all other Directors or Shareholders at their usual addresses and has been approved by majority of such of the Directors as are entitled to vote on the resolution.
39.	The Board of Directors of the Company may at any time and from time to time by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents and the provisions of the Act) and for such period and subject to such conditions as the Board of Directors of the Company may, from time to time, think fit and any such appointment (if the Board of Directors of the Company think fit) be made in favour of any company or the Shareholders, Directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board of Directors of the Company and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board of Directors of the Company may think fit, and may contain powers enabling any such attorney to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.
	GENERAL MEETING
40.	(a) All general meetings other than annual general meetings shall be called extraordinary general meetings. (b) The Board of Directors may, whenever it thinks fit, call an extraordinary general meeting. (c) The general meetings, other than the annual general meeting which shall be held at any place within the city, town or village in which the registered office of the Company is situate or may be held at any place in India, and for any general meeting where the Company makes arrangements, the Shareholders may attend by way of teleconference, video conference or through any other medium as may be permitted under the Act. (d) No business shall be transacted at any general meeting unless a quorum of Shareholders is present

	at the time when the meeting proceeds to business. (e) Subject to the provisions of the Act, all Shareholders' Meetings shall require a quorum as provided in Section 103 of the Act, present in person or through their representative, which shall include at least 2 (two) representatives of the Promoters. If such requisite quorum is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall be adjourned to the same time and place not earlier than 10 (ten) Business Days, but no later than 21 (twenty one) Business Days thereafter as the chairperson may determine ("**Adjourned Shareholder Meeting**"). In the absence of a valid quorum at such Adjourned Shareholder Meeting, subject to Article 42, the Shareholders present in person and/or through their representative(s) thereat shall subject to Applicable Law constitute a valid quorum and all business transacted thereat shall be regarded as having been validly transacted; provided that no resolution in respect of an Identified Investor Reserved Matter shall be passed at such meeting, unless Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold, or Identified Investor Directors nominated by Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold have previously approved of such matter, in accordance with Article 42. (f) The chairperson of the Board shall preside as chairperson at every general meeting of the Company. If there is no such chairperson present within 15 (fifteen) minutes after the time appointed for holding the meeting, or if the chairperson is unwilling to act as chairperson of the meeting, the Shareholders present shall elect the chairperson of the meeting. (g) If there is no such Chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Shareholders present shall elect one of themselves to be the chairperson of the meeting. (h) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (i) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (j) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (k) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. (l) The Chairperson shall not be entitled to a second or casting vote. (m) Subject to any rights or restrictions for the time being attached to any class or classes of shares: i. on a show of hands, every member present in person shall have one vote; and ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. (n) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once. (o) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (p) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. (q) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid. (r) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

	(s) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. (t) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid; (u) An instrument appointing a proxy shall be in the form as prescribed in the Act. (v) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
41.	Each Shareholder shall (a) vote its Equity Shares at any Shareholders' Meeting, and (b) take and cause the Company to take all other actions as may be necessary, to give effect to the provisions of the Amended and Restated Shareholders Agreement. In addition, each Shareholder shall vote on its Equity Shares at any Shareholders' Meeting upon any matter submitted for action by the Shareholders or with respect to which the Shareholders may vote and shall cause its Directors, to vote, in conformity with the specific terms and provisions of the Amended and Restated Shareholders Agreement to give complete legal effect to the provisions of the Amended and Restated Shareholders Agreement including to make necessary amendments to the Charter Documents.
	RESERVED MATTERS
42.	(a) <u>Identified Investors Reserved Matters</u> (i) Notwithstanding the provision of Articles 30(f), 30(g), 40(g) and 40(i), the Company shall not, without the prior consent of or affirmative vote of Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold, obtained in accordance with this Article 42(a), take or resolve to take or commit to any of the actions set forth in **Part A** of **Schedule 1** ("**Identified Investor Reserved Matters**") of these Articles, whether by circular resolution or in a board or Committees of the Board or shareholders' meeting or otherwise. (ii) The Agenda for any Board Meeting or the Agenda for any Shareholders' Meeting at which such Identified Investor Reserved Matter is proposed to be discussed ("**Identified Investor Subject Meeting**") shall specify in reasonable detail the proposed action falling within the scope of **Part A** of **Schedule 1**, and the Company shall provide a copy of such notice, agenda and supporting documents to each of the Identified Investors or the Directors appointed by the Identified Investors as the case may be. If (a) prior written consent has not been received from Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold or from the Directors appointed by Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold, prior to the date of the Identified Investor Subject Meeting or (b) the affirmative vote of Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold or of the Directors appointed by Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold is not obtained at such Identified Investor Subject Meeting, no resolution in respect of the relevant Identified Investor Reserved Matter shall be passed at such Identified Investor Subject Meeting. Any written consent or affirmative vote of the relevant Identified Investor or the Director appointed by the relevant Identified Investor shall be binding on such Identified Investor. (iii) Without prejudice to the foregoing, the Company shall procure that any actions taken or resolutions passed or commitments made in breach of this Article 42 shall be void ab initio, and all such actions, resolutions and commitments shall be unwound or terminated as soon as practicable.

	(iv) Each Subsidiary of the Company shall not, without the prior written consent of or affirmative vote of Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold or from the Directors appointed by Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold, as the case may be, obtained in accordance with this Article 42(a), take or resolve to take or commit to any of the actions set forth in **Part B** of **Schedule 1** ("**Identified Investor Subsidiary Reserved Matters**") of these Articles, whether by circular resolution or otherwise. Provided however, for the purposes of this Article 42(a)(iv): (a) Lighthouse and the Co-Investment Trust shall not be considered as Identified Investors, and (b) the definition of Identified Investor Threshold shall exclude the shareholding of Lighthouse and the Co-Investment Trust. (v) The Agenda for any board meeting of a Subsidiary or the agenda for any shareholders' meeting of a Subsidiary at which such Identified Investor Subsidiary Reserved Matter is proposed to be discussed ("**Identified Investor Subsidiary Subject Meeting**") shall specify in reasonable detail the proposed action falling within the scope of **Part B** of **Schedule 1**, and the Company and/or Subsidiary shall provide a copy of such notice, agenda and supporting documents to each of the Identified Investors. If prior written consent has not been received from Identified Investors holding, in the aggregate, such number of Equity Securities as is equal to the Identified Investor Threshold, prior to the date of the Identified Investor Subsidiary Subject Meeting, no resolution in respect of the relevant Identified Investor Subsidiary Reserved Matter shall be passed at such Identified Investor Subsidiary Subject Meeting. Any written consent or affirmative vote of the relevant Identified Investor shall be binding on such Identified Investor. Provided however, for the purposes of this Article 42(a)(v): (a) Lighthouse and the Co-Investment Trust shall not be considered as Identified Investors, and (b) the definition of Identified Investor Threshold shall exclude the shareholding of Lighthouse and the Co-Investment Trust. (vi) Those articles of the articles of association of the Subsidiaries which incorporate any rights of the Identified Investors as contained in the Amended and Restated Shareholders Agreement, shall not be amended or modified without the prior written consent of each of the Identified Investors whose rights would be affected, in any manner, as a result of such amendment. (b) Governance. (i) The Promoters and the Company agree that the principles set out in this Article 42 are fundamental to the governance of the Company and each of the Promoters and the Company undertakes not to commit any act or omission that would violate or prejudice the spirit and intent of the Article 42(a). If any other provision of these Articles conflict with the provisions of this Article 42, the provisions of Article 42(a) shall prevail and be given effect. (ii) It is clarified that any affirmative consent by the Identified Investors in relation to any action/ matter set out in Article 42(a) shall apply only in relation to the particular matter/ action specified in the relevant notice and shall not constitute a general consent for any matter/ action set out in Article 42(a).
	ANTI DILUTION
43.	(a) Anti-Dilution. The Company shall not issue to the Promoters or Affiliates of the Promoters, any Equity Securities ("**Additional Securities**"), other than in the manner provided for under this Article 43. (b) First Round Anti-Dilution. In the event the Company proposes to issue Additional Securities to the Promoters or Affiliates of the Promoters at a price lower than the First Round Threshold Price, as adjusted for any Adjustment Events ("**Promoter Issue Price I**"), the Company shall offer the First Round Investors and the First Round Investors shall have the right but not the obligation, exercisable within 15 (fifteen) Business Days from receipt of such offer, to subscribe to such number of Additional Securities at the minimum price payable as per Applicable Law, as is calculated in terms of the formula set out below: {Number of First Round Investor Shares that would have been issued and/or transferred to the relevant First Round Investor had the issuance and/or secondary transfer of the First Round Investor Shares to such First Round Investor as part of the First Round Investment been undertaken at the Promoter Issue Price I, and not the First Round Threshold Price}

Minus

{Number of First Round Investor Shares actually issued and/or transferred to the relevant First Round Investor}.

(c) Second Round Anti-Dilution. In the event the Company proposes to issue Additional Securities to the Promoters or Affiliates of the Promoters at a price lower than the Second Round Threshold Price, as adjusted for any Adjustment Events ("**Promoter Issue Price II**"), the Company shall offer the Second Round Investors and the Second Round Investors shall have the right but not the obligation, exercisable within 15 (fifteen) Business Days from receipt of such offer, to subscribe to such number of Additional Securities at the minimum price payable as per Applicable Law, as is calculated in terms of the formula set out below:

{Number of Second Round Investor Shares that would have been issued and/or transferred to the relevant Second Round Investor had the issuance and/or secondary transfer of the Second Round Investor Shares to such Second Round Investor as part of the Second Round Investment been undertaken at the Promoter Issue Price II, and not the Second Round Threshold Price}

Minus

{Number of Second Round Investor Shares actually issued and/or transferred to the relevant Second Round Investor}.

(d) Third Round Anti-Dilution. In the event the Company proposes to issue Additional Securities to the Promoters or Affiliates of the Promoters at a price lower than the Third Round Threshold Price, as adjusted for any Adjustment Events ("**Promoter Issue Price III**"), the Company shall offer the Third Round Investors and the Third Round Investors shall have the right but not the obligation, exercisable within 15 (fifteen) Business Days from receipt of such offer, to subscribe to such number of Additional Securities at the minimum price payable as per Applicable Law, as is calculated in terms of the formula set out below:

{Number of Third Round Investor Shares that would have been issued and/or transferred to the relevant Third Round Investor had the issuance and/or secondary transfer of the Third Round Investor Shares to such Third Round Investor as part of the Third Round Investment been undertaken at the Promoter Issue Price III, and not the Third Round Threshold Price}

Minus

{Number of Third Round Investor Shares actually issued and/or transferred to the relevant Third Round Investor}.

(e) Fourth Round Anti-Dilution. In the event the Company proposes to issue Additional Securities to the Promoters or Affiliates of the Promoters at a price lower than the Fourth Round Threshold Price, as adjusted for any Adjustment Events ("**Promoter Issue Price IV**"), the Company shall offer the Fourth Round Investors and the Fourth Round Investors shall have the right but not the obligation, exercisable within 15 (fifteen) Business Days from receipt of such offer, to subscribe to such number of Additional Securities at the minimum price payable as per Applicable Law, as is calculated in terms of the formula set out below:

{Number of Fourth Round Investor Shares that would have been issued and/or transferred to the relevant Fourth Round Investor had the issuance and/or secondary transfer of the Fourth Round Investor Shares to such Fourth Round Investor as part of the Fourth Round Investment been undertaken at the Promoter Issue Price IV, and not the Fourth Round Threshold Price}

Minus

{Number of Fourth Round Investor Shares actually issued and/or transferred to the relevant Fourth Round Investor}.

(f) Notwithstanding anything contained in these Articles, the rights granted to the Fourth Round Investors under Article 43(e) shall apply mutatis mutandis to Lighthouse and the Co-Investment Trust.

(g) Fifth Round Anti-Dilution. In the event the Company proposes to issue Additional Securities to the Promoters or Affiliates of the Promoters at a price lower than the Fifth Round Threshold Price, as adjusted for any Adjustment Events ("**Promoter Issue Price V**"), the Company shall offer the Fifth Round Investors and the Fifth Round Investors shall have the right but not the obligation, exercisable within 15 (fifteen) Business Days from receipt of such offer, to subscribe to such number of Additional Securities at the minimum price payable as per Applicable Law, as is calculated in terms of the formula set out below:

{Number of Fifth Round Investor Shares that would have been issued and/or transferred to the relevant Fifth Round Investor had the issuance and/or secondary transfer of the Fifth Round Investor Shares to such Fifth Round Investor as part of the Fifth Round Investment been undertaken at the Promoter Issue Price V, and not the Fifth Round Threshold Price}

Minus

{Number of Fifth Round Investor Shares actually issued and/or transferred to the Fifth Round Investors}.

(h) Sixth Round Anti-Dilution. In the event the Company proposes to issue Additional Securities to the Promoters or Affiliates of the Promoters at a price lower than the Sixth Round Threshold Price, as adjusted for any Adjustment Events ("**Promoter Issue Price VI**"), the Company shall offer the Sixth Round Investors and the Sixth Round Investors shall have the right but not the obligation, exercisable within 15 (fifteen) Business Days from receipt of such offer, to subscribe to such number of Additional Securities at the minimum price payable as per Applicable Law, as is calculated in terms of the formula set out below:

{Number of Sixth Round Investor Shares that would have been issued and/or transferred to the relevant Sixth Round Investor had the issuance and/or secondary transfer of the Sixth Round Investor Shares to such Sixth Round Investor as part of the Sixth Round Investment been undertaken at the Promoter Issue Price VI, and not the Sixth Round Threshold Price}

Minus

{Number of Sixth Round Investor Shares actually issued and/or transferred to the Sixth Round Investors}.

(i) Seventh Round Anti-Dilution. In the event the Company proposes to issue Additional Securities to the Promoters or Affiliates of the Promoters at a price lower than the Seventh Round Threshold Price, as adjusted for any Adjustment Events ("**Promoter Issue Price VII**"), the Company shall offer the Seventh Round Investors and the Seventh Round Investors shall have the right but not the obligation, exercisable within 15 (fifteen) Business Days from receipt of such offer, to subscribe to such number of Additional Securities at the minimum price payable as per Applicable Law, as is calculated in terms of the formula set out below:

{Number of Seventh Round Investor Shares that would have been issued and/or transferred to the relevant Seventh Round Investor had the issuance and/or secondary transfer of the Seventh Round Investor Shares to such Seventh Round Investor as part of the Seventh Round Investment been undertaken at the Promoter Issue Price VII, and not the Seventh Round Threshold Price}

Minus

{Number of Seventh Round Investor Shares actually issued and/or transferred to the Seventh Round Investors}.

(j) The Company shall be free to issue Additional Securities to the Promoters or Affiliates of the Promoters:

(i) at any price which is lower than the First Round Threshold Price in the event that the First Round Investors do not exercise their rights to subscribe to Additional Securities offered to the First Round Investors in the manner set out in Article 43(b);

(ii) at any price which is lower than the Second Round Threshold Price in the event that the Second Round Investors do not exercise their rights to subscribe to Additional Securities offered to the Second Round Investors in the manner set out in Article 43 (c);

	(iii) at any price which is lower than the Third Round Threshold Price in the event that the Third Round Investors do not exercise their rights to subscribe to Additional Securities offered to the Third Round Investors in the manner set out in Article 43 (d) ; (iv) at any price which is lower than the Fourth Round Threshold Price in the event that the Fourth Round Investors do not exercise their rights to subscribe to Additional Securities offered to the Fourth Round Investors in the manner set out in Article 43 (e); (v) at any price which is lower than the Fifth Round Threshold Price in the event that the Fifth Round Investors do not exercise their rights to subscribe to Additional Securities offered to the Fifth Round Investors in the manner set out in Article 43 (g); (vi) at any price which is lower than the Sixth Round Threshold Price in the event that the Sixth Round Investors do not exercise their rights to subscribe to Additional Securities offered to the Sixth Round Investors in the manner set out in Article 43 (h); and (vii) at any price which is lower than the Seventh Round Threshold Price in the event that the Seventh Round Investors do not exercise their rights to subscribe to Additional Securities offered to the Seventh Round Investors in the manner set out in Article 43 (i). (k) Notwithstanding anything contained in this Article 43, the provisions of Article 43 shall not apply to any Equity Securities issued pursuant to any of the following: (i) An issuance pursuant to an Adjustment Event; (ii) An issue of Equity Shares to the Promoters or Affiliates of the Promoters as a part of any employee benefit scheme, employee stock option or stock purchase scheme or similar scheme of the Company; and (iii) A rights issue pursuant to which Equity Securities are offered to all Shareholders of the company, pro rata to their respective shareholding in the Company, calculated on a Fully Diluted Basis. (l) The rights of the each First Round Investor, Second Round Investor, Third Round Investor, Fourth Round Investor, Fifth Round Investor, the Sixth Round Investor and the Seventh Round Investor under this Article 43 shall only be available to each such Person for as long as such Person holds at least such number of Equity Securities as represents the Anti-Dilution Threshold, as adjusted for any Adjustment Events.
	EXIT
44.	(a) <u>IPO</u> (i) Each of Lighthouse and TPG may, by a notice in writing, require the Promoters to use endeavors on a best efforts basis to undertake an IPO post the completion of a period of 6 (six) years from the Lighthouse Investment Date. An "**IPO**" shall mean a public offering pursuant to which Equity Securities are listed on any Recognised Stock Exchange. (ii) The Company shall be permitted to undertake an IPO at any time following the Effective Date, on such terms as may be approved by the Board. Notwithstanding anything contained in these Articles, including pursuant to Article 42, the Board shall have the unfettered right to take any and all decisions in relation to the initiation and consummation of an IPO, in its discretion. Each Shareholder hereby covenants and agrees to undertake all actions as may be necessary, including exercising its voting rights in respect of the Equity Securities held by it in the Company, in order to give effect to an IPO approved by the Board. (b) <u>Dilution of Promoter holding resulting from a Primary Issuance or Change in Promoter Management resulting from a Primary Issuance</u> (i) If any proposed Primary Issuance to any Person(s) (other than the existing Shareholders as on the date of such Primary Issuance) ("**Acquirer(s)**") would result: (a) in the Promoters (along with their respective Affiliates) holding Equity Securities representing less than 30% (thirty per cent) of the Equity Share Capital on a Fully Diluted Basis post such proposed

		Primary Issuance, or (b) in a Change in Promoter Management, ("**Trigger Acquisition**"), then each Shareholder (other than the Promoters, Anchit Nayar and AN) and each of their respective Nominees or Affiliates holding any Equity Securities (collectively, the "**Exit Shareholders**") shall have a right, but not the obligation ("**Exit Shareholder Sale Right**") to Transfer to such Acquirer(s), up to all of the Equity Securities held by such Exit Shareholder (collectively, "**Exit Shareholder Exit Shares**"), at a price per Exit Shareholder Exit Share equal to the per Equity Share price at which such Acquirer(s) propose(s) to acquire the Equity Securities pursuant to the Trigger Acquisition ("**Trigger Acquisition Price**"), and the Acquirer(s) shall be so obliged to purchase and the Company shall procure that Acquirer(s) so purchases the Exit Shareholder Exit Shares, failing which the Trigger Acquisition shall not be completed. For avoidance of doubt, it is clarified that in the event the acquisition of Equity Securities pursuant to the Trigger Acquisition is proposed to be made by multiple Acquirers, the Exit Shareholders shall have a right to Transfer the Exit Shareholder Exit Shares to all such Acquirers on a pro-rata basis in proportion to the inter se proportion of Equity Securities proposed to be acquired by such Acquirers pursuant to the Trigger Acquisition, unless otherwise agreed amongst the Acquirers inter se and as notified to the Exit Shareholders. It is further clarified that in the event pursuant to a Primary Issuance, Equity Securities are proposed to be issued to the existing Shareholders as on the date of the Primary Issuance along with one or more Acquirer(s), and such Primary Issuance to the existing Shareholders and one or more Acquirer(s) constitutes a Trigger Acquisition, the Exit Shareholders shall have the right to Transfer the Exit Shareholder Exit Shares only to such Acquirer(s), as the case may be (in the manner mentioned in the foregoing sentence), and not to any existing Shareholders, and the Acquirer(s) shall be so obliged to and the Company shall procure that Acquirer(s) so purchase the Exit Shareholder Exit Shares, failing which the Trigger Acquisition shall not be completed. (ii) If an Acquirer proposes to undertake a Trigger Acquisition, the Company shall provide a notice in writing ("**Exit Shareholder Exit Offer Notice**") to each of the Exit Shareholders at least 15 (fifteen) Business Days prior to the proposed Trigger Acquisition. The Exit Shareholder Exit Offer Notice shall state: (i) to the extent possible, the name of the Acquirer(s), (ii) the number of Equity Securities proposed to be acquired by the Acquirer(s) pursuant to the Trigger Acquisition, (iii) the Trigger Acquisition Price, (iv) the other terms and conditions of the proposed Trigger Acquisition, and (v) a representation that the Acquirer(s) have been informed of the Exit Shareholder Sale Right of each of the Exit Shareholders. The Exit Shareholder Exit Offer Notice shall also contain as annexures all the relevant documents which reflect the details mentioned in (i)-(v) above. (iii) In the event that any of the Exit Shareholders wishes to exercise the Exit Shareholder Exit Right, it shall deliver a written notice of such election to the Company ("**Exit Shareholder Exit Election Notice**") within a period of 15 (fifteen) Business Days of receipt of the Exit Shareholder Exit Offer Notice ("**Exit Shareholder Exit Offer Period**"). If any of the Exit Shareholders has issued an Exit Shareholder Exit Election Notice during the Exit Shareholder Exit Offer Period, the Company shall procure that the Acquirer(s) purchase the Exit Shareholder Exit Shares from the relevant Exit Shareholders who are willing to sell such Exit Shareholder Exit Shares simultaneously with the consummation of the Trigger Acquisition at the Trigger Acquisition Price, failing which the Trigger Acquisition shall not be completed. If none of the Exit Shareholders issue an Exit Shareholder Exit Election Notice during the Exit Shareholder Exit Offer Period, the Acquirer shall be free to undertake the Trigger Acquisition on the same terms and conditions as contained in the Exit Shareholder Exit Offer Notice. (iv) The completion of the sale and purchase of the Exit Shareholder Exit Shares shall take place at a place, time and date as may be notified by the Company to the Exit Shareholders, to the extent that they have issued an Exit Shareholder Exit Election Notice. The Exit Shareholders Exit Shares shall be sold by the relevant Exit Shareholders, free from any Encumbrances and the Exit Shareholders shall provide representations, warranties and indemnities to the Acquirer in relation to the title of the Exit Shareholder Exit Shares and there being no Encumbrance over or attaching to the Exit Shareholder Exit Shares. No other representations, warranties or indemnities shall be required to be provided by the Exit Shareholders, including in relation to the Company's business or operations. The Acquirer shall deliver, at such completion, payment of the purchase price in full and in cash for the Exit Shareholder Exit Shares. At such completion, the relevant Exit Shareholders and the Company shall execute such further documents as may be required to consummate the sale and purchase of the Exit Shareholder Exit Shares. The Exit Shareholders exercising the Exit Shareholder Exit Right shall not be required to bear any stamp duty, transfer taxes or fees payable in relation to the Transfer of the Exit Shareholder Exit Shares.

	INFORMATION RIGHTS
45.	(a) The Company shall, and the Promoters shall procure that the Company shall provide to each Shareholder from time to time the following documents of the Company and any subsidiary (on a consolidated basis) as long as such Shareholder continues to hold Equity Securities in the Company: (i) annual audited financial statements together with Directors and Auditors reports thereon within 120 (one hundred and twenty) days of the end of each Financial Year; (ii) quarterly financial statements including statement of operating results, balance and cash flow statements within 30 (thirty) days of the end of every financial quarter; (iii) management information statements within 45 (forty five) days of the end of every financial quarter in the form and manner set out in the Amended and Restated Shareholders Agreement; and (iv) operational/financial and such other information in the form and manner set out in the Amended and Restated Shareholders Agreement, which shall be revised periodically, every six months, commensurate with the size and operations of the business in such form and manner as may be agreed by the Promoters and the Identified Investors. (b) In addition to the provisions of Article 45(a) above, the Company shall, and the Promoters shall procure that the Company shall provide to each Identified Investor such other information/ documents (a) as may be provided to any other Identified Investor or Fidelity Investors, from time to time in relation to the Company and its Subsidiaries, simultaneously with such information / documents being provided to such Identified Investor or Fidelity Investors, as the case may be, and (b) as may be reasonably requested by such Identified Investor from time to time, within a reasonable time and not later than 5 (five) Business Days from the date of such request. (c) The financial statements of the Company delivered to the Shareholders or to Lighthouse, the Co-Investment Trust, the Munjals and TPG under this Article 45 shall be prepared in English in accordance with accounting standards / principles as applicable to the Company under Applicable Law consistently applied with past practice for prior periods, to the extent applicable, and shall be accompanied by a certificate signed by the Chairperson of the Company or any other person authorized by the Board certifying that such financial statements conform to the requirements of this Article 45 and fairly present the financial condition of the Company and its results of operation for the periods specified therein (in the case of all such financial statements other than the financial statements, subject to year-end audit adjustment). All management reports to be provided by the Company under this Article 45 shall include a comparison of the financial results with the corresponding quarterly and annual budgets. (d) The Munjals and/or their respective authorised representatives shall be permitted, upon prior written notice of at least 3 (three) Business Days to the Company and/or any of its Subsidiaries, to inspect, during the normal working hours of the Company and/or such Subsidiary, the books and accounting records of the Company and/or such Subsidiary, to make extracts and copies there from at their own expense and to have reasonable access to the Company's and/or such Subsidiary's premises, offices and assets and also to discuss and conduct meetings with their directors, executive officers and management personnel. (e) The Company shall provide to Fidelity Investors from time to time the following documents of the Company and/or its Subsidiaries, as long as such Fidelity Investor continues to hold Equity Securities in the Company: (i) within 120 (one hundred twenty) days after the end of each fiscal year of the Company, an audited consolidated balance sheet, income statement/cash flow statements/profit and loss statements for the Company and its Subsidiaries together with Board's report and Auditor's reports for such fiscal year, prepared in accordance with the Indian accounting standards and audited and certified by at least an auditor of national repute with chartered accounting qualification appointed by the Board; (ii) within 90 (ninety) days after the end of each of the fiscal quarters, an unaudited consolidated balance sheet, income statement and cash flow statement for the Company for such quarter, prepared in accordance with the Indian accounting standards;

	(iii) any revised budgets within 30 (thirty) days of getting approval on the budgets from the Board; and (iv) any material reports publicly filed by the Company or any Subsidiary with any relevant securities exchange, regulatory authority or other Governmental Authority, which involve or may involve any interest of Fidelity Investors under these Articles. Notwithstanding anything contained in these Articles, the Company shall provide to the Fidelity Investors, upon the receipt of a written request from the Fidelity Investors, such communications, documents and/or information, as may reasonably requested by the Fidelity Investors, if such communication, documents and/or information has previously been provided by the Company to any of Investors or Minority Investors, in each case in their capacity as Shareholders of the Company. (f) The Company shall promptly and accurately respond, and shall use their best efforts to cause its Subsidiaries to promptly respond, to requests for information made on behalf of Fidelity Investors relating to: (i) accounting or securities law matters required in connection with their audits or as may be required for the purposes of making any legal or regulatory filings or otherwise under Applicable Law; or (ii) the actual holdings of Fidelity Investors, including in relation to the total outstanding securities in the Company; provided however, that the Company and its Subsidiaries shall not be obligated to provide any such information that could reasonably result in a violation of Applicable Law. (g) If any direct or indirect investments made by the Company and/or its Subsidiaries outside the United States (including investments made through any intermediate vehicles) will, to the knowledge of the Company, impose any tax payment or filing obligation (including with respect to returns from the Company) upon Fidelity Investor solely as a result of Fidelity Investor's ownership interest in the Company, the Company shall and the Company shall procure the Subsidiaries, provide information and assistance as provided under this Article 45(g). The Company agrees that if it has knowledge that Fidelity is required to file a tax return in any country other than the United States (other than a return to claim withholding taxes), or pay taxes (other than withholding taxes), solely as a result of their ownership of interest in the Company, the Company shall use reasonable efforts to notify Fidelity Investor as promptly as practicable of such filing obligation.
	INDEMNIFICATION
46.	(a) Each of the Company, the Promoters and the Shareholder hereby, indemnifies and holds harmless each of the Shareholders, the Promoters and/or the Company (as applicable) from and against any and all losses, claims, damages, liabilities, costs (including reasonable attorneys' fees and disbursements) and expenses (collectively, "**Losses**") to which any of such Shareholders, the Promoters and/or the Company (as applicable) may become subject and that are borne, paid and/or suffered by the relevant Shareholders, the Promoters and/or the Company (as applicable) and which directly arise out of, or directly result from, or may be directly payable by virtue of: (i) any breach or inaccuracy of any of the representations and warranties under the Amended and Restated Shareholders Agreement; and/ or (ii) any default or breach by them of any of their covenants and obligations under these Articles that is not cured or remedied by the defaulting party in question, within 15 (fifteen) business days of a written notice from any of the other relevant parties to the defaulting party notifying it of such breach. (b) The Company shall, to the extent permitted by Applicable Law, indemnify, defend and hold harmless each of the Directors who was or is a party to any pending or completed action, suit or proceeding, whether civil, criminal, administrative by reason of the fact that he or she is or was a director of the Company, against all expenses, costs and obligations (including, without limitation, reasonable attorneys' fees, experts' fees, court costs, retainers), damages, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such expenses, judgments, fines, penalties or

	amounts paid in settlement) actually incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in the best interests of the Company in accordance with his or her fiduciary duty to the Company.
	NON COMPETE AND NON-SOLICIT
47.	(a) Non-Compete The Company shall be the exclusive vehicle through which Falguni Nayar, AN and Anchit Nayar shall pursue the Business of the Company. Falguni Nayar, AN and Anchit Nayar shall not directly, indirectly or beneficially, by themselves or in association with or through any Person, in any capacity, whatsoever, including, inter alia, as a Shareholder, partner, trustee, beneficiary, advisor, consultant, employee or officer: (i) commence, establish, engage in, carry on, own, manage, operate; (ii) canvass or solicit business, customers, distributor, supplier, dealer, or agents for; and/or (iii) provide any know-how or technical assistance to, any Person that (i) is engaged in business, operations or activities similar to and competing with, the Business, (ii) offers the same or similar products / services to the products / services offered by the Company as part of the Business. (b) Non-Solicitation Falguni Nayar, AN and Anchit Nayar shall not, whether directly or indirectly, by themselves or in association with or through any Person, in any manner whatsoever, do or undertake or attempt to do or undertake any of the following activities: (i) Hire or solicit the employment of any Key Officer, Director, or employee of the Company; (ii) Induce or attempt to induce any Key Officer, Director or employee of the Company to leave the employment of the Company; or (iii) Induce or attempt to persuade any Person, who is an existing or potential customer/client of the Company, to cease doing business or to reduce the amount of business which such Person has customarily done or might propose doing with the Company.
	FALL AWAY OF RIGHTS
48.	Notwithstanding anything contained in these Articles, but subject to Article 43(k), in the event any of the Identified Investors cease to own such number of Equity Securities as represents 2% (two per cent) of the Equity Share Capital of the Company on a Fully Diluted Basis, as adjusted for any Adjustment Event, all rights of such Identified Investor under these Articles shall immediately and automatically terminate and cease to have effect. Notwithstanding anything contained in this Article 48, it is clarified that the relevant Identified Investor shall continue to have the rights available to it under Applicable Law, even if such Identified Investor ceases to own such number of Equity Securities as represents 2% (two per cent) of the Equity Share Capital of the Company on a Fully Diluted Basis, as adjusted for any Adjustment Event.
	LIGHTHOUSE AND THE CO-INVESTMENT TRUST RIGHTS
49.	For the purposes of determining any threshold pertaining to ownership of Equity Securities by Lighthouse and the Co-Investment Trust including under Article 1 (Definition of Identified Investor Threshold), Article 28(c)(iii), Article 43(k) and Article 48, the Equity Securities held by Lighthouse, Co-Investment Trust and each of their respective Affiliates who hold any Equity Securities shall be aggregated, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities.
	MINORITY INVESTOR RIGHTS
50.	Neither the Board nor the Shareholders of the Company shall take any action to amend or to approve the amendment of any provision of these Articles that would result in the deletion or alteration of any

	rights granted to a Minority Investor under these Articles, unless such amendment has been previously approved by such Minority Investor.
	SHAREHOLDER RIGHTS
51.	Neither the Company nor any of the Promoters shall enter into any agreement or other document (other than any amendment, addendum or restatement of the Amended and Restated Shareholders' Agreement) with any Person pursuant to which any Person is granted any economic, voting or shareholder rights in relation to any Equity Securities acquired or held by such Person in the Company, other than any rights granted to such Person in respect of such Equity Securities under Applicable Law; provided that nothing in this Article 51 shall restrict or prevent (a) the grant of any rights to Minority Investors under these Articles, and/or any amendment to such rights; and (b) the execution by the Company and/or the Promoters of any agreements for the acquisition by any Person of Equity Securities in the Company, including subscription and/or purchase agreements, provided that the Company and/or the Promoters shall not extend, to any Person, under such agreements, any economic, voting or shareholder rights, other than rights granted to such Person under Applicable Law in respect of the Equity Securities proposed to be acquired by such Person.
	MUNJALS' RIGHTS
52.	Notwithstanding anything contained herein, the Munjals shall be entitled to exercise all their rights under these Articles (including under Article 21(f) and Article 44(b)) and shall be subject to the obligations under these Articles, with respect to all the Equity Securities held by the Munjals, their Affiliates and their nominees, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities. Further, for the purposes of determining any threshold pertaining to ownership of Equity Securities by the Munjals, their Affiliates or nominees, including under Article 28(c)(iv), Article 43(k) and Article 48, the Equity Securities held by the Munjals, their Affiliates and their nominees shall be aggregated, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities.
	TPG RIGHTS
53.	Notwithstanding anything contained herein, TPG shall be entitled to exercise all their rights under these Articles (including under Article 21(f) and Article 45(b)) and shall be subject to the obligations under Article 48, with respect to all the Equity Securities held by TPG, their Affiliates and their nominees, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities. Further, for the purposes of determining any threshold pertaining to ownership of Equity Securities by TPG, their Affiliates or nominees, including under Article 28(c)(v), Article 43(k) and Article 48, the Equity Securities held by TPG, their Affiliates and their nominees shall be aggregated, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities.
	STEADVIEW RIGHTS
54.	Notwithstanding anything contained herein, Steadview shall be entitled to exercise all its rights under these Articles (including under Article 21(f) and Article 44(b)) and shall be subject to the obligations under these Articles, with respect to all the Equity Securities held by Steadview, ABG Capital and each of their respective Affiliates and their nominees, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities. Further, for the purposes of determining any threshold pertaining to ownership of Equity Securities by Steadview, including under Article 43(k), the Equity Securities held by Steadview and ABG Capital and each of their respective Affiliates and their nominees, shall be aggregated, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities.
	FIDELITY RIGHTS
55.	(i) Notwithstanding anything contained herein, Fidelity Investors and / or their Affiliates shall be entitled to exercise all its rights under these Articles (including under Article 21(f) and Article 44(b)) and shall be subject to the obligations under these Articles, with respect to all the Equity Securities held by Fidelity Investors and / or each of their respective Affiliates, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities. Further, for the purposes of determining any threshold pertaining to ownership of Equity Securities by Fidelity Investors, including under Article 43(k), the Equity Securities held by Fidelity Funds, shall be aggregated, whether such Equity Securities were acquired by way of subscription of Equity Securities or by way of purchase of Equity Securities.

	(ii) For the purpose of these Articles, all notices, consents and all other communications required to be made to, by or on behalf of, all of the Fidelity Investors and all Affiliates of the Fidelity Investors comprising the Fidelity Funds shall be made to or by the Fidelity Investment Contact Person(s). Any notice, consent or other communication issued by or on behalf of the Company or any Promoter to the Fidelity Investment Contact Person(s) shall be deemed to have been issued to all members of the Fidelity Funds. (iii) Notwithstanding anything contained herein, each Fidelity Investor shall be entitled to act or exercise its rights and shall be bound to fulfill its obligations under these Articles in its individual capacity.
	CAPITALIZATION
56.	(a) The Company in general meeting may, upon the recommendation of the Board, resolve— (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (ii) that such sum be accordingly set free for distribution in the manner specified in sub-clause (*b*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*c*), either in or towards— (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (iii) partly in the way specified in sub-clause (*i*) and partly in that specified in sub-clause (*ii*); (iv) a securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (v) the Board shall give effect to the resolution passed by the Company in pursuance of this Article. (c) Whenever such a resolution as aforesaid shall have been passed, the Board shall— (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and generally do all acts and things required to give effect thereto. (ii) The Board shall have power— 1. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and 2. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; 3. Any agreement made under such authority shall be effective and binding on such members.

	BORROWING POWERS
57.	(a) Subject to the provisions of Act and prior approval of the members by way of special resolution in terms of these Articles, the Board of Directors of the Company shall have the power, from time to time, at their discretion to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage or change upon all or any of the properties of the Company both present and future including its uncalled capital for the time being. (b) In the event the Company and/or any of its Subsidiary borrows funds from any Person, subject to the provisions of these Articles, the Investors and the Minority Shareholders shall not be required to provide any warranties, letter of comfort and/or guarantees, of any nature whatsoever for any Indebtedness of the Company and/or such Subsidiary, or with regard to any aspect of the business or operations of the Company and/or such Subsidiary.
	BANK ACCOUNTS
58.	The Board of Directors of the Company shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person or persons to exercise such powers.
	WINDING UP
59.	(a) If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Shareholders in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not in accordance with the provisions of the Act. (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. (c) The liquidator may, with the sanction of the Shareholders through a special resolution, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit, but so that no Shareholder shall be compelled to accept any shares or other securities whereon there is any liability.
	AUDIT
60.	(a) The first auditors of the Company shall be appointed by the Board of Directors of the Company within one month after its incorporation and the auditor so appointed shall hold office till the conclusion of the first annual general meeting of the Company. (b) The Board of Directors of the Company may fill up any vacancy in the office of the auditors. (c) The remuneration of the auditors shall be fixed by the Company in a general meeting or the Shareholders may authorize the Board of Directors of the Company to fix the remuneration of the Auditor except that the remuneration of the first or any other auditors appointed by the Board of Directors shall be fixed by the Board of Directors.
	GENERAL AUTHORITY
61.	Where the Act requires that a company cannot undertake any act or exercise any rights or powers unless expressly authorized by its articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power.
	REGISTERS, BOOKS AND DOCUMENTS

62.	The Company shall maintain all registers, books and documents as required by the Act. The said registers, books and documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection for such persons as may be entitled thereto respectively under the Act on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act and extracts therefrom shall be supplied to those persons entitled thereto in accordance with the provisions of the Act.
	SECRECY
63.	No member shall be entitled to require discovery of or any information respecting any details of the Company's trading or any other matter which may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will not be expedient in the interest of the Company to communicate the same.

SCHEDULE 1

RESERVED MATTERS

PART A

IDENTIFIED INVESTOR RESERVED MATTERS

The following actions in respect of the Company shall constitute Identified Investor Reserved Matters for the purposes of these Articles:

1. Any increase in the number of shares reserved under the Company's "Employee Stock Option Plan", or any other ESOP Plan approved by the Board, including any issue of equity shares to the Promoters or Affiliates of the Promoters as a part of any employee benefit scheme, employee stock option or stock purchase scheme or similar scheme of the Company or any material amendments to the share option plan of the Company.

2. Any buy-back, reduction, sub-division of Equity Securities.

3. Any incurrence of financial Indebtedness in the aggregate in excess of the INR equivalent of USD 15,000, 000 (USD Fifteen Million), excluding any working capital facilities.

4. Amendments or other modifications to the Charter Documents of the Company, other to the extent required to give effect to an IPO.

5. Undertaking any new business other than as set out in the objects of the Memorandum of the Company.

6. Acquisitions by the Company of interests in other Persons (whether by merger or otherwise) valued at an amount in excess of the INR equivalent of USD 15,000,000 (USD Fifteen Million).

7. Any transactions with Related Parties other than in the ordinary course of business.

8. Establishing any subsidiary other than to undertake the business being undertaken by the Company.

9. Voluntarily entering into by the Company in any scheme of arrangement, composition with creditors or any voluntary liquidation or otherwise voluntarily commencing any proceedings for the winding up of the Company or for the appointment of an administrator or liquidation.

10. The Company or any Subsidiary filing a petition in bankruptcy or initiating similar proceedings (or failing to oppose any similar petition or proceedings filed or initiated by a third party), making any determination to dissolve or wind up its affairs, or making any application to strike off its name from the Register of Companies.

SCHEDULE 1

RESERVED MATTERS

PART B

IDENTIFIED INVESTOR SUBSIDIARY RESERVED MATTERS

The following actions in respect of any Subsidiary as may be established from time to time shall constitute Identified Investor Subsidiary Reserved Matters for the purposes of these Articles:

1. Any increase in the number of shares reserved under the Company's "Employee Stock Option Plan" or making any material amendments to the share option plan of the Subsidiary.

2. Any buy-back, reduction or sub-division of equity securities of the Subsidiary.

3. Any incurrence of financial Indebtedness in excess of the INR equivalent of USD 15,000,000 (USD Fifteen Million), excluding any working capital facilities.

4. Amendments or other modifications to the Charter Documents of the Subsidiary.

5. Undertaking any new business other than as set out in the objects of the Memorandum of the Subsidiary.

6. Acquisitions by the Subsidiary of interests in other Persons (whether by merger or otherwise) valued at an amount in excess of the INR equivalent of USD 15,000,000 (USD Fifteen Million).

7. Any transactions with Related Parties other than in the ordinary course of business.

8. Establishing any Subsidiary other than to undertake the business being undertaken by the Company/subsidiary.

9. Voluntarily entering into by any Subsidiary in any scheme of arrangement, composition with creditors or any voluntary liquidation or otherwise voluntarily commencing any proceedings for the winding up of the Subsidiary or for the appointment of an administrator or liquidation.

10. Any subsidiary filing a petition in bankruptcy or initiating similar proceedings (or failing to oppose any similar petition or proceedings filed or initiated by a third party), making any determination to dissolve or wind up its affairs, or making any application to strike off its name from the Register of Companies.

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART A

FIRST ROUND INVESTORS AND FIRST ROUND INVESTOR SHARES

Sr. No.	Name of First Round Investor	Number of First Round Investor Shares Held	Percentage of Shareholding of First Round Investor Shares
1	HB	924,000	6.03
2	NS	410,667	2.68
3	Mala Gaonkar	308,000	2.01
4	JM Financial & Investment Consultancy Services Private Limited (**"JM Financial"**)	102,667	0.67
5	Arun Gandhi jointly with Reetu Gandhi	61,600	0.40
6	Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar	47,063	0.31
7	Zia Mody jointly with Jaydev Mody	25,000	0.16
8	Sanjay Maliah	18,553	0.12

Note: The percentage of each First Round Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART B

SECOND ROUND INVESTORS AND SECOND ROUND INVESTOR SHARES

Sr. No.	Name of Second Round Investor	Number of Second Round Investor Shares Held	Percentage of Shareholding of Second Round Investor Shares
1	HB	249,741	1.63
2	Mala Gaonkar	71,673	0.47
3	NS	58,830	0.38
4	Techpro Ventures LLP (**"Techpro Ventures"**)	49,000	0.32
5	JM Financial	27,937	0.18
6	Karan Swani	27,937	0.18
7	Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar	27,937	0.18
8	Sanjay Maliah	27,937	0.18
9	Dipak Gupta jointly with Anita Gupta	22,937	0.15
10	Michael Carlos	21,906	0.14
11	Vikram Sud	18,000	0.12
12	Dalip Pathak	15,842	0.10
13	Amit Bhalla	13,969	0.09
14	Chandrika Pathak	13,106	0.09

Note: The percentage of each Second Round Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART C

THIRD ROUND INVESTORS AND THIRD ROUND INVESTOR SHARES

Sr. No.	Name of Third Round Investor	Number of Third Round Investor Shares Held	Percentage of Shareholding of Third Round Investor Shares
1	SKM	142,558	0.93
2	Yogesh Agencies and Investment Private Limited (**"Yogesh Agencies"**)	184,615	1.20
3	HB	182,252	1.19
4	Kravis Investment Partners LLC	179,474	1.17
5	Rishabh Mariwala	125,183	0.82
6	SM	76,924	0.50
7	NS	72,900	0.48
8	Samina Vaziralli	23,085	0.15
9	Michael Carlos	23,077	0.15
10	JM Financial	13,774	0.09
11	Anjali Bansal	11,136	0.07
12	Karan Swani	7,692	0.05
13	Shivani Pathak	3,000	0.02

Note: The percentage of each Third Round Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART D

FOURTH ROUND INVESTORS AND FOURTH ROUND INVESTOR SHARES

Sr. No.	Name of Fourth Round Investor	Number of Fourth Round Investor Shares Held	Percentage of Shareholding of Fourth Round Investor Shares
1	SKM	531,402	3.47
2	Lighthouse	484,462	3.16
3	Rishabh Mariwala	60,544	0.40
4	Lexdale International Ltd.	45,184	0.29
5	NS	27,108	0.18
6	Karan Danthi	18,072	0.12
7	Reshma Jairam Shetty	18,072	0.12
8	Amit Bhalla	6,776	0.04
9	Dalip Pathak	5,648	0.04
10	Chandrika Pathak	5,648	0.04
11	Alpana Parida	5,648	0.04
12	Co-Investment Trust	5,153	0.03
13	JM Financial	4,972	0.03
14	Sara S Sood	4,520	0.03
15	Vivek Madhav Kamath	4,520	0.03
16	Anita Ramachandran jointly with Krishnan Ramachandran	2,260	0.01

Note: The percentage of each Fourth Round Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART E

FIFTH ROUND INVESTORS AND FIFTH ROUND INVESTOR SHARES

Sr. No.	Name of Fifth Round Investor	Number of Fifth Round Investor Shares Held	Percentage of Shareholding of Fifth Round Investor Shares
1	TPG	542,152	3.54
2	Steadview Capital Mauritius Limited ("Steadview")	271,133	1.77
3	Lexdale International Ltd.	100,582	0.66
4	ABG Capital	47,847	0.31
5	Kravis Investment Partners II LLC	41,067	0.27
6	Firoza Kavarana	9,554	0.06
7	Jyoti Ahuja jointly with Pramod Ahuja	3,000	0.02
8	JM Financial	2,837	0.02

Note: The percentage of each Fifth Round Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART F

SIXTH ROUND INVESTORS AND SIXTH ROUND INVESTOR SHARES

Sr. No.	Name of Sixth Round Investor	Number of Sixth Round Investor Shares Held	Percentage of Shareholding of Sixth Round Investor Shares
1	Fidelity Investors	426,354	2.78
2	Steadview	275,015	1.79
3	Faering Capital	107,273	0.70
4	SKM	32,350	0.21
5	Parbro Trading LLP	17,443	0.11
6	Reshma Jairam Shetty	10,321	0.07
7	Alia Bhatt	8,177	0.05
8	Firoza Kavarana	3,520	0.02
9	Katrina Rosemary Turcotte	3,360	0.02
10	Karan Swani	3,241	0.02
11	Shivani Parikh	2,160	0.01

Note: The percentage of each Sixth Round Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART G

SEVENTH ROUND INVESTORS AND SEVENTH ROUND INVESTOR SHARES

Sr. No.	Name of Seventh Round Investor	Number of Seventh Round Investor Shares Held	Percentage of Shareholding of Seventh Round Investor Shares
1	Steadview Capital Opportunities PCC Cell 0221-007	7,665	0.05%

Note: The percentage of each Seventh Round Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART H

MINORITY INVESTORS

Sr. No.	Name of Minority Investor	Number of Shares Held	Percentage of Shareholding
1	Steadview	546,148	3.56
2	Fidelity Investors	426,354	2.78
3	Mala Gaonkar	379,673	2.48
4	Rishabh Mariwala	185,727	1.21
5	Yogesh Agencies & Investments Private Limited	184,615	1.20
6	Kravis Investment Partners LLC	179,474	1.17
7	JM Financial	152,187	0.99
8	Lexdale International Ltd.	145,766	0.95
9	Faering Capital	107,273	0.70
10	Jeenoo Khakhar jointly with Isha and Kanika Khakhar	75,000	0.49
11	Arun Gandhi jointly with Reetu Gandhi	61,600	0.40
12	Techpro Ventures	49,000	0.32
13	ABG Capital	47,847	0.31
14	Sanjay Maliah	46,490	0.30
15	Michael Carlos	44,983	0.29
16	Kravis Investment Partners II LLC	41,067	0.27
17	Karan Swani	38,870	0.25
18	Reshma Jairam Shetty	28,393	0.19
19	Zia Mody jointly with Jaydev Mody	25,000	0.16
20	Samina Vaziralli	23,085	0.15
21	Dipak Gupta jointly with Anita Gupta	22,937	0.15
22	Dalip Pathak	21,490	0.14
23	Amit Bhalla	20,745	0.14
24	Chandrika Pathak	18,754	0.12
25	Karan Danthi	18,072	0.12
26	Vikram Sud	18,000	0.12
27	Parbro Trading LLP	17,443	0.11
28	Firoza Kavarana	13,074	0.09
29	Anjali Bansal	11,136	0.07
30	Alia Bhatt	8,177	0.05
31	Steadview Capital Opportunities PCC Cell 0221-007	7,665	0.05
32	Alpana Parida	5,648	0.04
33	Sara S Sood	4,520	0.03
34	Vivek Madhav Kamath	4,520	0.03
35	Katrina Rosemary Turcotte	3,360	0.02
36	Shivani Pathak	3,000	0.02

Sr. No.	Name of Minority Investor	Number of Shares Held	Percentage of Shareholding
37	Jyoti Ahuja jointly with Pramod Ahuja	3,000	0.02
38	Anita Ramachandran jointly with Krishnan Ramachandran	2,260	0.01
39	Shivani Parikh	2,160	0.01

Note: The percentage of each Minority Investor's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

SCHEDULE 2

PARTICULARS OF INVESTORS AND MINORITY INVESTORS

PART I

SHAREHOLDERS ON MARCH 31, 2021

Sr. No.	Name of Shareholder	No. of Shares	Percentage of Shareholding (%)
I	**Equity Shares**		
1	Promoter Shares	7,717,295	50.36
2	HB	1,355,993	8.85
3	SKM	706,310	4.61
4	NS	569,505	3.72
5	Steadview	546,148	3.56
6	TPG	542,152	3.54
7	Lighthouse	484,462	3.16
8	Fidelity Investors	426,354	2.78
9	Anchit Nayar (through Family Trust)	400,000	2.61
10	Mala Gaonkar	379,673	2.48
11	Rishabh Mariwala	185,727	1.21
12	Yogesh Agencies & Investments Private Limited	184,615	1.20
13	Kravis Investment Partners LLC	179,474	1.17
14	JM Financial	152,187	0.99
15	Lexdale International Ltd.	145,766	0.95
16	Faering Capital	107,273	0.70
17	SM	76,924	0.50
18	Jeenoo Khakhar jointly with Isha and Kanika Khakhar	75,000	0.49
19	Arun Gandhi jointly with Reetu Gandhi	61,600	0.40
20	Techpro Ventures	49,000	0.32
21	ABG Capital	47,847	0.31
22	Sanjay Maliah	46,490	0.30
23	Michael Carlos	44,983	0.29
24	Kravis Investment Partners II LLC	41,067	0.27
25	Karan Swani	38,870	0.25
26	Reshma Jairam Shetty	28,393	0.19
27	Zia Mody jointly with Jaydev Mody	25,000	0.16
28	Samina Vaziralli	23,085	0.15
29	Dipak Gupta jointly with Anita Gupta	22,937	0.15
30	Dalip Pathak	21,490	0.14
31	Amit Bhalla	20,745	0.14
32	Chandrika Pathak	18,754	0.12
33	Karan Danthi	18,072	0.12
34	Vikram Sud	18,000	0.12
35	Parbro Trading LLP	17,443	0.11
36	Firoza Kavarana	13,074	0.09

Sr. No.	Name of Shareholder	No. of Shares	Percentage of Shareholding (%)
37	Anjali Bansal	11,136	0.07
38	Alia Bhatt	8,177	0.05
39	Steadview Capital Opportunities PCC Cell 0221-007	7,665	0.05
40	Alpana Parida	5,648	0.04
41	Anchit Nayar	5,334	0.03
42	Co-Investment Trust	5,153	0.03
43	Sara S Sood	4,520	0.03
44	Vivek Madhav Kamath	4,520	0.03
45	Katrina Rosemary Turcotte	3,360	0.02
46	Shivani Pathak	3,000	0.02
47	Jyoti Ahuja jointly with Pramod Ahuja	3,000	0.02
48	Anita Ramachandran jointly with Krishnan Ramachandran	2,260	0.01
49	Shivani Parikh	2,160	0.01
50	Adwaita Nayar	1,000	0.01
51	Rashmi Mehta	2	0.00
52	Indira Nayar	2	0.00
53	Shares held by employees	198,592	1.30
	Total Equity Shares	**15,057,237**	**98.25**
II	**ESOP Pool**	**267,724**	**1.75**
	Total Fully Diluted Shares	**15,324,961**	**100.00**

Note: The percentage of each shareholder's shareholding in the Company as set out above is calculated on a Fully Diluted Basis (including vested, unvested, granted and allocated (but not granted) options).

The number of all outstanding employee stock options (including vested, unvested, granted and allocated (but not granted), as on March 31, 2021, is 2,67,724 (two lakh sixty seven thousand seven hundred twenty four).

4,36,500 (four lakh thirty six thousand five hundred) Identified OCRPS have been allotted to employees (including Falguni Nayar (through Family Trusts), Adwaita Nayar (through Family Trusts), Anchit Nayar (through Family Trusts) and other employees). This is not part of the Total Fully Diluted Shares as mentioned in the above table.

PART B

	PRELIMINARY	
1.	The regulations contained in Table "F" in Schedule I to the Companies Act, 2013, shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by special resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles	Table "F" not to apply but Company to be governed by these Articles
	INTERPRETATION	
2.	In the interpretation of these Articles, the following words and expression shall have the following meanings, unless repugnant to the subject or context	Interpretation Clause
	"**Act**" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.	"Act"
	"**Articles**" means these articles of association of the Company or as altered from time to time.	"Articles"
	"**Board**", means the collective body of the directors of the Company.	"Board"
	"**Company**" means **FSN E-Commerce Ventures Limited**	"Company"
	"**Director**" means a director appointed to the Board of a company.	"Director"
	"Seal" means the common seal for the time being of the Company.	"Seal"
	"**SEBI**" means the, Securities and Exchange Board of India.	"SEBI"
	Words importing the masculine gender include the feminine gender.	"Gender"
	Words importing the singular number include the plural number.	"Singular number"
	Subject as aforesaid, any words and expressions defined in the said Act as modified up to the date on which these Articles become binding on the Company shall, except where the subject or context otherwise requires, bear the same meaning in these Articles.	"Words and Expressions defined in the Act"
	Word and concepts not defined in these Articles shall have the same meaning as defined under section 2 of the Act and rules made there under.	"Word to have same meaning as under the Act and rules"
3.	The marginal notes hereto shall not effect the construction hereof.	"Marginal Notes"
	SHARE CAPITAL	
4.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in clause V of Memorandum of Association, each share with rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being and with the power to increase, consolidate, divide, sub-divide, cancel and reduce the Share Capital of the Company and to convert shares into stocks and re convert that and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges in such manner as may for the time being be provided in the Articles of Association of the Company.	Capital
5.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to the	Shares under control of Director.

	compliance with the provision of Section 53 and 54 of the Act)and at such time as they may from time to time think fit and with the sanction of the Company at the General Meeting to give to any person or persons the option or right to call for any shares, either at par or premium, during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.	
6.	In addition to, and without derogating from the power for that purpose conferred on the Directors under these Articles, the Company in general meeting may, subject to the compliances under the Act and rules there under, determine to issue further shares out of the authorized but unissued capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital, of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par, as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the Company or not) option to be being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any share.	Power of General Meeting to offer shares to such persons as the Company may resolve.
7.	Subject to other provisions of these Articles, the Directors may allot and issue shares in the capital of the Company in payment or part repayment for any part payment for any property or assets of any kind whatsoever (including the good-will of any business) sold or transferred or goods or machinery or know-how supplied or for services rendered to the Company either in about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than for cash and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as may be required under the provisions of the Act.	Directors may allot shares as fully paid up
8.	The Company be and is hereby empowered to issue shares under the Employee Stock Option Scheme and Employee Stock Purchase Scheme subject to the provisions of the Act and rules, guidelines and regulations issued by SEBI and other laws as applicable.	Employee Stock Options.
9.	Directors may issue shares with differential rights as to dividend, voting or otherwise, upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by Section 43 of the Act with the rules made thereunder, on obtaining approval of the shareholders.	Issue of Shares with differential voting rights
10.	Notwithstanding anything contained in these Articles, but subject to provisions of the Act and rules there under or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of Shares
11.	The shares in the capital of the Company shall be numbered progressively according to their several denominations & except in the manner hereinafter mentioned, no share shall be sub-divided.	Shares to be numbered progressively
12.	The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, call or otherwise in respect of any shares allotted by them shall, immediately on the insertion of the name of the allotted in the Register of Members as the holders of such shares, become a debt due to and recoverable by the Company from the allotted thereof, and shall be paid by him / her accordingly.	Deposit and calls etc. to be a debt payable immediately.
13.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installments, every such	Installments on shares to be duly paid

	installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his / her legal representative.	
14.	Except when required by Law or ordered by a Court of competent jurisdiction, the Company shall not be bound to recognize any person as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these Articles or as ordered by a Court of Competent Jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirely thereof in the registered holder.	Company not bound to recognize any interest in shares other than that of the registered holder.
15.	None of the funds of the Company shall be applied in the purchase of any shares of the Company and itself not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by provisions of the Act.	Funds of Company shall not be applied in purchase of shares of the Company.
	UNDERWRITING AND BROKERAGE	
16.	The Company may, subject to provisions of the Act, at any time pay a commission to any person in consideration of his / her subscribing or agreeing to subscribe or his / her procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company but the rate of commission shall not exceed the permissible rates under the provisions of the Act. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.	Commission for placing shares, debentures, etc.
	LIEN	
17.	(i) The Company shall have a first and paramount lien— (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; (b) upon the proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Share shall be created except upon the footing and subject to the condition that this Article hereof will have full effect; and (c) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him / her or his / her estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. (ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in	Company's lien on shares and its enforcement

	respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his / her death or insolvency.	
18.	The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which lien exists as is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the share and he / she shall not be bound to see to the application of the purchase money, nor shall his / her title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. The fully paid up shares shall be free from all lien and, in the case of any partly paid up shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.	Application of proceeds of sales
	CERTIFICATES	
19.	(i) Unless the shares have been issued in dematerialized form in terms of applicable laws, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission, sub-division, consolidation, renewal or within such other period as the conditions of issue shall be provided: (ii) one certificate for all his / her shares without payment of any charges; or (iii) several certificates, each for one or more of his / her shares, upon payment of twenty rupees for each certificate after the first. (iv) every certificate shall be under the Seal and shall specify the number and distinctive number of shares in respect of which it is issued and shares to which it relates and the amount paid-up thereon and shall be in such form as the Directors may approve. (v) in respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	Share Certificates.
20.	The Directors may in their absolute discretion refuse sub-division of share/debenture certificate where such sub-division will result in the issue of certificate for such number of shares and/or debentures which is less than the marketable lot unless the sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.	Right to refuse to issue share/debenture certificate not in consonance with marketable lot.
21.	(a) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificates lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. (b) Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts	As to issue of new certificate in place of those defaced lost or destroyed.

	(Regulation) Act, 1956 or any other Act, or rules applicable on this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company	
	(c) When a new share certificate has been issued in pursuance of sub-clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No. _____". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.	
	(d) Where a new share certificate has been issued in pursuance of sub-clauses (a) or (b) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary, changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.	
	(e) All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank form shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose, and the Secretary or other persons aforesaid shall be responsible for rendering an account of these forms to the Board.	
	(f) Managing Director of the Company, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation, and the safe custody of all books and documents, relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (d).	
	(g) All the books and documents referred to in sub-clause (a) shall be preserved in good order permanently.	
22.	Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorised by the Directors in that behalf.	Endorsement of Certificate.
23.	The Board shall comply with requirements of section 46 and prescribed rules made under the said Act relating to the issue and execution of share certificates. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	Directors to comply with rules.
	CALLS	
24.	(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:	
	Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.	
25.	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his / her shares.	
26.	A call may be revoked or postponed at the discretion of the Board.	
27.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.	
28.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	

29.	(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, as the Board may determine.	
	(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.	
30.	(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (ii) If any member fails to pay any call due from him / her on the day appointed for payment thereof or any such extension thereof as aforesaid, he / she shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment, at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it compulsory for the Board to demand or recover any interest from any such member. (iii) If any member fails to pay any call due from him / her on the day appointed for payment thereof or any such extension thereof as aforesaid, in addition to interest as aforesaid, he / she shall be liable to the payment of expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	
31.	The Board— (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, as may be agreed upon between the Board and the member paying the sum in advance.	
	PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST	
32.	The Board – (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this Article shall confer on the member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him. The provisions of these Articles shall mutatis mutandis apply to any calls on debentures.	Receive part of the monies from any Members
	FORFEITURE, SURRENDER, LIEN	
33.	If any member fails to pay the whole or any part of any call or installment any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other money as aforesaid remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the shares by transmission, requiring him / her to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.	If call or installment not paid notice may be given.

34.	The notice aforesaid shall— (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	Terms of notice.
35.	If the requirements of any such notice as aforesaid shall not be complied with, any of the shares in respect of whichever notice has been given may, at any time thereafter but before payment of all calls or installments, interest and expense and other monies due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.	Shares to be forfeited in default of payment.
36.	When any shares shall have been so forfeited, an, entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid	Entry of forfeiture in register of members.
37.	Any share so forfeited shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.	Forfeited Shares to be property of the Company and may be sold etc.
38.	The Directors may, at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon to such conditions as they think fit.	Directors may annul forfeiture
39.	Any person whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rates the Directors may determine and the Directors may enforce the payment of whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.	Share holder still liable to pay money owing at the time of forfeiture and interest.
40.	The forfeiture of a share shall involve the extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company in respect of the shares forfeited and all other rights incidental to the share, except only such of those right as by these Articles are expressly saved. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by Law.	Effect of forfeiture.
41.	The Directors may, subject to the provisions of the Act, accept a surrender of any shares from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of shares
42.	The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien on such shares registered in the name of the each member, whether solely or jointly with others and upon the proceeds of sale thereof for all monies called or payable at a fixed time in respect of such shares and whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that is to have full effect under these Articles. Any such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.	Company's Lien on shares
43.	For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be	Enforcement of lien by safe.

	made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his / her executors or administrators or his / her committee, or other legal representatives as the case may be, and default shall have been made by him / her or them in the payment of the sum payable as aforesaid for seven days after the date of such notice. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.	
44.	The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such member or the person (if any) entitled by transmission to the shares so sold.	Application of proceeds of sale.
45.	A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Verification of forfeiture.
46.	Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share and he / she shall not be bound to sell to the application of the consideration, if any, nor shall his / her title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and after his / her name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.	Title of purchase of forfeited share of shares sold in exercise of lien.
47.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificates in respect of the said shares to the person or persons entitled thereto.	Cancellation of shares certificate in respect of forfeited shares.
	TRANSFER AND TRANSMISSION OF SHARES	
48.	(a) The Company shall use a common form of transfer. The instrument of transfer of any shares shall be in such form as may be prescribed under the Act and in writing and all the applicable provisions of the Act for the time being in force shall be duly complied with in respect of all transfers of shares and the registrations thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. (b) The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof. (c) The Board may decline to recognize any instrument of transfer unless-	Form of Transfer.

	(i) the instrument of transfer is in the form prescribed under the Act; (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (iii) the instrument of transfer is in respect of only one class of shares. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or other similar document	
49.	Every such instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.	Instrument of transfer to be executed by the transferor and transferee.
50.	The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company within the prescribed period along with the certificate relating to the shares, or if no such share certificate relating to the shares, or if no such share certificate is in existence along with the letter of allotment of the shares. Provided that, thereon an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost. The Company may register the transfer on such terms as to indemnify as the Board may think fit provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	Transfer not to be registered except on production of instrument of transfer.
51.	The Board may, subject to the right of appeal conferred by section 58 decline to register— (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien. The Board may decline to recognise any instrument of transfer unless— (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares. The Company shall promptly communicate the refusal to the transferee and transferor or to the person giving notice of transmission, as the case may be, giving reasons for refusal. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account. Transfer of shares/debentures in whatever lot shall not be refused.	Directors may refuse to register transfer.
52.	Except as above, the Company would not refuse transfer in violation of the Stock Exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.	
53.	If the Company refuses to register the transfer of any share or transmission of any right therein the Company shall, within one month from the date on	Notice of refusal to be given to transferor and

	which the instrument of transferor intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor to the person giving intimation of transmission, as the case may be, and thereupon the provisions of the Act shall apply.	transferee.
54.	A transfer of a share in the Company of a deceased member thereof made by his / her legal representative shall, although the legal representative is not himself a member be a valid as if he / she had been a member at the time of the execution of the instrument of transfer.	Transfer by legal representative.
55.	The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.	Custody of instrument of transfer.
56.	The Directors shall have power, on giving previous notice by advertisement as required under the provisions of the Act, to close the transfer books of the Company, the Register of Members or the Register of Debenture holders at such time or times and for such period or periods as may be permissible for a time not exceeding 30 days at a time, as to them may deem fit.	Closure of transfer books.
57.	The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member, not being one of two or more joint holders shall be the only persons recognized by the Company as having any title to the shares registered in the name of such deceased member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the Case may be, from a duly constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or Succession Certificate and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.	Title of Shares of deceased holder.
58.	Subject to the provisions contained in Article 60 hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letters of Administrations or Succession Certificate or such other evidence that he / she sustains the character in respect of which he / she purports to act under this Article or of his / her title to the shares as the Board thinks sufficient may with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may, subject to the Articles as to transfer hereinbefore contained, transfer such shares. This Article is herein referred to as the transmission Article.	Transmission Article
59.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Refusal to register in case of transmission.
	NOMINATION OF SHARES	
60.	i) Notwithstanding anything contained hereinabove, every shareholder of the Company may at any time, nominate, in the prescribed manner, a person to whom his / her shares in the Company shall vest in the event of his / her death	Nomination of Shares.
	ii) Where the shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the Company, shall vest in the event of death of all the joint-holders.	Nomination in case of Joint Holders.
	iii) Notwithstanding anything contained in any other law for the time being in force or in any deposition, whether testamentary or otherwise, in respect of such shares in the Company, where a nomination made in	

	the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such shares, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.	
	iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner, any person to become entitled to shares in the Company, in the event of his / her death, during the minority of the nominee.	
	TRANSMISSION OF SHARES BY NOMINEE	
61.	i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect either:	
	(a) to be registered himself/herself as holder of the share or	
	(b) to make such transfer of the share or debenture as the deceased shareholder or debenture holder as the case may be could have made.	
	ii) If the nominee elects to be registered as holder of the share himself/herself, as the case may be he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.	
	iii) A nominee upon becoming entitled to a share by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled to, if he/she were the registered holder of the share except that he/she shall not before being registered as a member in respect of his / her share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.	
	Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable or rights accruing in respect of the share, until the requirements of the notice have been complied with.	
62.	A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or monies as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.	Persons entitled may receive dividend without being registered as member.
63.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Board may require evidence of transmission.
64.	The Company shall not charge any fee for registration of transfer or transmission in respect of shares or debentures of the Company.	No fee on transfer or transmission
65.	The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right title or interest (to or in such shares notwithstanding that the Company may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 89 of the Act, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so	Company not liable for disregard of a notice prohibiting registration of transfer.

	to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.	
66.	The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares or other securities or whose name appears as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.	
	COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS	
67.	Copies of the Memorandum and Articles of Association of the Company and other documents as may be referred in the Act shall be sent by the Company to every member at *his / her* request on payment of the sum of Rupees 10 per page.	Copies of Memorandum and Articles of Association to be sent by the Company.
	CONVERSION OF SHARES INTO STOCK	
68.	The Company by ordinary resolution in General Meeting may: (a) Convert any paid-up shares into stock; and (b) re-convert any stock into paid-up shares of any denomination	Conversion of shares into stock and reconversion.
69.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same *Articles* under which the shares from which the stock across might before the conversion have been transferred, or as near thereto as circumstances admit, Provided that, the Board may from time to time, fix the minimum amount of stock transferable, however that such minimum shall not exceed the nominal amount of shares from which the stock across.	Transfer of stock.
70.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting and meetings of the Company, and other matters, as if they held the shares from which the stock arose but no such privilege or advantage (except as regard dividends, participation in the profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Right of Stock holders.
71.	Such Articles of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words “share” and “Shareholders” in these Articles shall include stock and stockholders respectively.	Articles to apply to stocks.
	INCREASE, REDUCTION AND ALTERATION OF CAPITAL	
72.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	Increase of Capital.
73.	Subject to the provisions of the Act, the Company may, by ordinary resolution,— (a) increase its authorized share capital by such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	
74.	Where shares are converted into stock,— (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the	

	shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (c) such Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and shareholder" in those Articles shall include "stock" and "stock-holder" respectively. (d) The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account	
75.	A. Where at any time the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further equity shares then such equity shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder: (i) To the persons who at the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below; (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under the Act or the rules made thereunder, or other applicable law) and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined. Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue; (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the equity shares offered to him / her or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right; (iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he / she declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the members and the Company; (A) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under the Act; or	Right of Equity Share Holding to Further Issue of Capital.

	(B) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, subject to such conditions as may be prescribed under the Act and the rules made thereunder; (1) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed: (i) To extend the time within which the offer should be accepted; or (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder: (a) by a Special Resolution; or (b) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the Resolution moved in that General Meeting by Members who, being entitled so do to, vote in person, or where proxies are allowed, by Proxy, exceed the votes, if any cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.	
76.	The provision of Article 75 shall mutatis mutandis apply to debentures of the Company. Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting. Notwithstanding anything contained in Article 74(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion: Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.	Debentures
77.	(1) Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting or otherwise.	Further issue of Capital to be governed by same rules.
	(2) Subject to the provisions of the Act, the Company shall have the power to issue preference shares which are, or at the option of the Company are liable to be redeemed within 20 years and the redemption may, subject to the provisions of the Articles hereof and the Act, be effected in the manner and subject to the terms and provisions of its issue.	

78.	The Company may, subject to the provisions of the Act, from time to time by special Resolution reduce its share capital and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its shares capital and of its shares accordingly.	Reduction of Capital.
79.	The Company by consent in General Meeting may alter the Capital as follows:	Consolidation division and sub-division.
	(a) increase its authorised share capital by such amount as it thinks expedient; (b) consolidate and divide all or any of the share capital into shares of larger amounts than its existing shares;	
	(c) sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amounts, paid and the amounts, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;	
	(d) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (e) convert all or any of its fully paid shares to stock and reconvert that stock into shares.	
80.	The rights conferred upon the holders of shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* herewith.	Issue of further *pari passu* shares not to affect the rights of shares already issued.
	MODIFICATION OF RIGHTS	
81.	If at any time the share capital is divided into different classes, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three fourths of the issued shares of that class, or with the meeting of the holders of that class of shares and all the provisions hereinafter contained as to the General Meeting shall mutatis mutandis apply to every such meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and these provisions shall apply to such variation as well.	Rights attached to class of shares may be varied.
	JOINT HOLDERS	
82.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions in the Articles;	
	(a) The Company may be entitled to decline to register more than three persons as the joint holders of any shares.	
	(b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	
	(c) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of deaths they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holder from any liability in respect of the shares held by him / her jointly with any other person.	
	(d) Only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other monies payable in respect of such share.	

	(e) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the Certificate relating to such share or to receive documents) from the Company and any documents served on or sent to such person shall be deemed served on all the joint holders.	
	(f) Any one of two or more joint holders may vote at any meeting either personally or by proxy in respect of such shares as if he / she were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy than that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such shares shall be entitled to vote in respect thereof but the other joint holders shall be entitled to be present at the meeting provided always that joint holders present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the Register in respect of such shares, several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint holders.	
	BONDS AND DEBENTURES	
83.	Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, debentures, etc. to be subject to control of Directors.
84.	Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.	Securities may be assignable free from equities.
85.	The Company shall have power to issue debentures whether convertible or non-convertible, and whether linked to issue of equity shares or not, among members, but in exercising, this power, provisions of these Articles and the Act any statutory modifications thereof shall be complied with.	Issue of Debentures
86.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	Terms of issue of Debentures
87.	Subject to the provisions of the Act and these Articles any bond, debentures, debenture stock or other securities may be issued at par, premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meeting, appointment of Directors or otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General meeting.	Condition on which bonds, debentures, etc. may be issued.
	GENERAL MEETINGS	
88.	Subject to the provisions of the Act the Company shall, in addition to any other meeting hold a General Meeting (hereinafter called "Annual General Meeting") at the intervals and in accordance with the requirement of the Act.	Annual General Meeting.
89.	All General Meetings other than annual general meetings shall be called extra ordinary general meetings.	Extra-ordinary General Meeting.
90.	The Board may call an Extraordinary General Meetings whenever they think fit.	Directors may call Extra-Ordinary General Meeting.
91.	(1) The Board shall at the requisition made by: such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such paid-up share capital of the Company as on that date carries the right of voting proceed duly to call	Directors call Extra-ordinary General Meeting on requisition.

	an Extraordinary General Meeting of the Company and the provisions the Act and the provisions of the Articles herein below contained shall be applicable to such meeting.	
	(2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company.	
	(3) The requisition may consist of several documents of the like form each signed by one or more requisitionists.	
	(4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that sub-clause is fulfilled.	
	(5) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters, on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either majority in value for the paid up share capital held by all of them or not less than one-tenth of such paid up share capital of the Company as is referred to in sub-clause (1) above whichever is less shall proceed to call and hold a meeting within three months from the date of the requisition.	
	(6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.	
92.	(1) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing or by electronic mode.	Notice of Meeting.
	(2) However General Meeting may be called after giving shorter notice than 21 days, if the consent is accorded thereto in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote.	
93.	(1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting and shall contain a statement of the business to be transacted thereat.	Content of Notice.
	(2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.	
94.	(1) "Postal Ballot". Members will be entitled to vote by Postal Ballot for only those resolutions as may be notified by the Central Government from time to time by postal ballots will be the same as prescribed in this behalf by the Central Government from time to time. (2) Notwithstanding anything to the contrary contained in these Articles, any reference made to a resolution by the members of the Company at any general meeting shall also be deemed to include a resolution passed by postal ballot in accordance with the provisions contained in these Articles whether or not the subject matter of such resolution is a matter for which resolution by postal ballot is compulsory under the applicable provisions of the Act or any other law for the time being in force.	Postal Ballot
95.	Notice of every meeting shall be given to every member of the Company in any manner authorized by the Act and by these Articles, it shall be given to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to	Notice in case of death of a member.

	them by name, or by the time of the representative of the deceased or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company, under sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.	
96.	Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the provisions of applicable rules, regulations, circulars, guidelines, notifications, etc. as may be specified by the Ministry of Corporate Affairs (MCA), SEBI, Stock Exchanges or any competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Act or by the rules, regulations made there under or the Listing Agreement with Stock Exchange, from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the members through any type of electronic mode like video conferencing, etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard. For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines, etc. issued / to be issued from time to time by Ministry of Corporate Affairs (MCA), SEBI, Stock Exchanges or any other competent authority(ies) in this regard.	Meetings by Video Conference.
97.	Notice of every meeting of the Company and every other communication relating to any general meeting of the Company which any member of the Company is entitled to have sent to him / her shall be given to the Auditor or Auditors for the time being of the Company in the manner authorized by the provisions of the Act, as in the case of any member or members of the Company.	
98.	The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or to the non-receipt of any notice by any member or the other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat.	
99.	No Annual General Meeting or Extraordinary Meeting shall be competent to enter upon, discuss or transact any business a statement of which has not been specified in the notice convening the meeting, except as provided in the said Act.	Business which may not be transacted at the meeting.
	PROCEEDING AT GENERAL MEETINGS	
100.	Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.	Quorum at General Meeting.
101.	If within half an hour after the time appointed for the holding of a General Meeting quorum be not present, the meeting, if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week or if the day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day, time and place as the Directors may by notice to the shareholders appoint, if at such adjourned meeting a quorum be not present within half an hour those members present shall be a quorum and may transact the business for which the meeting was called.	Proceedings when quorum not present.
102.	No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place	Business of adjourned meetings.

103.	[2]The Chairperson of the Board shall be entitled to take the Chair at every General Meeting. If at any meeting, the Chairperson is absent within 15 minutes after the time appointed for holding such meeting or he/she is unwilling to act, then in that case, the Directors present shall choose a Chairperson from amongst themselves, and, if no Director present is willing to take the Chair, the members present shall choose one of the members to be the Chairperson.	Chairperson
104.	(1) No business shall be discussed at any General meeting except the election of Chairperson whilst the Chair is vacant.	Business confined to decision of Chairperson whilst Chair vacant.
	(2) If a poll is demanded on the election of the Chairperson it shall be taken forthwith in accordance with the provisions of the Act and these Articles, the Chairperson so elected on a show of hands exercising all the powers of the Chairperson under the Act and these Articles.	
	(3) If some other person is elected as Chairperson as a result of the poll he / she shall be Chairperson for the rest of the meeting.	
105.	The Chairperson with the consent of any meeting at which a quorum is present, can adjourn any meeting from time to time and from place to place in the city or town or village where the registered office of the Company is situated.	Chairperson with consent may adjourn meeting.
106.	A poll demanded on the election of the Chairperson or on question of adjournment shall be taken forthwith. Subject to the provisions of the Act, the Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution, on which the poll was taken.	Time and manner of taking poll.
107.	Where a poll is to be taken, the Chairperson of the meeting shall appoint such number of persons, as he / she deems necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him / her in the manner as may be prescribed under the Act. The Chairperson of the meeting shall have power to regulate the manner in which the poll shall be taken.	Chairperson to regulate the poll.
108.	The demand for a poll shall not prevent the continuance of a meeting for transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transactions of other business.
109.	In the case of an equality of votes, the Chairperson of the meeting at which the show of hands has taken place or at which the poll is demanded, shall not be entitled to a second or casting vote in addition to the vote or votes to which he / she may be entitled as a member.	Resolutions to be decided in case of equality of votes.
110.	The books containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions the Company may by these Articles or in General Meeting impose in accordance with provisions of the Act. Any member shall be entitled to be furnished, within seven days after he / she had made a request in that behalf to the Company with a copy of the minutes on payment of Rs. 10 per page.	Inspection of Minutes Books of General Meeting.
111.	No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expenses of the Company, unless it includes matters / information required by these Articles or the Act to be so circulated or advertised.	Publication of report of proceedings of General Meeting.
	VOTES OF MEMBERS	
112.	(1) (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	

[2] Amended and Substituted vide a Special Resolution passed at the Extraordinary General Meeting of the Shareholders of the Company held on **30th September, 2021**.

	(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. (2) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote on a poll, by his / her committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. (3) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him / her in respect of shares in the Company have been paid. (4) (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	
	DIRECTORS	
113.	Subject to the provisions of the Act, the number of Directors shall not be less than three and unless otherwise determined by the Company in General Meeting more than twelve. The Company may appoint more than twelve directors after passing a special resolution. The majority of Directors on the Board shall be resident Indian citizens.	
114.	[3](a) With effect from the date of receipt of final listing and trading approvals from the stock exchanges on which the equity shares of the Company are proposed to be listed, following an initial public offering of the equity shares of the Company and, subject to the approval of the Shareholders through a special resolution passed in the first general meeting held after receipt of such listing and trading approvals, (i) as long as Ms. Falguni Nayar, Mr. Sanjay Nayar, the Falguni Nayar Family Trust and the Sanjay Nayar Family Trust and their respective promoter group continue to hold at least in excess of 25% of the paid-up equity share capital of the Company, Ms. Falguni Nayar, Mr. Sanjay Nayar, the Falguni Nayar Family Trust and the Sanjay Nayar Family Trust shall, collectively, have the right to nominate up to 50% of the number of Directors to the Board subject to compliance with applicable law; and (ii) as long as any of Ms. Falguni Nayar, Mr. Sanjay Nayar, the Falguni Nayar Family Trust and the Sanjay Nayar Family Trust continue to be classified as promoters of the Company, such promoters shall, collectively, have the right to nominate up to 1/3rd of the number of Directors to the Board (rounded up to the higher integer), subject to compliance with applicable law. (b) The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loan or financial assistance is outstanding have power to nominate one or more Directors on the Board and from time to time remove and reappoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such financial Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation.	Nominee Directors.
	Any trust Deed for securing debenture, debenture stock may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders, of the debentures or debentures stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the Debenture Director and the term Debenture Director means the Director	Debenture Director.

[3] Amended and Substituted vide a Special Resolution passed at the Extraordinary General Meeting of the Shareholders of the Company held on **30th September, 2021**.

	for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provision of the Act, be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.	
115.	The Board may appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his / her absence for a period of not less than three months from India: No person shall be appointed as an alternate director for an independent director unless he / she is qualified to be appointed as an independent director under the provisions of this Act: An alternate director shall not hold office for a period longer than that permissible to the director in whose place he / she has been appointed and shall vacate the office if and when the director in whose place he / she has been appointed returns to India.	Appointment of Alternate Directors.
116.	Subject to the provisions of the Act, any casual vacancy occurring for the office of a Director whose period of office is liable to determine by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office till such time, the original directors would have held office, if the vacancy had not occurred.	Casual Vacancy.
117.	Subject to the provisions of the Act, the Director shall have power at any time and from time to time to appoint a person or persons as Additional Director or Directors. Provided that any person who fails to get appointed at a General Meeting, shall not be eligible for appointment as an Additional Director.	Appointment of Additional Directors.
118.	Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company, but shall be eligible for re-election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Article.	
119.	The Company shall appoint such number of directors as Independent directors as may be required under the provisions of the Act and rules thereunder, if applicable. The candidates to be appointed as Independent Director shall hold such qualifications and shall comply with such conditions as may be prescribed under the Act.	Appointment of Independent Directors.
120.	The Company shall appoint such number of women directors as may be required under the provisions of the Act and rules thereunder.	Appointment of Women Directors
121.	Subject to the provisions of the Act and schedules thereunder, the remuneration payable to the Director of the Company shall be as hereinafter provided.	Remuneration of Directors.
	(1) The fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a General Meeting shall be decided by the Board from time to time within the maximum limits of such fees that may be prescribed under relevant provisions of the Act, or if, not so prescribed in such manner as the Directors may determine from time to time in conformity with the provisions of law. Subject to the provisions of and schedules to the Act, the Directors shall be paid such further remuneration if any, either on the basis of percentage on the net profits of the Company or otherwise, as the Company in General Meeting shall from time to time determine, and such additional remuneration and further remuneration shall be divided amongst the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided amongst the Directors equally. Provided that the total Managerial Remuneration shall not exceed the overall maximum remuneration as may be prescribed under the Act, except by following the procedure laid down by the Act.	
	(2) The Board may in addition allow and pay to any Director who is not a *bonafide* resident of the Place where a meeting of the Board or	

	Committee or a general meeting of the Company is held, and who shall come to that place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his / her travelling, hotel, boarding, lodging and other expenses incurred in attending or returning from meetings of the Board, or any Committee thereof or general meetings of the Company.	
	(3) Subject to the limitations provided by the Act and this Article, if any Director shall be called upon to go or reside out of his / her usual place or residence on the Company's business or otherwise perform extra service outside the scope of his / her ordinary duties, the Board may arrange with such Director for such Director for such special remuneration for such service either by way of salary, commission or the payment of stated sum of money as they shall think fit, in addition to or in substitution of his / her remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any travelling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed all fees for filling all documents which they may be required to file under the provisions of the Act.	
122.	The continuing Directors may act notwithstanding any vacancy in their body but subject to the provisions of the Act, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.	Directors may act notwithstanding vacancy.
123.	(1) Subject to provisions of the Act, no director shall be disqualified by his / her office from contracting with the Company for any purpose and in any capacity whatsoever including either as Vendor, purchaser, agent, broker, underwriter of shares and debentures of the Company or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but it is hereby declared that nature of his / her interest must be disclosed by him / her as provided hereunder.	Directors may contract with Company.
	(2) Every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company as prescribed under section 184 of the Act shall disclose the nature of his / her concern or interest at a meeting of the Board or as provided in these Articles hereof.	Disclosure of interest.
	(a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-clause (2) above shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of the meeting, concerned or interested in the proposed contract or arrangement at the first, meeting of the Board after the Director becomes so concerned or interested.	
	(b) In the ease of any other contract arrangement, the required disclosure shall be made at the first meeting of the Board held alter the Director becomes concerned or interested in the contract or arrangement.	
	(3) For the purpose of this Article, a General Notice given to the Board by a Director to the effect that he / she is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the Notice be entered into with that body corporate or firm sail be deemed to be sufficient disclosure of such concern or interest in relation to any contract or arrangement so made. Such General Notice shall be valid for the financial year in which it is given.	General Notice of interest.

	The General Notice as aforesaid and any renewal thereof shall be given at a meeting of the Board or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.	
	(4) Nothing contained in sub-clause (2) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other Company.	
	(6) A Director shall not take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company, if he / she is in any way directly or indirectly, concerned or interested in the contract or arrangement nor shall his / her presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he / she does vote, his / her vote shall be void.	
124.	A Director of the Company may be or may become a Director of any Company promoted by the Company, or in which it may be interested as Vendor, member or otherwise and subject to the provisions of the Act and these Articles.	Directors may be Directors of Companies promoted by the Company.
125.	A Director, Managing Director, Manage or Secretary of the Company shall within fifteen days of his / her appointment to or relinquishment of his / her office as Director, Managing Director, Manager or Secretary in any other body corporate disclose to the Company the particular relating to his / her office in the other body corporate	Disclosure by Directors, etc. of appointment.
126.	A Director or Manager shall give notice in writing to the Company of his / her holding of shares and debentures of the Company, or its holding or its subsidiary or its associates, together with such particulars as may be prescribed under the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given.	Disclosure of holdings.
	RETIREMENT AND ROTATION OF DIRECTORS	
127.	(a) Omitted[4]	Retirement and rotation of Directors.
	(b) The Directors to retire by rotation at every annual general meeting shall be those Directors who have been in office for the longest period from the date of their last appointment. However, as between persons who became Directors on the same day, those who are to retire first shall be determined by lot, unless those directors agree among themselves.	
128.	(1) The Company may, subject to the provisions of the Act and these Articles remove any Director before the expiry of his / her period of office.	Removal of Directors
	(2) Nothing contained in this Article shall be taken.	
	(a) as depriving a person removed thereunder of any compensation or damages payable to him / her in respect of the termination of his / her appointment as Director or of any appointment	

[4] Omitted vide a Special Resolution passed at the Extraordinary General Meeting of the Shareholders of the Company held on **30th September, 2021**.– prior to omission, Article 127(a) read as: "Subject to the provisions of the Act, the period of office as Director in case of Mr. Sanjay Nayar and Mrs. Falguni Nayar, for as long as their total number does not exceed one-third of the total number of directors on the Board excluding Independent Directors or the total number of Directors that are permitted under the Act to be appointed without being liable to retire by rotation, whichever is lower, shall not be liable to determination by retirement by rotation of directors and their number shall not be taken into account in determining the retirement by rotation of Directors. However, if their total number exceeds one-third of the total number of Directors on the Board excluding Independent Directors or the total number of Directors that are permitted under the Act to be appointed without being liable to retire by rotation, whichever is lower, the Board shall decide as to which of them shall have their period of office be liable to determination by retirement by rotation. The Board shall take the required decision in this respect in the meeting first held immediately after the insertion of this Article and thereafter every time as and when the total number of Directors is increased or decreased."

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	terminating with that as Director; or	
	(b) as derogating from any power to remove a Director which may exist apart from this Article.	
	MEETING OF DIRECTORS	
129.	The Directors may meet together as a Board from time to time and shall hold a minimum number of four meetings of its Board every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board, and ensuring that a meeting is held each quarter.	Meeting of Directors
130.	Notwithstanding anything contrary contained in the Articles of Association of the Company may, in pursuance of and subject to compliance of provisions of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), SEBI, Stock Exchanges of any competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Act, or by the rules, regulations made thereunder or the Listing Agreement with Stock Exchange, from time to time, allow the member(s) of the Company to participate in the General Meeting (s) of the members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting (s) for the purpose of the quorum, voting, recording and all other relevant provisions in this regard.	Meetings by electronic mode
	For conducting the aforesaid meetings, the Company shall follow the procedure specified under applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued / to be issued from time by Ministry of Corporate Affairs (MCA), SEBI, Stock Exchange or any other competent authority(ies) in this regard.	
131.	A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Notice of not less than seven days shall be issued in respect of every meeting of the Board in writing to every Director for the time being in India and at his / her usual address to the Company and to every other Director as may be required under relevant provisions of the Act. Provided that a meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting	When meetings to be convened and notice thereof.
132.	Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (excluding Directors, if any, whose places may be vacant at the time, and any fraction contained that one-third being rounded off as one) or two Directors, present in person or attending through any type of electronic mode like video conferencing, whichever is higher, provided that where at any time the number of interested Directors exceeds, that is to say, the number of Directors, who are not interested and are present at the meeting, not being less than two shall be quorum during such meeting. A meeting of the Directors for the time being at which quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board generally.	Quorum.
133.	If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned until such date and at such time and place as the Chairperson may appoint and in default of such appointment to the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place or to such day, time and place as the Directors present may determine.	Adjournment of meeting for want of quorum.
134.	[5]With effect from the date of receipt of final listing and trading approvals	Appointment of

[5]&6 Amended and Substituted vide a Special Resolution passed at the Extraordinary General Meeting of the Shareholders of the Company held on **30th September, 2021**.

	from the stock exchanges on which the equity shares of the Company are proposed to be listed, following an initial public offering of the equity shares of the Company, and subject to the approval of the Shareholders through a special resolution passed in the first general meeting held after receipt of such listing and trading approvals, as long as any of Ms. Falguni Nayar, Mr. Sanjay Nayar, the Falguni Nayar Family Trust and the Sanjay Nayar Family Trust continue to be classified as promoters of the Company, such promoters shall, collectively, have the right to nominate the Chairperson of the Board.	Chairperson.
135.	[6]All meetings of the Directors shall be presided over by the Chairperson, if present, but if at any meeting of the Directors, the Chairperson is absent within 15 minutes after the time appointed for holding such meeting or he/she is unwilling to act, then in that case, the Directors present shall choose a Chairperson from amongst themselves.	Who to preside at meeting of Board.
136.	Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairperson of the meeting, whether the Chairperson is appointed by virtue of these Articles or the Director presiding at such meeting, shall not have a second or casting vote .	Questions at Board meeting how to be decided (casting vote)
137.	Subject to the provisions of the Act and these Articles the Directors may delegate any of their powers to committee consisting of such member or members of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes, but every committee so formed shall, in the exercise of the powers so delegated to it confirm to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as it done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Board in terms of these Articles and may pay the same.	Directors may appoint committee.
138.	The meetings and proceedings of any such committee consisting of two or more Directors shall be governed by the provisions herein contained in respect of the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Articles.	Meeting of Committees how to be convened.
139.	(1) Subject to the provisions of the Act, a resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under these Articles shall subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as resolution duly passed at meeting of the Board or of a committee duly called and hold.	Resolution by Circular.
	(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum requisite for a meeting of the Board of the Committee as the case may be) and to all other Directors or Members of the Committee at their usual address in India by hand delivery, post, courier or prescribed electronic mode and has been approved by majority of the Directors or members of the Committee as are entitled to vote on the resolution.	
	(3) Subject to the provisions of the Act, statement signed by the Managing Director or other person authorized in that behalf by the Directors certifying the absence from India of any Directors shall for the purposes of this Article be conclusive.	
140.	Subject to the provisions of the Act and these Articles, all acts done by any	Act of Board or

	meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were or was disqualified, or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, may be as valid as if every such person had been duly appointed and was qualified to be a Director, provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have terminated.	Committee valid notwithstanding defect in appointment.
141.	(1) Subject to the provisions of the Act and these Articles the Board of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise, and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Act or by the Memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or tiling the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles of in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.	General Powers of Directors.
	(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	
142.	Without prejudice to the powers conferred by these Articles and so as not in any way to limit or restrict these powers and without prejudice to the other powers conferred by these Articles and subject to the approval of the members where ever required it is hereby declared that the directors shall have following powers that is to say power:	Certain powers of Board.
	(1) To pay all costs, charges and expenses preliminary and incidental to the promotion establishment and registration of the Company.	To pay preliminary any promotional costs and charges.
	(2) To pay and charge to the capital of the Company any commission or interest lawfully payable thereabout under the relevant provisions of the Act and Articles.	To pay commission and interest.
	(3) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.	To acquire property.
	(4) At their discretion and subject to the provision of the Act to pay for any property or rights required, by or services rendered to the Company, either wholly or partly in cash, or in shares, bonds, debentures, debenture-stock, mortgage or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, debenture stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled or not so charged.	To pay for property in cash debentures or otherwise.
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell assign, surrender or discontinue any policies of effected in pursuance of this power.	To insure properties of the Company.

	(6) To open accounts with any bank or bankers or with any Company or firm and to pay money into and draw money from any such amount from time to time as the Directors may think fit.	To open account with Bank.
	(7) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the Property of the Company and its unpaid capital for the time being or in such other manner as they think fit subject to the necessary approvals	To secure contracts by mortgage, etc.
	(8) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.	To attach conditions as to transfer of any shares.
	(9) To accept from any member, on such terms and conditions as may be agreed, a surrender of *his / her* shares or stock or any part thereof, so far as may be permissible by law.	To accept surrender of Shares.
	(10) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.	To Appoint trustees.
	(11) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise, concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or of any claims or demands by or against the Company.	To bring and defend suits and legal proceedings.
	(12) To refer any claims or demand by or against the Company or any dispute or difference to arbitration and observe, perform and execute and awards made thereon. (13) To provide for the management of the affairs of the Company outside the areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.	To refer to arbitration. To appoint attorney.
	(14) To act on behalf of the Company in all matters relating to bankrupts and insolvents.	To act in insolvency matters.
	(15) To make and give receipts, release and other discharges for monies payable to the Company and for the claims and demand of the Company.	To give receipts.
	(16) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purposes.	To authorize acceptance.
	(17) Subject to the provisions of the Act and these Articles to invest and deal with any monies of the Company not immediately required for the purposes thereof upon such securities and other investments (not being shares of the Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments provided that all investments shall be made and held by the Company in its own name, and within the limits permitted by the members and under the Act.	To invest money.
	(18) To execute in the name and on behalf of the Company in favour of any Director or other persons who may incur or be about to incur any personal liability for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.	To give security by way of indemnity
	(19) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any	To execute Mortgage.

	personal liability whether as principal or as surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed.	
	(20) To distribute by way of bonus amongst the staff of the Company a part of the profits of the Company and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.	To distribute bonus.
	(21) Subject to the provisions of the Act, to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company.	Sharing profits.
	(22) To provide for the welfare of employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, widows, and families and the dependents of such persons, by building or contributing to the building of houses, dwelling or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payment or by creating and from time to time subscribing or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other forms of assistance, welfare or relief as the Directors shall think fit, and to subscribe or contribute or otherwise to assist to or guarantee money to charitable, benevolent, religious, scientific, national public or any other institutions objects or purposes or for any exhibition.	To provide for welfare of employees and to subscribe to charitable and other funds.
	(23) Before recommending any dividend, to be set aside out of the profits of the Company such sums as they may think proper for depreciation or to create a Depreciation Fund, Insurance Fund, General Reserve, Reserve Fund, Sinking Fund or any special or other Fund or Funds or accounts or accounts to meet contingencies, or to pay Redeemable preference shares, debenture or debenture stock or special dividends or for equalizing dividends, or for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes (including the purposes referred to in the last two preceding sub-clauses) as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the Act and these Articles) as the Directors may think fit from time to time to deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital monies of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund appropriated out of the net profits in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, debentures or debenture-stock and that without being bound to keep the same separately from the other assets and without being bound to pay or allow interests, on the same with power however to the Director at their discretion to apply or allow interests, on the same with power however to the Directors at their discretion to pay allow to the credit of such fund interest at such rate as the Directors may think proper.	To create depreciation and other funds.

	(24) Subject to the provisions of the Act, to appoint and at their discretion remove or suspend managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such as they may think fit, and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in other sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.	To appoint employees.
	(25) To comply with the requirements of any local law which the Company is not bound to comply with but which in their opinion it shall be in the interests of the Company necessary or expedient to comply with.	To comply with local laws.
	(26) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any Local Board, or any managers or agents and to fix their remuneration.	Local Board.
	(27) Subject to the provisions of the Act and the Articles, and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act not withstanding such vacancies therein and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any persons so appointed and may annul or vary any such delegation.	Delegation
	(28) At any time and from time to time by a Power of Attorney authorize any person or person to be the Attorney or Attorneys of the Company, for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these *Articles* and excluding the power which may be exercised only by the Board at a meeting of the Board under the Act or the Articles of by the Company in General Meeting) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board think fit) be made in favour of the member or any of the members of any local Board, established as aforesaid or in favour of any Company, or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them.	Power of Attorney.
	(29) Subject to the provisions of the Act and these Articles, for or relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company. (30) Before declaring any dividend to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Board may deem fit. (31) To establish any Managing Committee for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any person(s) to be member(s) of such Managing Committee and to fix their remuneration and from time to time and at any time to delegate to any person(s) so appointed any of the powers, authorities and discretion for the time being vested in the Board other than the	To enter into contracts, etc. To create Funds. To establish Managing Committees.

	power to make call; and to authorise the members for the time being of any such Managing Committee or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made in such terms, and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation. (32) To establish, maintain, support and subscribe to any society, etc. charitable, benevolent, public or general useful objects or any institution, society, or club or fund which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on its business or any object in which the Company may be interested. (33) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by executing mortgages and the issue of debentures, or debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem, or pay off any such securities.	To establish society / clubs. To borrow or raise or secure the payment of money.
	KEY MANAGERIAL PERSONS	
143.	Subject to applicable law, the same individual may be appointed as both the chairperson of the Company as well as the managing director or chief executive officer of the Company at the same time.	Dual Role.
144.	Subject to the provisions of the Act and these Articles, the Managing Director or Managing Directors or Wholetime Director or Wholetime Directors shall not while he / she or they continue to hold that office, be subject to retirement by rotation but he / she or they shall, subject to the provisions of any contract between him / her or them and the Company be subject to the same provisions as to resignation and removal as the other Director of the Company and he / she or they shall ipso facto and immediately cease to be Managing Director or Managing Directors or Whole time Director or Whole time Directors if he / she or they cease to hold the office of Director from any cause.	What provisions the Managing and Whole time Directors shall be subject to.
145.	The remuneration of the Managing Director or Managing Directors or Wholetime Director or Wholetime Directors (subject to provisions of and schedules to the Act and of these Articles and of any contract between him / her or them and the Company) shall be in accordance with the terms of his / her or their contract with the Company.	Remuneration of Managing Director and whole time Director
146.	Subject to the provisions of the Act and to the terms of any resolution of the Company in General Meeting or of any resolution of the Board and to the term of any contract with him / her or them, the Managing Director or Managing Directors shall have substantial powers of management subject to the superintendence, control and direction of the Board.	Power and Duties of Managing Director.
	SECRETARY	
147.	The Directors shall appoint a Wholetime Secretary of the Company possessing the prescribed qualification for such term, at such remuneration and upon such conditions as they may think fit and any secretary so appointed may be removed by them. The main functions of the Secretary shall be the responsibility for maintaining Records and Registers required to be kept under the Act and these Articles, making the necessary returns to the Registrar of Companies under the Act and these Articles and for getting the necessary documents registered with the registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary not ices to the members, preparing the agenda of meetings, issuing notices to Directors, preparing minutes of meeting of members and of Directors and of any Committee of Directors and maintaining minute books and other statutory documents, and he / she shall carry out and discharge such other functions and duties as the Directors or the Managing Director may from time to time require him / her to do so.	Secretary.

	The Company shall cause a Register and Index of Members to be maintained in accordance with the Act and Section 11 of the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register of Beneficial Owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register of Members holding Shares in dematerialised form, for the purposes of the Act.	
	PROXY	
148.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used. **FOREIGN REGISTERS**	PROXY
149.	The Company may keep a Foreign Register of Members in accordance with the provisions of the Act the Directors may from time to time make such provision as they may think fit in respect of the keeping of Branch Registers of Members and/or Debentureholders.	
	THE SEAL	
150.	The Board shall provide a Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given.	Seal of the Company.
151.	The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf, and except in the presence of atleast one Director and the Secretary or such other person as the Board may appoint for the purpose and who shall sign every instrument to which the Seal of the Company is so affixed in their presence. In absence of the Director of the Company the Seal of the Company shall be affixed by at least two Authorised Officers of the Company authorized in that behalf and such Authorised Officers shall sign every instrument to which the Seal of the Company is so affixed in their presence.	Deeds how executed.
152.	The Company shall also be at liberty to use an official Seal in any territory, district or place outside India.	Seal abroad.
	DIVIDENDS	
153.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Division of profits.
154.	Subject to the provisions of the Act, the Board may from time to time pay to members such interim dividends as appear to it to be justified by the profits of the Company	Interim Dividend.
155.	(i) The Board may, before recommending any dividend, set aside out of the	

	profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve	
156.	(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	
157.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him / her to the Company on account of calls or otherwise in relation to the shares of the Company.	
158.	(i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	
159.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
160.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
161.	No dividend shall bear interest against the Company.	
162.	Where the Company has declared dividend, but such dividend has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “FSN E-Commerce Ventures Limited Unpaid Dividend Account”	Unpaid or Unclaimed Dividend
163.	Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.	
164.	All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.	

165.	No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.	
	RESERVES AND CAPITALISATION	
166.	The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit.	Reserves
167.	(i) The Company in general meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in sub-clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (iii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (iii), either in or towards— (A) paying up any amounts for the time being unpaid on any shares held by such members respectively; (B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	Capitalization
1.	(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall— (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto. (ii) The Board shall have power— (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the	

	amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such members.	
	ACCOUNTS	
168.	The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or, any of them, shall be open to the inspection of members not being Directors and no member (not being Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorized by the Company in General Meeting.	Inspection by member of accounts and books of the Company.
	DOCUMENTS AND SERVICE OF DOCUMENTS	
169.	(1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company or to any member either personally or by sending it by post to him / her at his / her registered address or (if he / she has no registered address in India) at the address, if any within India supplied by him / her to the Company or by such electronic mode as may be prescribed under the Act.	Manner of Service.
	(2) Where a document is sent by Post.	
	(a) service thereof shall be deemed to be affected by properly addressing, preparing and posting a letter containing the notice, provided that where a member, has intimated to the Company in advance that documents should be sent to him / her under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member ; and	
	(b) Such service shall be deemed to have been effected :	
	(i) in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted ;	
	And	
	(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.	
170.	If a member has no registered address in India and has supplied to the Company an address within India for the giving of notice to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him / her on the day on which the advertisement appears.	Service on members having no registered address.
171.	All document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or Assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such as address has been so supplied) by serving the document in any manner been so supplied) by serving the documents in any manner in which the same might have been served if the death or insolvency has not occurred.	Service on person acquiring shares on death or insolvency of member.
172.	Subject to the provisions of the Act and these Articles notices of General Meetings shall be given:	Persons entitled to notice of general meetings.
	(i) to members of the Company as provided and in the manner authorized by these Articles	

	(ii) to the person entitled to a share in consequence of the death or insolvency of a member.	
	(iii) to the Auditor or Auditors for the time being of the Company, in any manner authorized by these Articles	
173.	Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these Articles shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the district in which the Registered office of the Company is situated.	Advertisement.
174.	Every person who by operation of a transfer, or other means whatsoever, shall become entitled to any share shall be bound by every document in respect of such shares which previously to his / her name and address being entitled on the Register, has been duly served on or sent to the person from whom he / she derives his / her title to such share.	Members and by document given to previous holders.
175.	Any notice to be given by the Company shall be signed by the Managing Director or Secretary or by such Director or Officer as the Directors may appoint and such signature may be written or printed or lithographed.	Notice by Company and signature thereto.
176.	All notices to be given on the part of the members to the Company shall be kept at or sent by post under certificates of posting or by registered post to the Registered Office of the Company.	Service of notice by members.
	AUTHENTICATION OF DOCUMENTS	
177.	Save as otherwise expressly provided in the Act or these Articles, a document or proceedings requiring authentication by the Company may be signed by a Director the Managing Director or an authorized officer of the Company and need not be under its Seal.	Authentication of documents and proceedings
	RECONSTRUCTION	
178.	On any sale of the undertaking of the Company the Board or Liquidator on a winding up may if authorized by a Special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the liquidator (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bond to accept and shall be bond by any valuation or distribution so authorized, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, as are incapable of being waived or excluded by these Articles.	Reconstruction.
179.	If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to rights of the holders of shares issued upon special terms and conditions.	Distribution of Assets.
180.	(1) If the Company shall be would up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special Resolution but subject to	Distribution of assets in

	the rights attached to any preference shares capital, divide amongst the contributories, in specie or kind any part of the assets of the Company and may, with the like sanction of a special Resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Contributories or any of them, as the liquidators, with the like sanction shall think fit.	specie or kind.
	(2) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal right of the contributories (except where unalterably fixed by the memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any such division shall be determined, any contributory who would be prejudiced hereby shall have right to dissent and ancillary rights as if such determination were a special resolution passed in accordance with the relevant provisions of the Act.	
	(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing, intimate to the liquidator to sell his / her proportion and pay him / her the net proceeds and the liquidator shall, if practicable, act accordingly.	
181.	A Special resolution sanctioning a sale to any other Company duly passed under the relevant provisions of the Act may, subject to the provisions of the Act, in like manner as aforesaid determined that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said sanction.	Right of shareholders in case of the Sale.
	SECRECY CLAUSE	
182.	(1) Every director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his / her duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customers and the state of the accounts with individuals and in realization thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his / her knowledge in the discharge of his / her duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.	Secrecy Clause.
	(2) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Director or the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.	
	INDEMNITY AND RESPONSIBILITY	
183.	During the course of discharge of duties, every officer, Director and Key Managerial Person of the Company shall be indemnified out of the assets of the Company against any liability incurred by him / her in defending any proceedings, whether civil or criminal, in which judgment is given in his / her favour or in which he / she is acquitted or in which relief is granted to him / her by the court or the Tribunal.	Directors and other right to indemnity.

184.	Subject to the provisions of the Act, no Director, the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects or defaults of any Director or officer or for joining in any omission or other act for conformity or for any loss or expenses suffered by the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankrupt, insolvency, or tortious act of any person, Company or corporation, with whom any moneys, securities or effects' shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his / her part or for any other loss or damages, or misfortune whatever which shall happen in the execution of the duties of his / her office or in relation thereto, unless the same happens through his / her own dishonesty.	Directors and others not responsible for acts of others.
185.	The Company shall have among its objective the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the customers, employees, shareholders, society and the local community.	Social objects.
186.	Whenever in the Act, it has been provided that the Company shall have any right privileges or authority or that the Company could carry out any transaction only if the Company is authorized by its articles, then and in that case this Article thereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.	General Power.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus), which are or may be deemed material will be attached to the copy of this Red Herring Prospectus to be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar Agreement dated August 1, 2021, as entered into by and entered amongst our Company, the Selling Shareholders ,the Registrar to the Offer and Mala Gaonkar (one of the Shareholders of our Company) withdrew her consent to offer up to 1,139,010 Equity Shares of our Company in the Offer, thereby terminating her participation in the Offer for Sale as a Selling Shareholder through the termination letter dated October 11, 2021, read with amendment agreement to the Registrar Agreement dated October 12, 2021, entered into by and amongst our Company, the Selling Shareholders and the Lead Managers.

2. Offer Agreement dated August 1, 2021, as entered into by and amongst our Company, the Selling Shareholders and the Lead Managers. Mala Gaonkar (one of the Shareholders of our Company) withdrew her consent to offer up to 1,139,010 Equity Shares of our Company in the Offer, thereby terminating her participation in the Offer for Sale as a Selling Shareholder through the termination letter dated October 11, 2021, read with amendment agreement to the Offer Agreement dated October 12, 2021, entered into by and amongst our Company, the Selling Shareholders and the Lead Managers.

3. Cash escrow and sponsor bank agreement dated October 20, 2021 entered amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Lead Managers, Syndicate Members and the Banker(s) to the Offer.

4. Share escrow agreement dated October 12, 2021 entered amongst the Selling Shareholders, our Company and the Share Escrow Agent.

5. Syndicate agreement dated October 20, 2021 entered amongst our Company, the Selling Shareholders, the Lead Managers, Registrar to the Offer and the Syndicate Members.

6. Underwriting agreement dated [●] entered amongst our Company, the Selling Shareholders, and the Underwriters.

7. Monitoring Agency Agreement dated October 20, 2021 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.

2. Certificate of incorporation dated April 24, 2012.

3. Fresh certificate of incorporation consequent upon conversion to public limited company dated July 28, 2021.

4. Resolutions of the Board of Directors dated July 15, 2021, July 30, 2021 and September 18, 2021 authorizing the Offer and other related matters.

5. Resolution of the Shareholders dated July 16, 2021 and September 30, 2021 in relation to the Fresh Issue and other related matters.

6. Resolution of the Board of Directors and the IPO Committee of our Company dated July 30, 2021 and August 1, 2021, respectively, approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

7. Board resolution dated October 20, 2021 approving Red Herring Prospectus for filing with Registrar of Companies and subsequently with SEBI and the Stock Exchanges.

8. Consent letters each dated August 1, 2021 from the Selling Shareholders in relation to the Offer for Sale.

9. Resolution of the board of directors of TPG Growth IV SF Pte. Ltd dated July 21, 2021, consenting to participate in the Offer for Sale.

10. Resolution of the board of trustees of Sanjay Nayar Family Trust dated July 20, 2021, consenting to participate in the Offer for Sale.

11. Resolution of the board of directors of Lighthouse India Fund III, Limited dated July 29, 2021, consenting to participate in the Offer for Sale.

12. Resolution of the board of directors of Lighthouse India III Employee Trust, dated July 29, 2021, consenting to participate in the Offer for Sale.

13. Resolution of the board of directors of Yogesh Agencies & Investments Private Limited dated July 8, 2021, consenting to participate in the Offer for Sale.

14. Resolution of the board of directors of J M Financial and Investment Consultancy Services Private Limited dated July 27, 2021, consenting to participate in the Offer for Sale.

15. Consent dated October 14, 2021 from Redseer Management Consulting Private Limited to rely on and reproduce part or whole of the RedSeer Report, which has been exclusively commissioned and paid for by us in connection with the Offer, and include their name in this Red Herring Prospectus.

16. Written consent dated October 20, 2021 from S.R.Batliboi & Associates LLP, Chartered Accountants and from V.C. Shah & Co, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our joint Statutory Auditors, and in respect of their (i) examination report dated September 27, 2021 on our Restated Financial Statements; and (ii) their report dated July 31, 2021 on the Statement of Special Tax Benefits in this RHP and such consent has not been withdrawn as on the date of this RHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

17. The report on the statement of special tax benefits dated July 31, 2021 available to the Company, its shareholders and Nykaa E-Retail from the Statutory Auditors.

18. The report on the special tax benefits dated July 30, 2021 available to FSN Brands and its shareholders, from V.C. Shah & Co.

19. Amended and Restated Shareholders Agreement dated April 21, 2020, and subsequently, amended on May 22, 2020 by and amongst our Company, Promoters, Adwaita Nayar and Anchit Nayar, and the investors namely, Harindarpal Singh Banga jointly with Indra Banga, Lighthouse India Fund III, Limited, Sachin Kumar Bhartiya, in his capacity as the trustee of Lighthouse India III Employee Trust, Sunil Kant Munjal, Shefali Munjal, Narotam Sekhsaria, TPG Growth IV SF Pte. Ltd, as amended by way of an amendment agreement dated July 15, 2021 and second amendment agreement September 18, 2021.

20. Business Transfer agreement dated March 30, 2017 with Nykaa E-Retail Private Limited.

21. Business Transfer Agreement dated February 28, 2019 between Outletwise Retail Private Limited and Nykaa Fashion Private Limited and Trademark Assignment Agreement between Outletwise and Nykaa Fashion dated March 11, 2019.

22. Trademark License Agreement between House of Masaba Lifestyle Private Limited and FSN E-Commerce Ventures Private Limited dated March 25, 2019.

23. Business Transfer Agreement dated March 3, 2021 between Pipa Bella Accessories Private Limited and Nykaa Fashion Private Limited.

24. Deed of Assignment of Trademarks between Pipa Bella PTE. Limited, Shuchi Pandya and Nykaa Fashion Private Limited dated March 30, 2021.

25. Deed of Assignment of Trademarks between Pipa Bella Accessories Private Limited and Nykaa Fashion Private Limited dated March 4, 2021.

26. Agreement between Nykaa Fashion Private Limited and Conde Nast (India) Private limited executed on April 20, 2020 and effective from December 1, 2019.

27. Copies of annual reports of our Company for the FY 2021, FY 2020 and FY 2019.

28. Consent of each of the Directors, the Lead Managers, the Syndicate Members, the legal counsel to our Company and the Promoter Selling Shareholder as to Indian law, the legal counsel to Selling Shareholders, the legal counsel to the Lead Managers as to Indian Law, the legal counsel to the Lead Managers as to the International Law, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.

29. Tripartite agreement dated May 25, 2021, among our Company, NSDL and the Registrar to the Offer.

30. Tripartite agreement dated May 21, 2021, among our Company, CDSL and the Registrar to the Offer.

31. Service contract agreements each dated July 24, 2021 between our Company and Falguni Nayar, Adwaita Nayar and Anchit Nayar, respectively.

32. Report titled “India Beauty and Personal Care and Fashion Markets” dated October 14, 2021 issued by RedSeer Management Consulting Private Limited.

33. Due diligence certificate dated August 1, 2021 addressed to SEBI from the Lead Managers.

34. In-principle listing approvals dated August 30, 2021 and August 16, 2021 issued by BSE and NSE, respectively.

35. Clarification email dated September 27, 2021 from SEBI and SEBI observation letter bearing reference number SEBI/CFD/DIL1/2021/28146/1 and dated October 11, 2021.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Falguni Nayar

Falguni Nayar

Executive Chairperson, Managing Director and Chief Executive Officer

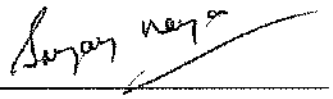
Place: Mumbai

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company



Sanjay Nayar

Non-Executive Director

Place: Mumbai

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Adwaita Nayar

Adwaita Nayar

Executive Director

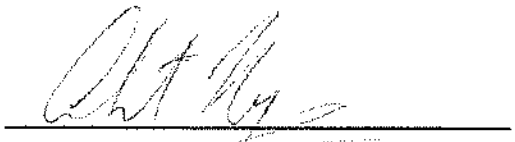
Place: Mumbai

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company



Anchit Nayar

Executive Director

Place: Mumbai

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Anita Ramachandran

Independent Director

Place: Mumbai

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Milan B Khakhar

Milan Khakhar

Non-Executive Director

Place: Mumbai

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Alpana Parida

Independent Director

Place: Mumbai

Date: October 20, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Pradeep Parameswaran

Independent Director

Place: San Francisco, USA

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Seshashayee Sridhara

Independent Director

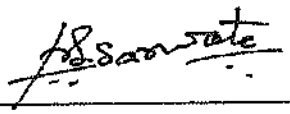
Place: Prague, Czech Republic

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company



Milind Sarwate

Independent Director

Place: Thane

Date: October 20, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules framed and guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

Arvind Agarwal

Chief Financial Officer

Place: Mumbai
Date: October 20, 2021

DECLARATION

I, Falguni Nayar, Trustee of Sanjay Nayar Family Trust as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Sanjay Nayar Family Trust

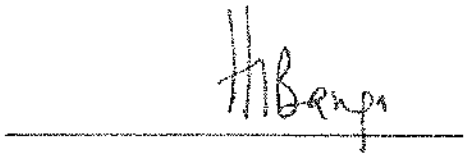
Falguni Nayar

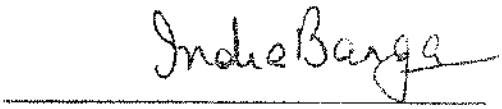
Authorised Signatory
Name: Falguni Nayar
Place: Mumbai
Date: October 20, 2021

DECLARATION

I, Harindarpal Singh Banga jointly with Indra Banga, acting as Selling Shareholders, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholders





Harindarpal Singh Banga

Place: Hong Kong

Date: October 20, 2021

Indra Banga

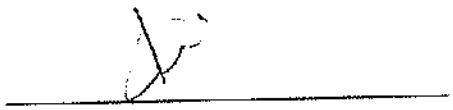
Place: Hong Kong

Date: October 20, 2021

DECLARATION

I, Sunil Kant Munjal, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder



Sunil Kant Munjal

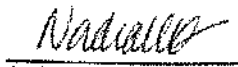
Place: Rochester, USA

Date: October 20, 2021

DECLARATION

We, TPG Growth IV SF Pte. Ltd, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of TPG Growth IV SF Pte. Ltd



Authorised Signatory: Nadia M. Karkar
Designation: Director

Place: San Francisco, USA

Date: October 20, 2021

DECLARATION

We, Lighthouse India Fund III, Limited, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Lighthouse India Fund III, Limited

Authorised Signatory: Jay Prakash Pertab

Designation: Director

Place: Port Louis, Mauritius

Date: October 20, 2021

Lighthouse India Fund III, Limited
The Common Seal of

DECLARATION

We, Lighthouse India III Employee Trust (acting through our trustee Sachin Kumar Bhartiya), acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Lighthouse India III Employee Trust

Authorised Signatory: Sachin Kumar Bhartiya

Designation: Trustee

Place: **Mumbai, India**

Date: **October 20, 2021**

DECLARATION

We, Yogesh Agencies & Investments Private Limited, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Yogesh Agencies & Investments Private Limited

Authorised Signatory: Ganeshmal Surana

Designation: Director

Place: Mumbai, India

Date: October 20, 2021

DECLARATION

I, Narotam Sekhsaria, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

N S. Sekhsaria

Narotam Sekhsaria

Place: Mumbai, India

Date: October 20, 2021

DECLARATION

I, Rishabh Mariwala, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

Rishabh Mariwala

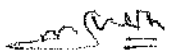
Place: Mumbai, India

Date: October 20, 2021

DECLARATION

We, J M Financial and Investment Consultancy Services Private Limited, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of J M Financial and Investment Consultancy Services Private Limited



Authorised Signatory: Manish Sheth

Designation: Director

Place: Mumbai, India

Date: October 20, 2021

DECLARATION

I, Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar, acting as Selling Shareholders, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholders

J.N. Khakhar

Jeenoo Khakhar

Place: Mumbai, India

Date: October 20, 2021

Kanika Khakhar

Place: Mumbai, India

Date: October 20, 2021

Isha Khakhar

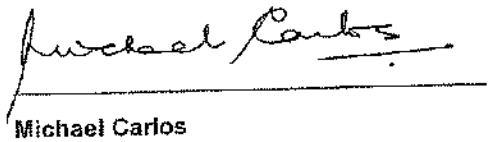
Place: Mumbai, India

Date: October 20, 2021

DECLARATION

I, Michael Carlos, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder



Michael Carlos

Place: Singapore

Date: October 20, 2021

DECLARATION

I, Samina Hamied, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

Samina Hamied

Samina Hamied

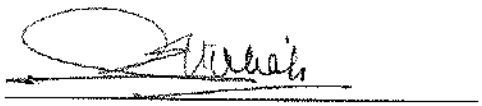
Place: Mumbai, India

Date: October 20, 2021

DECLARATION

I, Sanjay Maliah, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder



Sanjay Maliah

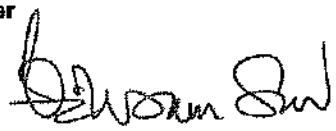
Place: Dehradun, India

Date: October 20, 2021

DECLARATION

I, Vikram Sud, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder



Vikram Sud

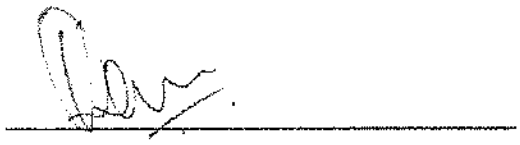
Place: Mumbai, India

Date: October 20, 2021

DECLARATION

I, Karan Swani, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder



Karan Swani

Place: Toronto, Canada

Date: October 20, 2021

ANNEXURE A

Sr. no.	Name of Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of resolutions	Date of consent letters
	Promoter Selling Shareholders			
1.	Sanjay Nayar Family Trust	Up to 4,800,000	July 20, 2021	August 1, 2021
	Investor Selling Shareholders			
2.	TPG Growth IV SF Pte. Ltd	Up to 5,421,510	July 21, 2021	August 1, 2021
3.	Lighthouse India Fund III, Limited	Up to 4,844,620	July 29, 2021	August 1, 2021
4.	Lighthouse India III Employee Trust	Up to 51,530	July 29, 2021	August 1, 2021
5.	Yogesh Agencies & Investments Private Limited	Up to 2,538,450	July 8, 2021	August 1, 2021
6.	J M Financial and Investment Consultancy Services Private Limited	Up to 914,000	July 27, 2021	August 1, 2021
	Other Selling Shareholders			
7.	Sunil Kant Munjal	Up to 7,050,000	N.A.	August 1, 2021
8.	Harindarpal Singh Banga jointly with Indra Banga	Up to 10,200,000	N.A.	August 1, 2021
9.	Narotam Sekhsaria	Up to 2,340,000	N.A.	August 1, 2021
10.	Rishabh Mariwala	Up to 1,599,000	N.A.	August 1, 2021
11.	Jeenoo Khakhar jointly with Kanika Khakhar and Isha Khakhar	Up to 900,000	N.A.	August 1, 2021
12.	Michael Carlos	Up to 450,000	N.A.	August 1, 2021
13.	Samina Hamied	Up to 230,850	N.A.	August 1, 2021
14.	Sanjay Maliah	Up to 344,700	N.A.	August 1, 2021
15.	Vikram Sud	Up to 180,000	N.A.	August 1, 2021
16.	Karan Swani	Up to 108,000	N.A.	August 1, 2021