

INDEPENDENT AUDITOR'S REPORT

To the Members of FSN E-Commerce Ventures Limited

Opinion

We have audited the accompanying interim standalone Ind AS financial statements of FSN E-Commerce Ventures Limited (the 'Company'), which comprise the interim standalone Balance Sheet as at June 30, 2021, and the interim standalone Statement of Profit and Loss, including other comprehensive income, interim standalone Cash Flow Statement and the interim standalone Statement of Changes in Equity for the three-month period then ended, and notes to the interim standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim standalone Ind AS financial statements give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended: Company's state of affairs as at June 30, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the three months period ended on that date:

Basis for Opinion

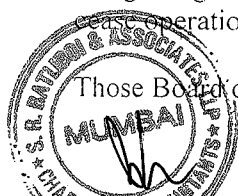
We conducted our audit of the interim standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the interim standalone Ind AS financial statements.

Management's Responsibility for the Interim Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Board of Directors is also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the interim standalone financial statements, Board of Directors is responsible for assessing the ability of the Company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Interim Standalone Financial Statements

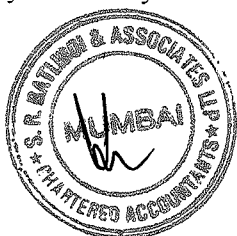
Our objectives are to obtain reasonable assurance about whether the interim standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim standalone financial statements, including the disclosures, and whether the interim standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other matters - restriction of use

This report is intended for the use by the Company in connection with the preparation of their Restated Ind AS Consolidated Summary of Assets and Liabilities of the Group as at June 30, 2021, June 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, the related Restated Ind AS Consolidated Summary Statement of Profit and Loss, their Restated Ind AS Consolidated Summary of Change in Equity, their Restated Ind AS Consolidated Summary Statement of Cash Flows and their Restated Ind AS Consolidated Summary Statement of significant accounting policies and other explanatory information for the three-month period ended June 30, 2021 and June 30, 2020, for each year ended March 31, 2021, March 31, 2020 and March 31, 2019, in connection with the proposed Initial Public Offer of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

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



Per Vineet Kedia

Partner

Membership Number: 212230

UDIN: 21212230AAAADP3560



Place of Signature: Mumbai
Date: September 27, 2021

For **V.C. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number:
109818W



Per A.N. Shah

Partner

Membership Number: 42469

UDIN: 21042649AABGU11829



Place of Signature: Mumbai
Date: September 27, 2021

FSN E-Commerce Ventures Limited
(formerly known as FSN E-Commerce Ventures Private Limited)
Standalone Financial Statements as on 30 June 2021

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Standalone Balance Sheet as at 30 June 2021

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 30 June 2021	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	666.07	613.58
Right of use assets	5	485.72	550.68
Intangible assets	6A	112.42	125.57
Intangible assets under development	6B	-	-
Financial assets			
Investments	7	20,131.88	6,958.05
Loans	8	28,147.62	20,886.36
Other financial assets	9	1,448.20	1,405.13
Deferred tax assets (net)	10	1,471.46	1,982.30
Non current tax assets (net)		861.91	653.21
Total non-current assets		53,325.28	33,174.88
Current assets			
Inventories	11	3,514.25	3,321.83
Financial assets			
Trade receivables	12	3,857.49	6,372.25
Cash and cash equivalents	13	13,087.90	3,128.33
Bank balance other than cash and cash equivalents	14	10,068.45	16,101.95
Other financial assets	15A	718.00	1,028.48
Other current assets	15B	1,498.77	1,536.44
Total current assets		32,744.86	31,489.28
Total assets		86,070.13	64,664.16
Equity and liabilities			
Equity			
Equity share capital	16	1,547.57	1,505.72
Other equity	17	76,998.29	54,609.30
Total equity		78,545.86	56,115.02
Non-current liabilities:			
Financial liabilities			
Borrowings	18	-	-
Lease Liabilities	20	1,492.13	1,625.10
Long-term provisions	21	92.75	93.99
Total non-current liabilities		1,584.88	1,719.09
Current liabilities:			
Financial liabilities			
Borrowings	19	3,051.50	2,435.38
Lease liabilities	20	522.90	512.47
Trade payables	22		
-Total outstanding dues of Micro enterprise and small enterprises and small enterprises		194.64	156.89
Other financial liabilities	23	1,164.44	982.28
Short-term provisions	24	554.14	1,769.40
Contract liabilities	25A	169.47	172.05
Other current liabilities	25B	8.54	4.22
Total current liabilities		5,939.39	6,830.05
Total liabilities		7,524.27	8,549.14
Total equity and liabilities		86,070.13	64,664.16

Significant accounting policies

2 to 3

Accompanying notes form an integral part of these standalone financial statements

As per our report of even date

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109818W

Per V. C. Shah & Co.

Per A N Shah

Partner

Membership No: 42649

As per our report of even date

For M/s. S. R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No: 101049W/E300004

Per Vinet Kedia

Per Vinet Kedia

Partner

Membership No: 212230

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 *Milan Khakhar*

Falguni Nayar
Managing Director & CEO
DIN No. 00003633

Milan Khakhar
Director
DIN No. 00394065

Arvind Agarwal
Arvind Agarwal
Chief Financial Officer

Rajendra Punde
Rajendra Punde
Company Secretary
ACS M.No.A9785



FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Standalone Statement of Profit and Loss for the three months ended 30 June 2021

(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	For the three months ended 30 June 2021	For the three months ended 30 June 2020
INCOME			
Revenue from operations	25	4,348.83	2,330.98
Other income	26	1,892.17	1,053.68
TOTAL INCOME		6,241.00	3,384.66
EXPENSES			
Cost of material consumed	27A	1,632.16	215.40
Purchase of traded goods	27B	119.99	473.14
Changes in inventories of finished goods and Stock-in-Trade	28	(216.18)	587.92
Employee benefits expense	29	573.97	351.30
Finance costs	30	136.63	110.99
Depreciation and amortisation expense	31	111.68	174.10
Other expenses	32	1,359.07	956.11
TOTAL EXPENSES		3,717.32	2,868.96
Profit / (Loss) before tax		2,523.68	515.70
Tax expense / (benefit) :			
Current tax		-	-
Deferred tax	10	539.63	108.71
Tax expense relating to earlier years		-	-
Total tax expense / (benefit)		539.63	108.71
Profit / (Loss) after tax		1,984.05	406.99
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability		14.13	0.57
Income tax effect on above		(3.56)	-
Fair valuation of investments measured through OCI		(129.20)	-
Income tax effect on above		32.52	-
Items that will not be reclassified to profit or loss, net of tax		(86.11)	0.57
Total Comprehensive Income for the year		1,897.94	407.56
Earnings per share of face value Rs. 10/- each			
Basic earnings per share (in Rs.)	33	0.44	0.09
Diluted earning per share (in Rs.)	33	0.42	0.09
Significant accounting policies	2 to 3		
Accompanying notes form an integral part of these standalone financials statements			

As per our report of even date

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109818W

Amish Shah



Per A N Shah

Partner

Membership No: 42649

As per our report of even date

For M/s. S. R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No: 101049W/E300004

Vineet Kedia

Per Vineet Kedia

Partner

Membership No: 212230



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

Falguni Nayar
Managing Director & CEO
DIN No. 00003633

Milan Khakhar
Director
DIN No. 00394065



Arvind Agarwal

Arvind Agarwal
Chief Financial Officer

Rajendra Punde

Rajendra Punde
Company Secretary
ACS M.No.A9785

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
 Standalone Statement of Cash Flows for the three months ended 30 June 2021
 (All amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the three months ended 30 June 2021	For the three months ended 30 June 2020
Operating activities		
Net profit before tax as per Statement of profit & loss	2,523.68	515.70
Adjustments to reconcile profit / (loss) before tax to net cash flows:		
Add: Depreciation of property, plant & equipment	85.57	91.67
Add: Amortisation of intangible assets	26.11	82.43
Add: Finance costs	136.63	110.99
Add/(Less): Realised (Gain) /Loss	(4.87)	0.80
Add: Share Based expense	16.11	(15.85)
Add: Provision for Gratuity expense	(24.73)	10.19
Add: Provision for Leave compensated expense	57.01	56.81
Add: Expected credit loss	-	-
Less: Commission on financial guarantee	(197.83)	(156.00)
Less: Interest income	(818.66)	(566.79)
Less: Rent waiver	-	-
Operating profit before working capital changes	1,799.02	129.95
Working capital Adjustments:		
Decrease/(increase) in trade receivables	2,514.76	(303.98)
(Increase)/decrease in inventories	(192.42)	771.83
Decrease/(increase) in current financial asset	303.58	(959.60)
(Increase) in non-current financial assets	(7,319.09)	(12,578.06)
Decrease in other current assets	37.67	307.50
Increase/(decrease) in trade payables	219.91	(382.79)
(Decrease) in provisions	(36.11)	(3.39)
(Decrease)/increase in current financial liabilities	(1,117.11)	183.98
(Decrease) in other current liabilities	(523.60)	(61.71)
Cash used in operations	(4,313.39)	(12,896.27)
Payment/refund of taxes (net)	(208.70)	39.58
Net cash flow used in operating activities (A)	(4,522.09)	(12,856.69)
Investing activities		
Investment in subsidiaries	(13,000.00)	-
Purchase of Property, Plant and Equipment and other intangible assets	(82.77)	(84.35)
Investment in fixed deposits	6,033.50	386.41
Proceeds from sale of Investments	-	-
Interest Received	724.12	443.86
Net cash flows from / (used in) investing activities (B)	(6,325.15)	745.92
Financing activities		
Proceeds from issue of equity shares on exercise of share options	10.41	15.06
Proceeds from Share premium (net of expenses)	20,276.55	8,524.21
Proceeds from share application money pending allotment	62.11	-
Repayment of Non-Current borrowings (net)	-	5.49
Proceeds/repayment of Current borrowings (net)	616.12	(255.45)
Interest expenses on borrowings	(85.68)	(84.81)
Rental income on sub lease	100.79	74.75
Principal payment of lease liabilities	(122.54)	(122.59)
Interest expenses on lease liabilities	(50.95)	(26.17)
Net cash flows from used in financing activities (C)	20,806.81	8,130.49
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9,959.57	(3,980.28)
Cash and cash equivalents at the beginning of the year	3,128.33	9,552.91
Cash and cash equivalents at the year end	13,087.90	5,572.63

Note:

Non cash transactions relating to investing and financing activities. (Refer note no 15A.1, 17b, 23A.1 and 35).

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.

Accompanying notes form an integral part of these standalone financials statements

As per our report of even date

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109818W

AN Shah

Per A N Shah

Partner

Membership No: 42649

As per our report of even date

For M/s. S. R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No: 101049W/E300004

Vincent Kedia

Per Vincent Kedia

Partner

Membership No: 212230

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

Falguni Nayar

Managing Director & CEO

DIN No. 00003633

Arvind Agarwal

Arvind Agarwal

Chief Financial Officer

Milan Khakhar

Director

DIN No. 00394065

Rajendra Punde

Rajendra Punde

Company Secretary

ACS M.No.A9785



FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
 Standalone Statement of Changes in Equity for the three months ended 30 June 2021
 (All amounts in Rs. lakhs, unless otherwise stated)

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid

	No. of shares	Amount
At 1 April 2020	1,45,49,077	1,454.91
Issue of equity share capital during the year	5,08,160	50.82
At 31 March 2021	1,50,57,237	1,505.73
At 1 April 2021	1,50,57,237	1,505.73
Issue of equity share capital during the period	4,18,473	41.87
At 30 June 2021	1,54,75,710	1,547.60

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
At 1 April 2020*	2,75,000	20.63
Issue of preference share capital during the year	1,61,500	12.11
At 31 March 2021*	4,36,500	32.74
At 1 April 2021*	4,36,500	32.74
Call money @ Rs. 2.50 per share on 4,00,500 shares	-	10.01
Issue of preference share capital during the period @ Rs. 10.00 per share	14,028	1.40
Conversion of preference share capital during the period	(4,14,528)	(41.45)
At 30 June 2021*	36,000	2.70

* 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) 0.001% p.a. non-cumulative OCRPS of Rs 10 (face value) aggregating to Rs 2.70 lakhs (Rs. 7.50 each (partly paid up) as at - 31 March 2021 Rs. 32.74 lakhs) 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.

During 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 9 July 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 30 June 2021 and 15 July 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 31 March 2021 and balance i.e. 14,028 fully paid-up OCRPS were issued & 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			Share Options Outstanding Account	Total other equity
		Surplus/(Deficit) in statement of profit and loss	Securities premium	Other comprehensive income (OCI)		
As at 1st April 2021	-	(2,838.16)	56,665.73	(144.70)	893.69	54,576.56
Net Profit for the period	-	1,983.17	-	-	-	1,983.17
Other comprehensive income	-	-	-	(86.11)	-	(86.11)
Total comprehensive income	-	(854.99)	56,665.73	(230.81)	893.69	56,473.62
Securities premium on issue of equity shares and OCRPS	-	-	20,534.23	-	-	20,534.23
Shares allotted during the period on exercise of ESOP	-	-	17.07	-	(17.07)	-
Addition during the period	62.11	-	-	-	200.38	262.49
Share issue expenses	-	-	(274.75)	-	-	(274.75)
As at 30 June 2021	62.11	(854.99)	76,942.28	(230.81)	1,077.00	76,995.59

For the three months ended 30 June 2020

Particulars	Share application money pending allotment	Reserves & Surplus			Share Options Outstanding Account	Total other equity
		Surplus/(Deficit) in statement of profit and loss	Securities premium	Other comprehensive income (OCI)		
As at 1st April 2020	2.35	(6,470.33)	45,722.53	59.00	1,098.33	40,411.88
Net Profit for the period	-	406.99	-	-	-	406.99
Other comprehensive income	-	-	-	0.57	-	0.57
Total comprehensive income	2.35	(6,063.34)	45,722.53	59.57	1,098.33	40,819.43
Securities premium on issue of shares	-	-	8,650.18	-	-	8,650.18
Shares allotted during the period	(0.43)	-	23.71	-	(23.71)	(0.43)
Addition during the period	-	-	-	-	77.21	77.21
ESOP lapse/forfeited	-	4.24	-	-	(4.24)	-
Share issue expenses	-	-	(125.97)	-	-	(125.97)
As at 30 June 2020	1.92	(6,059.10)	54,270.45	59.57	1,147.60	49,420.43

Significant accounting policies (Refer Note 2 to 3)

Accompanying notes form an integral part of these standalone financial statements

As per our report of even date

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109918W

Per A N Shah

Partner

Membership No: 42649

As per our report of even date

For M/s. S. R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No: 101049W/E300004

Per Vineet Kedia

Partner

Membership No: 212230

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 Nayyar

Managing Director & CEO

DIN No. 00003633

Milan Khakhar

Director

DIN No. 00394665

Arvind Agarwal

Chief Financial Officer

Rajendra Punde

Company Secretary

ACS M.No. A9785

FSN E-commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Significant accounting policies and explanatory notes to Standalone Financial Statements as at and for the three months ended 30 June 2021

1. Corporate Information

FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Venture Private Limited, the 'Company' or 'Parent' or 'Holding Company') is a public company incorporated and domiciled in India. The registered office of the Company is located at 104, Vasan Udyog Bhavan, Sun Mill compound, Tulsi Pipe Road, Lower Parel, Mumbai - 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 Company is engaged in the business of manufacturing, selling & distribution of beauty, wellness, fitness, personal care, health care, skin care, hair care products on the online platforms or websites such as e-commerce, m-commerce, internet, intranet as well as through physical stores, stalls, general trade and modern trade etc.

The financial statements for the three months ended 30 June 2021 were approved by the Board of Directors and authorised for issue on 27 September 2021.

The Company's financial statements are presented in Indian Rupees (Rs.), which is the functional currency and all values are rounded to the nearest lakhs ('00,000), except when otherwise stated.

2. Significant accounting policies

2A. Basis of preparation

i) Statement of compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" (referred to as "Ind AS"), as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III, as amended).

ii) Historical cost convention:

The financial 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. Summary of significant accounting policies

a) Current versus non-current classification

The Company 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



FSN E-commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

Significant accounting policies and explanatory notes to Standalone Financial Statements as at and for the three months ended 30 June 2021

- 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 Company 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 Company has identified period of twelve months as its operating cycle.

b) 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 Company and cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss for the period during which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on Property, plant and equipment not ready for their intended use is disclosed as Capital Work-in-Progress and is stated at cost, net of accumulated impairment loss, if any. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, Plant & 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.



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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 Machinery	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.

c) Intangible assets

Intangible Assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated 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



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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)
Business application development (Internally generated)	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 Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

d) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised, 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 Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit and loss.



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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 Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

e) 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.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net 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.

f) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



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i. Right-of-use assets (ROU asset)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Right of use for warehouse/office 2 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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 Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short term leases and leases of low value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset is considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



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Sub-lease

At the commencement date, the Company recognises assets held under a sub-lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. The Company uses the interest rate implicit in the lease to measure the net investment in the lease. In case if the interest rate implicit in the sublease cannot be readily determined, the Company being an intermediate lessor uses the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- fixed payments less any lease incentives payable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties, if any, for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on net investment in the lease.

Net investment in the lease are subject to the derecognition and impairment requirements in Ind AS 109. The Company regularly reviews estimated unguaranteed residual values, if any, used in computing the gross investment in the lease and adjusts the income allocation accordingly.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. Initial recognition and measurement:

All Financial assets and liabilities are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in section (i(I)) Revenue from contracts with customers.



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In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

II. 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 through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost includes trade and other receivables, loans to employees and loan to subsidiaries.

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



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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 company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit 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 Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly



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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 Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

III. Derecognition

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

IV. Impairment of financial assets:

In accordance with Ind AS 109, the company applies simplified expected credit loss (ECL) model for measurement and recognition of impairment loss 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 Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



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For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables

V. 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.

VI. Investment in subsidiaries and associates

The Company has accounted for its investment in subsidiaries and associates at cost.

h) Revenue recognition:

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue 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 Company identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

i. Sale of products:

Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the company expects to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

ii. Contract balances:

- Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If the Company performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.



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- Trade receivables

A receivable represents the Company'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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

II. Interest income:

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head "Other income" in the statement of profit and loss.

i) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

j) Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company 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



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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.

k) Share based payments

Employees (including senior executives) of the company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The 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.

Expense relating to options granted to employees of the subsidiaries under the company's share-based payment plan, is cross charged for their share of the ESOP cost by equity settlement.

l) 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.



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Post-employment benefits

i. Defined Contribution Plans

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period/year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

ii. Defined Benefit Plans

Gratuity

The company 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 Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through 'Other comprehensive income' in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

m) 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



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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.

n) 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 Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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 Company 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 Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



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o) Income taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. 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 Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company 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.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, and other short term highly liquid investments which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) 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



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of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

r) 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.

s) 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.

t) 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.



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3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

I. Judgements:

- **Determining the lease term of contracts with renewal and termination options – the Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

II. Estimates and assumptions:

a. Estimation of useful life of property, plant and equipment and intangible asset

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial period/year end. The lives are based on historical experience with similar assets.

b. Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.



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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. Revenue recognition

The Company recognises revenue on the satisfaction of the performance obligations in its contracts with customers. All the contracts contain a single performance obligation, i.e., sale of goods or rendering of Services which is satisfied over a point in time or period of time respectively. Judgement is also required to determine the transaction price for the contract. Company uses the expected cost plus margin approach to determine the transaction price.

e. 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.

f. Deferred Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

g. 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.

h. Impairment of financial assets:



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The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions and independent valuer's report. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

i. 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.

j. Provision for expected credit losses of trade receivables and contract assets:

The Company uses a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

k. Leases – Estimating the incremental borrowing rates:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's credit rating).

l. Other estimates:

The share-based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

Standard / 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



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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 standalone financial 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 standalone financial 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 April 1, 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



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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 Company does not expect the consequential amendments to have any significant impact in its financial statements.

- f. The Company has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated March 24, 2021 in the financial statements' disclosures, wherever applicable.



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4 Property, plant and equipment

	Computer Equipment	Furniture & Fixtures	Office equipments	Vehicles	Plant and equipment	Leasehold improvements	Total
Cost or deemed cost (gross carrying amount)							
At 1 April 2020	56.63	522.37	39.62	43.98	30.17	174.41	867.19
Additions	8.36	-	82.00	-	1.28	50.25	141.89
Disposals	-	(2.47)	-	-	-	-	(2.47)
At 31 March 2021	64.99	519.90	121.63	43.98	31.45	224.66	1,006.61
Accumulated depreciation and impairment							
At 1 April 2020	37.91	34.57	8.22	10.48	4.34	132.98	228.51
Depreciation charge for the year	12.56	47.40	5.95	32.79	3.61	62.91	165.22
Disposals	-	(0.70)	-	-	-	-	(0.70)
At 31 March 2021	50.47	81.27	14.17	43.27	7.95	195.89	393.03
Cost or deemed cost (gross carrying amount)							
At 1 April 2021	64.99	519.90	121.63	43.98	31.45	224.66	1,006.61
Additions	-	44.54	31.06	-	-	-	75.60
Disposals	-	-	-	-	-	-	-
At 30 June 2021	64.99	564.44	152.68	43.98	31.45	224.66	1,082.21
Accumulated depreciation and impairment							
At 1 April 2021	50.47	81.27	14.17	43.27	7.95	195.89	393.03
Depreciation charge for the period	2.37	13.58	3.75	-	1.01	2.39	23.10
Disposals	-	-	-	-	-	-	-
At 30 June 2021	52.83	94.86	17.92	43.27	8.96	198.28	416.13
Net Book Value							
At 30 June 2021#	12.16	469.58	134.76	0.71	22.49	26.37	666.07
At 31 March 2021#	14.52	438.63	107.45	0.71	23.50	28.77	613.58

#Movable assets have been pledged to secure borrowings of the Company (refer note - 19.1)

As at 30 June 2021, gross carrying amount include Rs. 20 lakhs and Rs. 80 lakhs of Plant and machinery and furnitures and fixtures respectively which were lying at the third party vendors i.e. distributors and retailers prior to 31 March 2020.

On transition to Ind AS (i.e. 1 April 2018), the company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

5 Right of Use Assets

	Right of Use Assets
Cost	
At 1 April 2020	1,053.38
Additions	161.40
Disposals/ adjustments*	(56.94)
At 31 March 2021	1,157.84
Accumulated amortisation	
At 1 April 2020	382.80
Depreciation charge for the year	238.59
Disposals/adjustments	(14.23)
At 31 March 2021	607.16
Cost	
At 1 April 2021	1,157.84
Additions	-
Disposals/ adjustments*	(2.46)
At 30 June 2021	1,155.37
Accumulated amortisation	
At 1 April 2021	607.16
Depreciation charge for the period	62.49
Disposals/adjustments	-
At 30 June 2021	669.65
Net Book Value	
At 30 June 2021	485.72
At 31 March 2021	550.68

* Disposals/transfer includes derecognition of ROU asset on cancellation of lease contract.



6A Intangible assets

	Catalogue	Business application development cost	Computer Softwares	Total
Cost or deemed cost (gross carrying amount)				
At 1 April 2020	971.75	124.68	24.50	1,120.94
Additions	-	-	123.21	123.21
Disposals	-	-	-	-
At 31 March 2021	971.75	124.68	147.71	1,244.15
Accumulated depreciation and impairment				
At 1 April 2020	604.97	65.74	8.95	679.66
Amortisation charge for the year	366.78	22.65	49.48	438.91
Disposals	-	-	-	-
At 31 March 2021	971.75	88.40	58.43	1,118.58
Cost or deemed cost (gross carrying amount)				
At 1 April 2021	971.75	124.68	147.71	1,244.15
Additions	-	-	12.97	12.97
Disposals	-	-	-	-
At 30 June 2021	971.75	124.68	160.69	1,257.12
Accumulated depreciation and impairment				
At 1 April 2021	971.75	88.40	58.43	1,118.58
Amortisation charge for the period	-	12.37	13.76	26.13
Disposals	-	-	-	-
At 30 June 2021	971.75	100.76	72.20	1,144.71
Net Book Value				
At 30 June 2021	-	23.92	88.49	112.42
At 31 March 2021	-	36.29	89.28	125.57

6B Intangible assets under development

At 1 April 2020	-
Addition	104.68
Capitalisation	104.68
At 31 March 2021	-

Intangible assets under development ageing schedule:

Periods in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 30 June 2021	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-

Intangible assets under development include cost for implementation of accounting software microsoft dynamics D365

On transition to Ind AS (i.e. 1 April 2018), the Company 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 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.



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7 Investments

Particulars	As at 30 June 2021		As at 31 March 2021	
	Units	Amount	Units	Amount
NON-CURRENT INVESTMENTS				
Measured at cost				
Investment in equity instrument				
Investments in subsidiaries (Unquoted, fully paid up)				
FSN Brands Marketing Private Limited of Rs 10/- each	102,000,000	10,200.00	2,000,000	200.00
Nykaa E-Retail Private Limited of Rs 10/- each	9,510,000	951.00	9,510,000	951.00
FSN International Private Limited of Rs 10/- each	5,100,000	510.00	100,000	10.00
Nykaa Fashion Private Limited of Rs. 10/- each	25,010,000	2,501.00	10,000	1.00
Nykaa-KK Beauty Private Limited of Rs. 10/- each	510,000	51.00	510,000	51.00
Total investments measured at cost		14,213.00		1,213.00
Equity Component -Loans				
FSN Brands Marketing Private Limited		1,776.04		1,776.04
Nykaa E-Retail Private Limited		160.89		160.89
Nykaa Fashion Private Limited		344.96		344.96
Nykaa KK Beauty Private Limited		65.72		65.72
FSN International		17.66		2.90
Equity Component - Financial Guarantees				
FSN Brands Marketing Private Limited		330.00		226.00
Nykaa E-Retail Private Limited		1,631.67		1,631.67
Nykaa Fashion Private Limited		14.00		14.00
Nykaa KK Beauty Private Limited		34.00		34.00
Equity Component - ESOP				
FSN Brands Marketing Private Limited		99.13		88.05
Nykaa E-Retail Private Limited		1,211.88		1,141.46
Nykaa Fashion Private Limited		230.21		123.82
Nykaa KK Beauty Private Limited		-		3.61
Total investment - equity component		5,916.16		5,613.13
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 Re. 1/- each		2.71		131.91
Total investments measured at FVTOCI		2.71		131.91
Total non-current investments		20,131.88		6,958.05

7.1 Investments at fair value through OCI (fully paid) reflect investment in unquoted securities. These securities are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding.

7.2 CATEGORY-WISE INVESTMENT

Measured at Cost	20,129.16	6,826.13
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2.71	131.91
Total Investments	20,131.88	6,958.05
Aggregate amount of Unquoted Investments	20,131.88	6,958.05
Aggregate amount of impairment in value of investments	129.20	248.41

During the period/ year the Company has recognised the impact of decline in the fair value of investment of Rs. 129.20 lakhs (31 March 2021 : Rs. 248.41 lakhs) through other comprehensive income.



8 a) Loans (non-current)

(Unsecured and considered good)

(Measured at amortised cost, except otherwise stated)

Loan to related parties (Refer note 36)

Loan to FSN Brands Marketing Private Limited

Loan to Nykaa Fashion Private Limited

Loan to Nykaa KK Beauty Private Limited

Loan to FSN International Private Limited

Total

As at 30 June 2021	As at 31 March 2021
22,961.84	17,619.31
5,001.70	3,237.91
3.70	3.64
180.38	25.50
28,147.62	20,886.36

8.1 The above loans have been given for business purpose.

9 Other financial assets (non-current)

(Measured at amortised cost, except otherwise stated)

Security Deposits (unsecured and considered good)

(Security Deposits given for the period ranging from 2 to 6 years)

Sublease net investments

(For details of Net Sublease investment with related party refer note 36 related party disclosures)

As at 30 June 2021	As at 31 March 2021
118.81	116.64
1,329.38	1,288.50
1,448.20	1,405.13

10 Income Taxes

The major components of income tax expense For the three months ended 30 June 2021 and year ended 31 March 2021 are:

A Statement of profit and loss:

i. Profit or loss section:

Current income tax:

Current income tax charge

Deferred tax:

Relating to origination and reversal of temporary differences

Income tax expense/(income) reported in the statement of profit or loss

For the three months ended 30 June 2021	For the year ended 31 March 2021
-	-
539.63	863.65
539.63	863.65

ii. OCI section - Deferred tax related to items recognised in OCI during the period/ year:

Tax Expenses/(Income) on remeasurements of defined benefit plans & fair valuation of investment

Deferred tax expense charged / (credited) to OCI

28.96	68.52
28.96	68.52

B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 June 2021 and 31 March 2021:

	For the three months ended 30 June 2021	For the year ended 31 March 2021
Profit before tax	2,523.68	4,482.76
Applicable tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	635.21	1,128.31
Tax effect of:		
Interest income on loan to subsidiary	-	(136.33)
Commission on financial guarantee	-	(160.92)
Disallowance of provisions made allowed on actual basis	37.76	-
Expenses deductible on cash basis	14.52	-
Deferred tax assets reversal on excess recognised business loss	(589.05)	-
Deferred tax provision	487.98	-
Tax expenses relating to earlier years	51.22	-
Others (including permanent differences and brought forward losses)	(97.85)	-
Income tax expenses as per statement of profit and loss	539.79	831.06
Current tax expense / (income)	-	-
Deferred tax expense / (income)	539.63	863.65
Tax expense recognized in the statement of profit and loss	539.63	863.65
Effective tax rate	21.38%	19.27%

C Gross movement in the current income tax assets/(liabilities) for the three months ended 30 June 2021 and year ended 31 March 2021:

Particulars	As at 30 June 2021	As at 31 March 2021
Net income tax asset at the beginning	653.21	352.30
Income tax paid	208.70	300.91
Current income tax expense	-	-
Net income tax asset at the end	861.91	653.21



D Deferred tax:

i. Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 30 June 2021	As at 31 March 2021
Impact of expenditure charged to the statement of profit and loss in the current period/ year but allowed for tax purposes on payment basis	76.74	195.33
Impact of brought forward losses	938.57	1,583.75
Provision of doubtful debts	16.15	-
Impact of difference in carrying value of assets/liabilities as per book base and tax base (ROU)	170.15	-
Lease related assets and liabilities (net)	8.21	-
Fair value in the value of investments	71.05	-
Impact of difference between tax depreciation / amortisation and depreciation / amortisation as per books	190.59	173.68
Deferred tax assets	1,471.46	1,952.77

ii. Reconciliation of deferred tax assets (net):

	For the three months ended 30 June 2021	For the year ended 31 March 2021
Opening balance	1,982.30	2,777.43
Tax expense (utilisation) during the period recognised in profit or loss	(539.63)	(863.65)
Tax income during the period recognised in OCI	28.96	68.52
Closing balance	1,471.63	1,982.30

11 Inventories

	As at 30 June 2021	As at 31 March 2021
(Valued at lower of cost and net realisable value)		
Stock in trade	663.45	734.66
Finished goods	1,719.31	1,431.91
Raw Materials	85.06	262.19
Packing material	1,046.43	893.06
Total	3,514.25	3,321.83

During the three months ended 30 June 2021, INR 481.14 (year ended 31 March 2021: INR 382.00 lakhs) is recognised as provision taking into account various factors, including obsolescence of material, unserviceable items and ageing of material

12 Trade receivables (unsecured)

	As at 30 June 2021	As at 31 March 2021
(Measured at amortised cost, except otherwise stated)		
Trade receivables - Considered Good	3,857.49	6,372.25
Trade receivables - Considered Doubtful	64.18	64.18
Less: Allowances for expected credit loss (refer note 40B)	(64.18)	(64.18)
	3,857.49	6,372.25

(For details of trade receivable with related party refer note 36 related party disclosures)

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days

13 Cash and cash equivalents

	As at 30 June 2021	As at 31 March 2021
Cash on hand	1.58	1.54
Balances with banks		
- in current accounts	6,985.93	671.88
Deposits with original maturity of less than three months		
- With Banks	5,396.00	1,454.91
- With Financial Institutions	704.38	1,000.00
	13,087.90	3,128.33

Cash at banks earns interest at floating rates based on daily bank deposit rates on deposits. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.



14 Bank balance other than cash and cash equivalents

(Measured at amortised cost, except otherwise stated)

Deposits with original maturity for more than 3 months but less than 12 months

- With Banks
- With Financial Institution.

As at 30 June 2021	As at 31 March 2021
9,065.56	14,399.95
1,002.89	1,702.00
10,068.45	16,101.95

15A Other financial assets (current)

(Measured at amortised cost, except otherwise stated)

Security Deposits (unsecured and considered good)

Sublease net investments

Unbilled receivable

Interest accrued on deposit but not due

As at 30 June 2021	As at 31 March 2021
8.77	8.54
167.32	269.92
-	263.63
541.91	486.39
718.00	1,028.48

15A.1 Movement in Interest accrued on deposit but not due

Particulars

Opening balance

Interest accrued during the period/ year

Receipt of interest during the period/ year

Closing balance

As at 30 June 2021	As at 31 March 2021
486.38	21.58
779.65	2,685.44
(724.12)	(2,220.64)
541.91	486.38

15B Other current assets

(Unsecured, considered good)

Advance to suppliers

Advance against expenses

Prepaid expenses

Balance with statutory / government authorities

As at 30 June 2021	As at 31 March 2021
776.81	659.73
345.19	736.03
153.12	140.68
223.65	-
1,498.77	1,536.44



12A Trade Receivables ageing schedule

Trade receivables as at June 30, 2021

Particulars	Outstanding for following periods from due date of payment*					Total
	Not Due	< 6 months	6month - 1 year	1-2 years	2-3 years	
(i)Undisputed Trade Receivables – considered good	3,344.80	512.69	-	-	-	3,857.49
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	35.21	9.74	6.65	12.57	64.18
(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	3,344.80	547.90	9.74	6.65	12.57	3,921.67

Trade receivable as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment*					Total
	Not Due	< 6 months	6month - 1 year	1-2 years	2-3 years	
(i)Undisputed Trade Receivables – considered good	3,233.32	3,138.92	-	-	-	6,372.25
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	10.29	31.68	10.35	11.85	64.19
(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	3,233.32	3,149.21	31.69	10.35	11.85	6,436.43

* There are no outstanding balances for more than 3 years.



FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)

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(All amounts in Rs. lakhs, unless otherwise stated)

16 Share Capital

i) Authorised Share Capital

At 1 April 2020

Increase during the year

At 31 March 2021

At 1 April 2021

Increase during the period

At 30 June 2021

No. of shares	Amount
20,000,000	2,000.00
-	-
20,000,000	2,000.00
20,000,000	2,000.00
305,000,000	30,500.00
325,000,000	32,500.00

ii) Authorised Equity Share Capital (Equity shares of Rs. 10 each)

At 1 April 2020

Increase during the year

At 31 March 2021

At 1 April 2021

Increase during the period

At 30 June 2021

No. of shares	Amount
19,500,000	1,950.00
-	-
19,500,000	1,950.00
19,500,000	1,950.00
255,500,000	25,550.00
275,000,000	27,500.00

iii) Authorised Preference Share Capital (Preference shares of Rs. 10 each)

At 1 April 2020

Increase during the year

At 31 March 2021

At 1 April 2021

Increase during the period

At 30 June 2021

No. of shares	Amount
500,000	50.00
-	-
500,000	50.00
500,000	50.00
49,500,000	4,950.00
50,000,000	5,000.00

Note

i) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval.



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ii) Issued share capital

a) Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

At 1 April 2020

Changes during the year

At 31 March 2021

Equity shares	
No. of shares	Amount
14,549,077	1,454.91
508,160	50.82
15,057,237	1,505.72
15,057,237	1,505.72
418,473	41.85
15,475,710	1,547.57

At 1 April 2021

Changes during the period

At 30 June 2021

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 Rs. 1 each, issue of two bonus shares for every one existing fully paid up equity share of face value of Rs. 1 each and issue of 56,185 equity shares on exercise of employee stock options under ESOP Scheme.

iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 30 June 2021		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Falguni Nayar**	3,464,859	22.39%	3,313,331	22.00%
Sanjay Nayar**	4,003,964	25.87%	4,003,964	26.59%
Indra Singh Banga/Harindarpal Singh Banga	1,355,993	8.76%	1,355,993	9.01%

** includes shares held through Family Trusts, which were held individually in preceding financial year.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

iv) Shares reserved for issue under option

The Company has reserved issuance of 11,00,000 (31 March 2021 : 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 quarter the Company has granted 14900 options (31 March 2021 : 84700 options) at a price of Rs. 10766.75 (31 March 2021 : 6059.56/-) per option; Cumulative number of equity shares granted under Employee Stock Option Scheme (ESOS) is 8,82,475 (31 March 2021 : 8,67,575) equity shares as at 30 June 2021

v) Neither bonus shares issued nor shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.



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16A Details of Promoters shareholding

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 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%



17 Other equity

	As at 30 June 2021	As at 31 March 2021
a. Instruments classified as Equity:		
0.001% Non-Cumulative, Optionally Convertible Redeemable Preference Shares		
Opening balance*	32.74	20.63
Add : Call money @ Rs. 2.50 per share on 4,00,500 shares	10.01	-
Add : Issue of preference share capital during the period @ Rs. 10.00 per share	1.40	12.11
Less : Conversion of preference share capital during the period	(41.45)	-
Closing balance*	<u>2.70</u>	<u>32.74</u>

* 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) 0.001% p.a. non-cumulative OCRPS of Rs 10 (face value) aggregating to Rs 2.70 lakhs (Rs. 7.50 each (partly paid up) as at - 31 March 2021 : Rs. 32.74 lakhs) 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.

	As at 30 June 2021	As at 31 March 2021
b Securities premium	Amount	Amount
Opening balance		
Add : Additions during the period/ year	56,665.73	45,722.53
Add: Transferred from share options outstanding account on exercise of vested options	20,534.23	11,074.43
Less: Share issue expenses	17.07	-
Closing balance	<u>(274.75)</u>	<u>(131.23)</u>
	<u>76,942.28</u>	<u>56,665.73</u>
c Retained earnings		
Opening balance	(2,838.16)	(6,470.33)
Add: Profit / (loss) during the period/ year	1,983.17	3,619.11
Less:-Options lapsed/ forfeited during the period/ year	-	13.06
Closing balance	<u>(854.99)</u>	<u>(2,838.16)</u>
d Share application money pending allotment		
Opening balance	-	2.35
Add : Additions during the period/ year	62.11	-
Less: Shares allotted during the period/ year	-	(2.35)
Closing balance	<u>62.11</u>	<u>-</u>
e Employee Share Options Scheme Reserve		
Opening balance	893.69	1,098.33
Add : Additions during the period/ year	217.45	526.03
Less: Options exercised during the period/ year	(17.07)	(717.61)
Less: Options lapsed/ forfeited during the period/ year	-	(13.06)
Closing balance	<u>1,094.07</u>	<u>893.69</u>
f Other Comprehensive Income		
Opening balance	(144.70)	59.00
Add : Additions during the period/ year	(86.11)	(203.70)
Closing balance	<u>(230.81)</u>	<u>(144.70)</u>

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 the provisions of section 52 of the Companies Act 2013.

Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company 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 in previous year for Employee Stock Option Scheme for which shares are allotted during the current financial year.

Employee Share Options Scheme Reserve

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 Employee Share Options Scheme Reserve

Other Comprehensive Income Note

Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and re-measurement of net defined benefit liability.



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18 Borrowings (non-current)

(Secured - carried at amortized cost)
Term Loan - Vehicle

As at 30 June 2021	As at 31 March 2021
-	-
-	-

19 Borrowings (current)

(Secured - carried at amortized cost)
Working capital loan from Banks (refer 19.1 to 19.5 below)

As at 30 June 2021	As at 31 March 2021
3,051.50	2,435.38
3,051.50	2,435.38

Note

- 19.1 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.
- 19.2 Loan is payable on demand. Interest payable on working capital loan is MCLR adjusted with the risk spread mutually agreed between the parties.
- 19.3 Maximum amount of loan outstanding during the period was INR 3,891.50 lakhs (31 March 2021 - INR 6,793.71 lakhs)
- 19.4 Bank loan contain certain financial covenants & the Company has satisfied all covenants as per the terms of bank loan
- 19.5 At 30 June 2021, the Company had available Rs. 500.00 lakhs (31 March 2021: INR 2,564.62 lakhs) of undrawn sanctioned borrowing facilities.
- 19.6 The Company has not used the borrowings from banks and financial institutions for the specific purpose other than for which it was taken.

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
Jun/21	Kotak Bank, HDFC Bank, CITI Bank, Axis Bank	Inventory	3,514.25	3,738.25	(224.00)	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	4,634.49	4,166.00	468.49	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.
Mar/21	Kotak Bank, HDFC Bank, RBL Bank	Trade Receivables and Advance to supplier	7,032.00	6,481.74	2,202.00	Amount as per books includes total debtor balance as per trial balance including debtors greater than 90 days.

20 Lease liabilities

Payable for lease liabilities*

As at 30 June 2021	As at 31 March 2021
1,492.13	1,625.10
1,492.13	1,625.10

*The effective interest rate for lease liabilities is 9.45% as on 30 June 2021 (31 March 2021- 9.45%)

21 Provisions (non-current)

Provisions for Employee Benefits
Provision for Gratuity - refer note 35

As at 30 June 2021	As at 31 March 2021
92.75	93.99
92.75	93.99



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22 Trade payables

(Unsecured, carried at amortized cost)

Total outstanding dues of micro and small enterprises
Total outstanding dues of trade payables other than micro and small enterprises

As at 30 June 2021	As at 31 March 2021
194.64	156.89
1,164.44	982.28
1,359.08	1,139.17

22.1 (For details of trade payable with related parties refer note 36 on related party disclosures)

22.2 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 Company 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 31 March 2021
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	3.42	0.91
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	0.12	0.91
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	-	-
	0.12	0.91

23 Other financial liabilities (Current)

A. Financial Liabilities at amortised cost (Unsecured)

Employee related liabilities
Accrued expenses
Creditors for capital goods
Interest accrued but not due

Total other financial liabilities at amortised cost

As at 30 June 2021	As at 31 March 2021
87.39	15.22
256.24	1,461.00
26.00	20.20
13.09	7.73
382.72	1,504.15

(For details of Advance from customers and Employee related liabilities with related parties refer note 36 on related party disclosures)

B. Financial guarantee contracts (Refer Note 37)

171.42 265.25

Total

554.14 1,769.40

23A.1 Movement in Interest accrued but not due and Finance charge:

Opening balance
Interest and Finance charge accrued during the period/ year
Payment of interest and finance charge during the period/ year
Closing balance

As at 30 June 2021	As at 31 March 2021
7.73	-
85.68	289.43
(80.31)	(281.70)
13.09	7.73

24 Provisions (current)

Provisions for Employee Benefits

Provision for Gratuity - refer note 35
Provision for Compensated absences

Total

As at 30 June 2021	As at 31 March 2021
	Amount
11.06	62.01
158.41	110.04
169.47	172.05

25A Contract liabilities

Advance from customers
Total

As at 30 June 2021	As at 31 March 2021
8.54	4.22
8.54	4.22

25B Other current liabilities

Statutory dues payable
Total

As at 30 June 2021	As at 31 March 2021
273.76	797.36
273.76	797.36



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Trade Payable ageing schedule

22A Trade payable as at 30 June 2021

Particulars	June 30, 2021					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, small and medium enterprises ('MSME')	185.47	8.60	0.57	0.00	0.00	194.64
(ii) Others	965.87	185.33	11.08	2.01	0.14	1,164.44
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	1,151.34	193.94	11.65	2.01	0.14	1,359.07

Trade payable as at 31 March 2021

Particulars	March 31, 2021					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, small and medium enterprises ('MSME')	76.23	80.10	0.57	-	-	156.89
(ii) Others	705.86	243.79	32.37	0.12	0.14	982.28
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	782.09	323.89	32.94	0.12	0.14	1,139.18



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FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
Notes to the Standalone financial statements for the three months ended 30 June 2021
(All amounts in Rs. lakhs, unless otherwise stated)

25 Revenue from Contracts with Customers

	For the three months ended 30 June 2021	For the three months ended 30 June 2020
Sale of products		
	4,348.83	2,330.98
	4,348.83	2,330.98
Within India	4,348.83	2,330.98
Outside India	-	-
	4,348.83	2,330.98

A Disaggregation of revenue from contracts with customers

The Company derives its major revenue from sale of products on its own platform, which is a single line of business.

B Contract Balances

Particulars	As at 30 June 2021	As at 30 June 2020
Trade Receivables (refer note 12)	3,857.49	2,855.07
Contract Liabilities (refer note 25A)	8.54	537.27
Contract Price	4,357.37	2,868.25
Revenue recognized in the period from:		
Revenue recognized in the current period from contract liability:		
Advance from Customers	-	-
Revenue deferred in the current period towards unsatisfied performance obligation:		
Advance from Customers	8.54	537.27
Revenue from operations for the three months ended	4,348.83	2,330.98

Refer accounting policy 2(h) for satisfaction of performance obligation and when the revenue is recognised



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26 Other income

Interest Income on:

Loan given to subsidiaries
Net investment (sublease)
Security Deposit
Bank deposit
Miscellaneous income
Foreign exchange gain /(loss)
Brand Usage Fees
Commission on Financial guarantees
Net Sundry balance written back

For the three months ended 30 June 2021	For the three months ended 30 June 2020
545.11	395.82
36.62	7.62
2.40	2.49
234.53	160.86
-	1.47
4.87	(0.80)
870.81	330.21
197.83	156.00
-	-
1,892.17	1,053.68

27A Cost of material consumed

Opening Stock
Add : Purchase
Closing Stock
Cost of material consumed

For the three months ended 30 June 2021	For the three months ended 30 June 2020
1,155.25	884.72
1,608.40	31.50
1,131.49	700.81
1,632.16	215.40

27B Purchase of traded goods

Purchases of traded goods

For the three months ended 30 June 2021	For the three months ended 30 June 2020
119.99	473.14
119.99	473.14

28 Changes in inventories of finished goods and Stock-in-Trade

Finished goods
Opening balance
Closing balance

Stock in trade
Opening balance
Closing balance

For the three months ended 30 June 2021	For the three months ended 30 June 2020
1,431.91	32.75
1,719.31	47.57
(287.40)	(14.82)
734.66	3,716.71
663.45	3,113.97
71.21	602.74
(216.18)	587.92

29 Employee benefits expense

Salaries, wages and bonus
Contribution to provident fund (refer note 35)
Gratuity expenses (refer note 35)
Compensated absences expenses
Share based expenses (refer note 42)
Staff welfare expenses

For the three months ended 30 June 2021	For the three months ended 30 June 2020
503.69	286.75
19.46	11.48
(24.73)	10.19
57.01	56.81
16.11	(15.85)
2.43	1.92
573.97	351.30



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30 Finance costs

	For the three months ended 30 June 2021	For the three months ended 30 June 2020
Interest expenses on borrowings	79.11	75.50
Interest expenses on lease liabilities (refer note 34)	50.95	26.17
Other finance charge	6.56	9.31
	136.63	110.99

31 Depreciation and amortization expense

	For the three months ended 30 June 2021	For the three months ended 30 June 2020
Depreciation of property, plant and equipment (refer note 4)	23.08	26.87
Amortization of Right-of-use assets (refer note 5)	62.49	64.79
Amortization of Intangible assets (refer note 6A)	26.11	82.43
	111.68	174.10

32 Other expenses

	For the three months ended 30 June 2021	For the three months ended 30 June 2020
Marketing & advertisement expense	874.12	519.57
Beauty advisor fees	93.03	136.80
Legal and professional fees	117.08	16.19
Web & technology expenses	34.22	33.54
Freight expenses	44.56	-
Other administrative expense	4.99	41.25
Recruitment expenses	3.64	77.00
Travelling and conveyance expenses	1.74	0.99
Communication expenses	17.84	12.51
Rates and taxes	26.81	55.80
Insurance expenses	57.53	24.63
Rent and maintenance expenses (refer note 34)	4.30	7.00
Director sitting fees and commission (refer note 36)	43.10	0.80
Repairs and maintenance - others	-	1.04
Security expenses	9.71	9.38
Electricity charges	0.28	2.58
Bank charges	1.12	1.76
<u>Payment to auditors :*</u>		
- Audit fees	-	8.38
Expenditure towards corporate social responsibility (CSR) activities (refer note 44)	25.00	6.92
	1,359.07	956.11

*Audit fees for the three months ended 30 June 21 and 30 June 2020 of Rs.35 lakhs and Rs 25 lakhs respectively has not been recognised as it pertains to IPO expenses which will be recovered from the selling shareholders/ adjusted from securities premium



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33 Earnings per share (EPS)

Basic and diluted EPS

Profit/ (Loss) after tax as per statement of profit and loss (A)

1,984.05

406.99

Calculation of weighted average number of equity shares of Rs 10 each:

Total number of shares outstanding during the period

15,475,710

14,699,689

Weighted average number of shares

15,063,440

14,645,048

Weighted average number of equity shares after split of shares into Re. 1 each (Refer note 43)

150,634,396

146,450,481

Bonus shares issued subsequent to 30 June 2021 (Refer note 43)

301,268,792

292,900,962

Weighted average number of equity shares outstanding (post share split and bonus issue) (B)

451,903,188

439,351,442

Add: Dilution impact of employee stock options and Optionally Convertible Redeemable Preference Shares

16,612,673

18,695,172

Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share (C)

468,515,862

458,046,614

Basic earning per share (D = A/B)

0.44

0.09

Diluted earning per share (E = A/C)

0.42

0.09



34 Leases

The Company as lessee

The Company has lease contracts for premises obtained for offices, warehouse etc. Leases of premises generally have lease terms between 3 to 5 years

The Company'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)

Set out below are the carrying value of lease liabilities and the movement during the period:

	As at 30 June 2021	As at 30 June 2020	As at 31 March 2021
Opening balance as on 1 April	2,137.57	1,012.17	1,012.17
Add Addition	-	-	1,653.61
Add Accretion of interest	50.95	24.43	122.66
Less Deletion due to closure	-	40.95	40.06
Less Rent waiver	-	-	13.48
Less Payments	173.49	147.02	597.34
Closing balance as on 30 June/ 31 March	2,015.03	848.63	2,137.57
Current	522.90	499.60	512.47
Non-current	1,492.13	349.03	1,625.10
	2,015.03	848.63	2,137.57

The maturity analysis of lease liability is disclosed in note 43

The effective interest rate for lease liabilities is 9.45% as on 30 June 2021 (30 June 2020- 9.45%, 31 March 2021- 9.45%)

The following amount are recognised in 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
Amortization expenses of right of use assets	62.49	64.79	238.59
Interest expenses on lease liabilities	50.95	24.43	122.66
	113.44	89.22	361.25

The Company had total cash outflow for leases of INR 173.49 lakhs (30 June 2020: INR 142.02 lakhs, 30 March 21 : INR 597.34 lakhs)

The Company earned rental income from sublease of INR 100.79 lakhs (30 June 2020: Rs. 74.75 lakhs March 20 : INR 79.92 lakhs)



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35 Defined Benefit Plan and Other Long Term Employee Benefit Plan:

I) Defined Contribution Plan

During the period/ year, the Company has made contribution/provision to provident fund stated under defined contribution plan amounting to INR 19.46 lakhs (30 June 2020: INR 11.48 lakhs, 31 March 2021: INR 48.65 lakhs) and the same has been recognized as an expense in the statement of profit and loss.

II) Defined Benefit Plans

The Company operates a defined benefit gratuity plan for its employees. 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 Company 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 Company's financial statements as at 30 June 2021, 30 June 2020 and 31 March 2021:

i. Amount to be recognised in balance sheet

Particulars	At 30 June 2021	At 30 June 2020	At 31 March 2021
Present value of defined benefit obligation	103.79	103.22	155.99
Less: Fair value of plan assets	-	-	-
Funded status – deficit / (surplus)	103.79	103.22	155.99
Net liability recognised in balance sheet	103.79	103.22	155.99

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
Opening defined benefit obligation	155.99	93.60	93.60
Current service cost	10.26	8.67	48.38
Past service cost	(36.95)	-	-
Interest cost	1.95	1.52	6.08
Actuarial losses in obligation for period/ year ended due to changes in demographic/financial assumptions	1.58	1.04	5.40
Actuarial (gains)/losses in obligation for period/ year ended due to changes in experience adjustments	(15.71)	(1.61)	18.41
Benefit paid	(13.33)	-	(15.88)
Closing defined benefit obligations	103.79	103.22	155.99

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
Opening net defined benefit liability/ (asset)	155.99	93.60	93.60
Defined benefit cost included in P&L	(24.73)	10.19	54.46
Total re-measurements included in OCI	(14.13)	(0.57)	23.81
Employer contributions	-	-	-
Employer direct benefit payments	(13.33)	-	(15.88)
Closing net defined benefit liability/ (asset)	103.80	103.22	155.99

B. Amount for the period/ year ended 30 June 2021, 30 June 2020 and 31 March 2021 recognised in the 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
Current service cost	10.26	8.67	48.38
Past service cost	(36.95)	-	-
Net interest expenses	1.95	1.52	6.08
The total amount recognised in profit and loss account	(24.73)	10.19	54.46
Actuarial losses in obligation for period/ year ended due to changes in demographic/financial assumptions	1.58	1.04	5.40
Actuarial (gains)/losses in obligation for period/ year ended due to changes in experience adjustments	(15.71)	(1.61)	18.41
The total amount recognised in other comprehensive income (OCI)	(14.13)	(0.57)	23.81

C. The principal assumptions used in determining gratuity obligations for the Company'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
Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Discount rate:	6.00%	6.25%	6.25%
Future salary increases*	6.50%	6.50%	6.50%
Withdrawal rates	15.00%	15.00%	15.00%
IALM - Indian Assured Lives Mortality (Ultimate)	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.



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D The following payments are expected contributions to the defined benefit plan in future years:

Within the next 12 months (next annual reporting period)
Between 2 and 5 years
Between 5 and 10 years
Beyond 10 years
Total expected payments

At 30 June 2021	At 30 June 2020	At 31 March 2021
11.06	27.10	45.35
38.56	-	14.82
58.47	188.96	183.74
50.94	3,788.42	4,032.42
159.02	4,004.48	4,276.32

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.18 years (30 June 2020: 5 years, 31 March 2021: 6 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	At 30 June 2021	At 30 June 2020	At 31 March 2021
Discount rate (-/+ 1%)			
Decrease by 100 basis points	110.57	108.13	161.21
Increase by 100 basis points	97.72	98.81	149.64
Future salary increase (-/+ 1%)			
Decrease by 100 basis points	98.95	98.78	149.07
Increase by 100 basis points	109.13	108.07	160.53

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period and assuming there are no other changes in the market conditions. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

(A) **Investment risk** – As the Company 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.



36 Related party transactions

A. Names of the related parties

Name of entity	Nature of relationship	% of Holding as on 30 June 2021	% of Holding as on 30 June 2020	% of Holding as on 31 March 2021
FSN Brands Marketing Private Limited	Subsidiary	100%	100%	100%
Nvkaa E-Retail Private Limited	Subsidiary	100%	100%	100%
Nvkaa-KK Beauty Private Limited	Subsidiary	51%	51%	51%
Nvkaa Fashion Private Limited	Subsidiary	100%	100%	100%
FSN Distribution Private Limited	Subsidiary (w.e.f. July 30, 2021)	100%	0%	0%
FSN International Private Limited	Subsidiary	100%	100%	100%
Nykaa International UK Limited	Subsidiary of FSN International Private limited (W.e.f. January 29, 2021)	100%	-	100%
FSN Global FZE	Subsidiary of FSN International Private limited (W.e.f. June 21, 2020)	100%	100%	100%

Directors and Key Management Personnel (KMP)

Mrs. Falguni Navar	Executive Chairperson, CEO and Managing Director
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 Shah	Director
Mr. Milan Khokhar	Director
Ms. Shefali Munjal	Director (Upto 15 July 2021)
Ms. Padmini Somani	Director (Upto 15 July 2021)
Mr. Yogeshkumar Mahansaria	Director (Upto 15 July 2021)
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)

Relative of Key Management Personnel (KMP)

Mrs. Rashmi Mehta - Relative of Director

Company in which key management personnel have significant influence

Sealink View Probuild Private Limited

B. Transactions with Related party

Particulars	Nature of transactions	Transactions during the quarter ended 30 June 2021	Outstanding balances as on 30 June 2021	Transactions during the quarter ended 30 June 2020	Outstanding balances as on 30 June 2020	Outstanding balances as on 31 March 2021
Directors and Key Management Personnel (KMP)*						
Mrs. Falguni Navar	(i) Remuneration	124.22	(6.30)	57.93	-	-
Mrs. Falguni Navar (through family trust)	(ii) Issuance of OCRPS	0.80	-	-	-	-
	(iii) Call money @ 2.5 of OCRPS	3.59	-	-	-	-
	(iv) Security premium of OCRPS	7,344.13	-	-	-	-
Mr. Sachin Parikh	(i) Remuneration & reimbursements	-	-	9.00	-	-
	(ii) Share Application money received pursuant to ESOP	-	-	-	-	-
	(iii) Issuance of OCRPS	-	-	-	-	-
	(iv) Share based payments	-	-	-	-	-
Mr. Arvind Agarwal	(i) Remuneration & reimbursements	39.63	-	12.48	-	-
	(ii) Call money @ 2.5 of OCRPS	0.24	-	-	-	-
	(iii) Security premium of OCRPS	574.47	-	-	-	-
Mr. Pratik Bhujade	(i) Remuneration & reimbursements	-	-	2.46	-	-
Mr. Rajendra Punde	(i) Remuneration & reimbursements	28.12	-	-	-	-
Ms. Anita Ramachandran	(i) Sitting Fees	11.00	-	0.40	-	-
	(ii) Commission	4.03	-	-	-	-
Ms. Alpana Parida Shah	(i) Sitting Fees	9.00	-	0.40	-	-
	(ii) Commission	4.03	-	-	-	-
Mr. Yogeshkumar Mahansaria	(i) Sitting Fees	11.00	-	-	-	-
	(ii) Commission	4.03	-	-	-	-
- Relative of Key Management Personnel (KMP)						
Mrs. Rashmi Mehta	(i) Rent & maintenance expenses	6.88	(0.30)	7.00	0.30	(0.51)
	(ii) Security deposit - given	-	4.20	-	3.78	4.09
	(iii) Notional interest income on security deposit	(0.11)	-	(0.09)	-	-
	(iv) Lease liabilities	-	(33.62)	-	(56.16)	(39.56)
	(v) Interest cost on lease liabilities	0.99	-	1.56	-	-
Mr. Anchit Nayar (through family trust)	(i) Issuance of OCRPS	0.30	-	-	-	-
	(ii) Call money @ 2.5 of OCRPS	1.60	-	-	-	-
	(iii) Security premium of OCRPS	3,643.58	-	-	-	-
Ms. Adwaita Nayar (through family trust)	(i) Issuance of OCRPS	0.30	-	-	-	-
	(ii) Call money @ 2.5 of OCRPS	1.60	-	-	-	-
	(iii) Security premium of OCRPS	3,643.58	-	-	-	-
FSN Brands Marketing Private Limited	(i) Loan given/ (repaid) (net)	5,342.53	22,961.84	3,593.80	14,201.82	17,619.31
	(ii) Interest Income	(277.75)	-	(187.14)	-	-
	(iii) Sales	(501.29)	176.46	(82.91)	1,958.91	3,064.29
	(iv) Sublease Income	(45.84)	-	-	-	-
	(v) Discount Expense	73.05	-	45.08	-	-
	(vi) Space on hire Commercialisation	164.89	-	126.57	-	-
	(vii) Notional interest income- Financial guarantee	(50.17)	-	(18.50)	-	-
	(viii) Notional interest income- Loan	(200.55)	-	(76.50)	-	-
	(ix) Notional interest income- Sublease	(17.26)	-	-	-	-
	(x) Recovery (Reimbursement) of Expenses	(46.20)	-	(20.51)	-	-
	(xi) Brands usage fees	(27.05)	-	(13.42)	-	-
	(xii) Share based expense reimbursement	(11.07)	-	(3.82)	-	-
	(xiii) Investment in subsidiary	115.07	2,205.17	424.49	1,637.83	2,090.10
	(xiv) Net Investment- Sublease	-	710.99	-	-	737.55
	(xv) Investment in equity shares	10,000.00	-	-	-	-



Particulars	Nature of transactions	Transactions during the quarter ended 30 June 2021	Outstanding balances as on 30 June 2021	Transactions during the quarter ended 30 June 2020	Outstanding balances as on 30 June 2020	Outstanding balances as on 31 March 2021
Nykaa E Retail Private Limited	(i) Loan given/ (repaid) (net)	-	-	6,051.41	6,807.11	-
	(ii) Interest income	-	-	(58.63)	-	-
	(iii) Sales	(4,304.61)	2,729.28	(2,702.83)	(532.92)	1,610.47
	(iv) Discount expenses	537.52	-	553.48	-	-
	(v) Banner advertisement expenses	433.58	-	324.12	-	-
	(vi) Recovery (Reimbursement) of Expenses	(1,574.50)	-	(331.67)	-	-
	(vii) Sublease income	-	-	(63.89)	-	-
	(viii) Rent expenses	1.53	-	1.53	-	-
	(ix) Property, plant and equipment purchase	-	-	-	-	-
	(x) Notional interest expense- Lease	-	-	0.07	-	-
	(xi) Notional interest income- sublease	-	-	(3.32)	-	-
	(xii) Notional interest income- Financial guarantee	(139.92)	-	(133.25)	-	-
	(xiii) Notional interest income- Loan	-	-	(6.09)	-	-
	(xiv) Share based expense reimbursement	(70.42)	-	(67.52)	-	-
	(xv) Investment in subsidiary	70.41	3,004.44	-	2,206.51	2,934.03
	(xvi) Brand usage fees	(711.77)	-	(285.58)	-	-
	(xvii) Net Investment- Sublease	-	-	-	121.37	-
	(xviii) Lease liability	-	-	-	(1.86)	(0.28)
Nykaa Fashion Private Limited	(i) Loan given/ (repaid) (net)	1,763.79	5,001.70	756.13	2,553.43	3,237.91
	(ii) Interest Income	(58.46)	-	(34.52)	-	-
	(iii) Recovery (Reimbursement) of Expenses	(129.18)	-	(20.75)	-	-
	(iv) Sales	(4.07)	293.66	(1.21)	64.69	627.68
	(v) Notional interest income- Loan	(6.77)	-	(8.27)	-	-
	(vi) Sublease Income	(43.54)	-	-	-	-
	(vii) Notional interest income- Sublease	(16.91)	-	-	-	-
	(viii) Notional interest income- financial guarantee	(3.50)	-	-	-	-
	(ix) Notional interest income- loan	(124.50)	-	(21.71)	-	-
	(x) Investment in subsidiary	106.39	589.17	43.91	355.90	482.78
	(xi) Brand usage fees	(86.47)	-	(7.85)	-	-
	(xii) Net Investment- Sublease	-	698.28	-	-	724.48
	(xiii) Investment in equity shares	2,500.00	-	-	-	-
Nykaa-KK Beauty Private Limited	(i) Loan given/ (repaid) (net)	0.06	3.70	973.38	1,178.74	3.64
	(ii) Interest Income	(0.03)	-	(10.39)	-	-
	(iii) Sublease Income	(11.41)	-	(10.87)	-	-
	(iv) Recovery (Reimbursement) of Expenses	(22.76)	196.19	(14.60)	205.51	-
	(v) Sales	-	-	-	-	-
	(vi) Notional interest income- sublease	(2.45)	-	(3.32)	-	-
	(vii) Notional interest income- Financial guarantee	(4.25)	-	(4.25)	-	-
	(viii) Notional interest income- Loan	(0.06)	-	(12.68)	-	-
	(ix) Share based expense reimbursement	3.61	-	-	-	-
	(x) Investment in subsidiary	(3.61)	99.72	-	82.72	103.33
	(xi) Royalty	(45.52)	-	(23.36)	-	303.67
	(xii) Net Investment- Sublease	-	87.44	-	121.37	96.40
FSN International Private Limited	(i) Loan given/ (repaid) (net)	154.88	180.38	0.79	21.04	25.50
	(ii) Interest Income	(1.46)	-	(0.34)	-	-
	(iii) Investment in equity shares	500.00	-	-	10.00	-
	(iv) Investment in subsidiary	14.76	17.66	0.08	2.48	2.90
	(v) Notional interest income- Loan	(0.03)	-	(0.74)	-	-
Company in which key management personnel have significant influence						
Sealink View Probuild Private Limited	(i) Rent, maintenance, electricity & other expenses	86.21	-	86.21	-	-
	(ii) Notional interest income on security deposit	(1.31)	-	(1.34)	-	-
	(iii) Security deposit	-	56.07	-	51.47	54.76
	(iv) Interest cost on lease liability	33.82	-	4.29	-	-
	(v) Lease liability	-	(1,396.55)	-	(123.95)	(1,448.95)

Figures in brackets indicates payables and income

For OCRPS, refer note 17a

The Company has incurred IPO related expenses of Rs.78.51 lakhs 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 Company do not have any other transaction with key managerial person than that is disclosed above.

Amount paid to KMP do not include the provisions made for gratuity as it is determined on an actuarial basis for the Company as a whole. Similarly, expenses for compensated absences are not included in the above table as the same is also determined on an actuarial basis for the Company as a whole.



FSN E-Commerce Ventures Limited (formerly known as FSN E-Commerce Ventures Private Limited)
Notes to the Standalone financial statements for the three months ended 30 June 2021
(All amounts in Rs. lakhs, unless otherwise stated)

37 Commitments and contingent liabilities

A Commitments

The Company does not have any contract remaining to be executed on capital account and not provided for (net of advances) - INR Nil as at 30 June 2021 (31 March 2021 - Nil)

The Company does not have lease contracts that have not yet commenced as at 30 June 2021.

B Contingent liabilities (not provided for)

Particulars	As at 30 June 2021	As at 31 March 2021
i Claims against the Company, not acknowledged as debts		
Disputed Indirect tax matters (including interest up to the date of demand, if any) [Refer note (i)]	204.97	117.74
ii. Corporate guarantees given to banks [Refer note (ii)]	37,900.00	32,900.00

Notes:

- The Company has received VAT assessments order for financial years 2016-17 with demands amounting to Rs.202.97 lakhs on account of certain input disallowances/adjustment made by VAT department. The Company has deposited Rs 52.02 lakhs in financial year 2021-22 and provided Rs 33.21 lakhs under Rates and taxes in financial year 2020-21 (Refer note 34), and for Rs 117.74 lakhs the management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.
- Corporate guarantees given to banks with respect to borrowings taken by the subsidiary companies to a maximum amount of INR 37,900 lakhs (31 March 2021: INR 32,900 lakhs), Carrying amounts of the related financial guarantee contracts at 30 June 2021 were Rs. 171.42 lakhs and Rs. 265.25 lakhs at 31 March 2021. (Also refer note 24).

38 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:

- 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 borrowing and other financial liabilities are reasonable approximations of their fair values due to the short maturities of these
- The Company 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 Company's financial assets and liabilities measured at FVTPL and at FVTOCI

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at 30 June 2021 and 31 March 2021 is as under:

	Level of inputs used	Carrying value / fair value as at	
		30-Jun-21	31-Mar-21
Financial Assets:			
At Fair Value through other comprehensive income (FVTOCI)			
Non-current investments	Level 2	2.71	131.91
At amortised cost			
Non-current investments		20,129.17	6,826.14
Loans and advances		28,147.62	20,886.36
Trade receivables		3,857.49	6,372.25
Cash and cash equivalents		13,087.90	3,128.33
Bank balance other than cash and cash equivalents		10,068.45	16,101.95
Financial Liabilities:			
At amortised cost			
Borrowings		3,051.50	2,435.38
Other financial liabilities		554.14	1,769.40
Trade payables		1,359.08	1,139.17

Valuation Methodology

- The Company has measured fair value for Level 2 investment using the third-party pricing information without adjustment
- During the period ended 30 June 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

39 Segment information:

Considering Company'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 Company 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 Company operates in a single geographical environment i.e. in India.
- No single customer contributed 10% or more to Company's revenue.



40 Capital management

The Company aims to manage 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 Company'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 Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The capital structure of the Company 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 Company 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company'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 Company 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 and 31 March 2021.

The net gearing ratio at end of the reporting period was as follows.

		As at 30 June 2021	As at 31 March 2021
Gross debt		3,051.50	2,435.38
Less: Cash and cash equivalents		(13,087.90)	(3,128.33)
Net debt	(A)	(10,036.40)	(692.95)
Equity	(B)	78,543.16	56,082.28
Preference share capital	(C)	2.70	32.74
Total Equity	B+C	78,545.86	56,115.02
Net gearing ratio *	(A)/(B + C)	(0.13)	(0.01)

* As at 30 June 2021 and 31 March 2021, the Cash & cash equivalent was higher than outstanding net debt.

41 Financial risk management objectives and policies

The Company'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 Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company'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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables. Since the Company's overall foreign currency exposure is not significant, the Company does not hedge its foreign currency payables.

Foreign currency sensitivity

Since the business of the Company doesn't involves material foreign currency transactions, its exposure to foreign currency changes is not material.

A.2 Product price risk

In a potentially inflationary economy, the Company expects periodical price increases across its product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/ sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the customers. This helps the Company to protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

A.3 Interest rate risk

The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Company has an effective mix of fixed and variable rate borrowings. Interest rate sensitivity analysis shows that an increase / decrease of fifty basis points in floating interest rates would result in decrease / increase in the Company's profit/(loss) before tax by approximately INR 15.28 lakhs (31 March 2021: INR 12.18 lakhs).



B Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks. The Company's experience of delinquencies and customer disputes have been minimal. Also the Company 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 company.

(Refer accounting policy 2(g)(iv) for expected credit loss on trade receivable)

Trade Receivables (Ageing)	As at 30 June 2021			As at 31 March 2021		
	Gross	Allowance	Net	Gross	Allowance	Net
Not Due	3,344.80	-	3,344.80	3,233.32	-	3,233.32
Less than 6 months	547.90	35.21	512.69	3,149.21	10.29	3,138.92
6 months-1 year	9.74	9.74	-	31.69	31.68	0.01
1-2 years	6.65	6.65	-	10.35	10.35	-
2-3 years	12.57	12.57	-	11.85	11.85	-
Total	3,921.67	64.18	3,857.49	6,436.44	64.18	6,372.26

Movement in allowances for expected credit loss:

Opening balance

Provision made during the year

Provision written off during the year

Closing balance

As at 30 June 2021	As at 31 March 2021
64.18	5.25
-	58.93
-	-
64.18	64.18

Security Deposits

The Company also carries credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed and property possessions are taken for operations. The risk relating to refunds after vacating the premises is managed through successful negotiations or appropriate legal actions, where necessary.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company'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.

C Liquidity risk

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	As at 30 June 2021			As at 31 March 2021		
	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years	Total
Borrowings	3,051.50	-	3,051.50	2,435.38	-	2,435.38
Trade payables	1,359.08	-	1,359.08	1,139.17	-	1,139.17
Other financial liabilities	554.14	-	554.14	1,769.40	-	1,769.40
Lease liabilities	694.99	1,739.07	2,434.07	697.39	1,910.16	2,607.55
Total	5,659.71	1,739.07	7,398.79	6,041.34	1,910.16	7,951.51



42 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. 10 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 Company has recognised an expense of INR 16.11 lakhs (30 June 2020 - INR (15.85) lakhs, 31 March 2021 INR 111.50 lakhs) arising from equity settled share based payment transactions for employee services received during the year. The carrying amount of Employee stock options outstanding reserve as at 30 June 2021 is INR 1,075.92 lakhs (30 June 2020: INR 1,147.60 lakhs ; 31 March 2021: INR 893.69 lakhs).

As at the end of the financial period/ year, details and movements of the outstanding options are as follows:

a Options granted under ESOS 2012

	30 June 2021	30 June 2020	31 March 2021
Options outstanding at the beginning of the period/ year	17,531	335,846	335,846
Options granted during the period/ year			
Options forfeited during the period/ year			(1,000)
Options expired/lapsed during the period/ year	(925)	(1,000)	(1,000)
Options exercised during the period/ year		(4,551)	(316,315)
Options outstanding at the end of the period/ year	16,606	330,295	17,531
Exercisable at the end of the period/ year	16,606	277,982	17,531

For options outstanding at the end of the period/ year:

Exercise price range	INR 100 - 650	INR 100 - 650	INR 100 - 650
Weighted average remaining contractual life (in years)	2.28	1.74	2.45

Options granted under ESOS 2017

b Options outstanding at the beginning of the period/ year

	30 June 2021	30 June 2020	31 March 2021
Options outstanding at the beginning of the period/ year	188,576	173,240	173,240
Options granted during the period/ year	14,900	3,500	84,700
Options forfeited during the period/ year		(6,820)	(17,745)
Options expired/lapsed during the period/ year	(7,500)	-	(2,110)
Options exercised during the period/ year	(3,020)	(3,725)	(49,509)
Options outstanding at the end of the period/ year	192,956	166,195	188,576
Exercisable at the end of the period/ year	54,856	34,619	56,451

For options outstanding at the end of the period/ year:

Exercise price range	INR 650 - 10,766.75	INR 650 - 6,059.56	INR 650 - 6,059.56
Weighted average remaining contractual life (in years)	4.68	3.54	4.81

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)	1.50	2.50	3.50	4.50
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 - 10766.75		
Fair value of options	155.42 - 2621.87	175.88 - 2816.40	203.44 - 3105.28	233.56 - 3600.08

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 (30 June 2020: Rs. 6,059.56, 31 March 2021: Rs. 6,844.09).

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 on date of modification		6,059.56
Incremental Fair Value	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%
Market price on date of modification		6,059.56		
Incremental Fair Value	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 June 2021	For the three months ended June 2020
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	16.11	(15.85)
Stock based compensation expense pertaining to employees of subsidiaries, determined under fair value method recognised as cost of investment	1,541.22	1,035.48



43 Event after reporting dates

a. 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 Rs. 1 each, issue of two bonus shares for every one existing fully paid up equity share of face value of Rs. 1 each and issue of 56,185 equity shares on exercise of employee stock options under ESOP Scheme.

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 ₹ 10 and premium of ₹ 10,756.65 each.

c. On 19 September 2021, the Company 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. 9690 lakhs for acquisition of 51% holding. In Tranche 2, a consideration of upto Rs. 15,300 lakhs will be made to acquire upto 49% stake of the promoters during FY 2025 depending on performance and valuation..

44 Expenditure towards corporate social responsibility (CSR) activities

The Group spent on a consolidated basis Rs. 25.00 lakhs for the period ended 30 June 2021 (Rs. 8.50 lakhs for the FY 20-21), 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 2021-22 as per the Companies Act, 2013 is Rs. 44.09 lakhs (Rs.7.16 lakhs for the FY 20-21).

45 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 Company 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.

46 Impact of Covid 19

a. The Company has taken into account all the possible impacts of COVID-19 in preparation of these 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 Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19 and the Company will continue to closely monitor any material changes to future economic conditions.

b. Previous period figures for the three months ended June 30, 2020 ('June 20') are not comparable with those of the three months ended June 30, 2021 ('June 21'), due to difference in magnitude of COVID-19 impact on both the periods.

47 Previous years figures have been regrouped and reclassified wherever required.

As per our report of even date

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109818W

Per A N Shah

Per A N Shah

Partner

Membership No: 42649



As per our report of even date

For M/s. S. R. Batliboi & Associates LLP

Chartered Accountants

Firm Registration No: 101049W/E300004

Per Vineet Kedia

Per Vineet Kedia

Partner

Membership No: 212230



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

Falguni Nayar

Managing Director & CEO

DIN No. 00003633

Milan B Khakhar

Milan Khakhar

Director

DIN No. 00394063



Arvind Agarwal

Arvind Agarwal

Chief Financial Officer

Rajendra Punde

Rajendra Punde

Company Secretary

ACS M.No.A9785

