

NOTICE

Notice is hereby given that the Eighth (8th) Annual General Meeting (AGM) of the Members of **FSN E-Commerce Ventures Private Limited** will be held on **Wednesday, 30th day of September, 2020 at 12:00 p.m. (IST)** through **Video Conferencing (VC) / Other Audio Visual Means (OAVM)** to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai – 400013

ORDINARY BUSINESS:

(1) To receive, consider and adopt the :

- Audited Standalone Financial Statements of the Company prepared based on IND-AS with transition date 1st April, 2018, for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors' thereon; and
- Audited Consolidated Financial Statements of the Company prepared based on IND-AS with transition date 1st April, 2018, for the financial year ended March 31, 2020 together with the Report of Auditors' thereon.

(2) To re-appoint and fix the remuneration of Statutory Auditors of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, (including any statutory amendment(s), modification(s), variation or re-enactment(s) thereof for the time being in force) and pursuant to recommendation made by the Audit Committee and Board of Directors, approval of the Members be and is hereby accorded for the re-appointment of M/s V. C. Shah & Co, Chartered Accountants, Mumbai (Firm Registration Number 109818W), as the Statutory Auditors of the Company, to hold office from the conclusion of this 8th (Eighth) Annual General Meeting until the conclusion of the 13th (Thirteenth) Annual General Meeting to be held for FY 2024-25, at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company and mutually agreed with the Statutory Auditors, in addition to the re-imbursalment of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the aforesaid audit.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

SPECIAL BUSINESS:

(3) Appointment of Mr. Anchit Nayar as Director of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152, 161, 164 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association and Clause 2.1 of the Amended and Restated Shareholders’ Agreement dated 20th March, 2019 entered with, amongst others, the Promoters of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors, Mr. Anchit Nayar (DIN: 08351358), who was appointed by the Board of Directors, as an Additional Director (Promoter, Non-Executive) of the Company with effect from 13th August, 2019 and who holds office upto the date of this 8th (Eighth) Annual General Meeting, be and is hereby appointed as a Director (Promoter, Non-Executive) of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Mr. Pratik Bhujade, Company Secretary be and are hereby severally authorized to file e-Form DIR-12 with the Registrar of Companies, Mumbai and to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this Resolution.”

(4) Payment of compensation to Directors of the Company:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Board of Directors and Members of the Company, the Nomination & Remuneration Committee hereby recommends to the Board of Directors, the payment of sitting fees and compensation (commission) to Non-Executive Directors of the Company, currently Ms. Anita Ramachandran, Ms. Alpana Parida Shah and Mr. Yogeshkumar Mahansaria, as under;

(i) Sitting Fees (*with immediate effect*):

- (a) Board Meeting : INR 50,000/- per Meeting
- (b) Audit Committee Meeting : INR 30,000/- per Meeting
- (c) All other Committee Meeting : INR 20,000/- per Meeting

(ii) Commission (FY 2020-21 onwards):

- INR 10,00,000/- (Rs Ten Lakhs only) per annum to Permanent Chairperson of Nomination and Remuneration Committee inclusive of Membership of Other Committees of the Board of Directors – *Ms. Anita Ramachandran at present*
- INR 10,00,000/- (Rs Ten Lakhs only) per annum to Permanent Chairperson of Audit Committee inclusive of Membership of Other Committees of the Board of Directors – *Mr. Yogeshkumar Mahansaria at present*
- INR 5,00,000/- (Rs Five Lakhs only) per annum to Members of Other Committees of the Board of Directors – *Ms. Alpana Parida Shah at present*

(5) Issue of Optionally Convertible Redeemable Non-Cumulative Preference Shares [OCRPS]:

To consider, and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) read with Rule 9 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (“**Rules**”) framed thereunder, as amended from time to time and the Memorandum and Articles of Association of the Company and the rules, regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such terms, conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee thereof or any other person(s) for the time being exercising the powers conferred on the Board by this resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, consent of the Company be and is hereby accorded to invite/offer, issue and allot upto 1,00,000 (One Lakh) Optionally Convertible Redeemable Non-Cumulative Preference Shares (“**OCRPS**”) of Face Value of Rs. 10/- each (Rupees Ten only) and Premium of Rs. 6,049.56/- each (Rupees Six Thousand and Forty-Nine and Paise Fifty-Six only), in one or more tranche(s), for cash at par, on a Preferential basis and on a Private Placement basis, as per the existing terms and conditions, to the invitees as may be approved by the Board of Directors / committee thereof.

RESOLVED FURTHER THAT Rs. 10/- (Rupees Ten only) per OCRPS shall be paid at the time of subscription of OCRPS, of which Rs. 7.50/- (Rupees Seven and Paise Fifty only) would be towards face value and Rs. 2.50/- (Rupees Two and Paise Fifty only) would be towards premium, on issue of OCRPS.

RESOLVED FURTHER THAT in accordance with the provisions of Section 55 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, the particulars in respect of preference shares to be issued are as under:

- (a) carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital;
- (b) be non-participating in the surplus funds;
- (c) be non-participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid;
- (d) be paid dividend on a non-cumulative basis @0.001%;
- (e) be optionally converted into such number of equity shares of Rs. 10/- each (being the Face Value of the equity shares).
- (f) have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act; and
- (g) be redeemed at par, if the holder does not exercise the conversion option.

RESOLVED FURTHER THAT the OCRPS to be issued and allotted pursuant to this resolution shall be subject to the provisions of the memorandum and articles of association of the Company and shall, on conversion into equity shares, rank *pari passu* with existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Company hereby takes note of the valuation of the Company as per the valuation report dated 12th August, 2020 issued by Ms. Neena Agarwal, Registered Valuer (Registration No. IBBI/RV/05/2019/11667), using the Discounted Cash Flow method of valuation, pursuant to the provisions of the Act and rules issued thereunder.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and Rules, the consent of the members is hereby granted to record the name of the allottees and maintain such record of private placement offer of equity shares in the format of Form PAS-5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

RESOLVED FURTHER THAT the draft offer letter in the prescribed Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014 along with the draft of serially numbered application forms, tabled before the meeting and initialed by the Chairman for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT the entire share subscription monies shall be received by the Company from investors at the time of application into a separate designated account, and shall be utilized in accordance with the provisions of Section 42 of the Act.

RESOLVED FURTHER THAT the Board of Directors or Committee thereof or Director/s or any other Person/s authorised to determine various other matters in respect of issuance and to settle any question, doubt or difficulty which may arise in regard to the offers or allotment, including without limitation, finalization of terms and conditions of the aforesaid issue, finalization, approval and signing of the private placement offer letter in the prescribed Form PAS – 4, including any amendments or modifications thereto, authenticating the entries made in PAS 5

and entering into or execution of all such agreements/ arrangement(s)/ subscription agreement/ any other agreement(s) or document(s), as the Board may in its absolute discretion deem fit, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company the agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/ document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) as he or she may in his or her absolute discretion deem fit including the authority to amend or modify such document(s), making requisite filings with the registrar of companies and to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give effect to this Resolution as they may in their absolute discretion deem necessary or desirable in connection with such issue or any matters incidental thereto without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By Order of the Board of Directors
For FSN E-Commerce Ventures Private Limited**

sd/-

**Pratik Bhujade
Company Secretary
Mem. No: A38175**

Address: A/403, Rajsatyam,
Shiv Vallabh Road, Dahisar
(East), Mumbai - 400068

Registered Office:

104, Vasan Udyog Bhavan,
Sun Mill Compound, Tulsi Pipe Road,
Lower Parel, Mumbai – 400013

Place: Mumbai

Date : 26th September, 2020

NOTES:

- (1) The Annual General Meeting is held in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder and in terms of the Circular No. 14/2020 dated 8th April, 2020 read with Circular No. 17/2020 dated 13th April, 2020, issued by the Ministry of Corporate Affairs.
- (2) The facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes.
- (3) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- (4) Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready. Members can also email their queries at the email address of the Company Secretary at companysecretary@nykaa.com.
- (5) The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at the designated email ID of the Company - companysecretary@nykaa.com.
- (6) The Explanatory Statement pursuant to Section 102 of the Companies Act 2013, is annexed to this notice.
- (7) All documents referred in this Notice and Explanatory Statement annexed thereto are open for inspection by the members through e-mode. In this context, the Members are requested to send the requisition e-mail on companysecretary@nykaa.com
- (8) As per the MCA General Circular 17/2020 dated 13th April, 2020, the Notice of the AGM along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith, has been sent through electronic mode to all the Members on their registered e-mail IDs. No physical copy of the aforesaid documents has been sent by the Company to any Member.

INSTRUCTIONS FOR MEMBERS FOR VOTING AT THE AGM ARE AS UNDER:-

- (1) During the meeting
 - If number of present is less than 50, then by way of show of hands unless poll is demanded
 - In all other cases, by poll.
- (2) During the meeting, where a poll on any item is required, the same will take place by way of email. The members shall cast their vote on the resolutions only by sending emails on companysecretary@nykaa.com, through their email addresses which are registered with the company.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (1) Members whose email IDs are already registered with the Company and who are desirous to attend the AGM through VC/OAVM can apply at companysecretary@nykaa.com requesting for participation in the AGM, by giving their name as registered in the records of the Company, DPID-Client ID/ Folio Number and the Registered email ID.
- (2) Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the company, may get their email IDs registered with the Company by sending an email to companysecretary@nykaa.com, with the following details :
 - (i) Name registered as per the records of the company
 - (ii) DP ID-Client ID/ Folio Number
 - (iii) Email ID to be registered for attending the Meeting
- (3) Members may send the above-mentioned request at point no (2) latest by Monday, 29th September, 2020 2:00pm. In case of joint holding, the credentials of the first named holder shall be accepted.
- (4) Members may attend the AGM, by following the invitation link <https://meet.google.com/mai-rszt-iyu>. After clicking on the weblink, they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (if asked) and join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.
- (5) In case of Android/Iphone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.

- (6) Further, Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
- (7) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (8) The helpline number for joining the Meeting through Electronic Mode will be provided in the Meeting Invitation which will be sent to the eligible applicants.
- (9) Institutional Shareholders are encouraged to participate at the AGM through VC/OAVM and vote thereat.

EXPLANATORY STATEMENT

The following Explanatory Statement sets out the material facts with respect to the Notice dated 26th September, 2020, as required under Section 102(1) of the Companies Act, 2013

ITEM NO. 3:

The Promoters of your Company had signed an Amended and Restated Shareholders’ Agreement [SHA] dated 20th March, 2019 (“SHA”) with other investors of the Company. As per Clause No. 2.1 of the SHA, Promoters has right to nominate 5 Directors on the Board of the Company. Accordingly, they had exercised the right of nominating one remaining director as per the SHA, by proposing candidature of Mr. Anchit Nayar as an Additional Director on the Board of the Company.

Accordingly, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Anchit Nayar as an Additional Director (Promoter, Non-Executive) of the Company with effect from August 13, 2019. In accordance with Section 161(1) of the Companies Act, 2013, Mr. Nayar holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company.

A brief profile of Mr. Nayar is reproduced below :

- Mr. Nayar joined the Nykaa group in 2018 after graduating from Columbia University, to lead the offline retail business. After completing his Business Administration from Columbia University, Mr. Nayar worked with Morgan Stanley in New York for approximately 7 years. He has been instrumental in developing the strategies across retail segment and brings great experience to lead the offline retail strategy with focus on expanding the physical store offprint across the country.
- Currently, Mr. Nayar is the Chief Marketing Officer and continues to look after the physical Retail business. He has helped grow the retail business from 25 to 70 stores and the division’s revenues by 300%+ in a span of 18 months.

Relevant details relating to appointment of Mr. Anchit Nayar as required by the Companies Act 2013, and Secretarial Standard-2 on General Meetings are provided as follows:

Name of the Director	Mr. Anchit Nayar
DIN	08351358
Date of Birth	16/08/1990
Age	30 years
Date of first appointment on the Board	13 th August, 2019
Qualifications	1. Graduate - Columbia University 2. Business Administration - Columbia University
Experience and Expertise	Mr. Nayar has worked with Morgan Stanley in

	<p>New York for approximately 7 years. He has been instrumental in developing the strategies across retail segment and brings great experience to lead the offline retail strategy with focus on expanding the physical store offprint across the country.</p> <p>Recently, Mr. Nayar has also taken over the role of Chief Marketing Officer. He has helped grow Nykaa's retail business from 25 to 70 stores and the division's revenues by 300%+ in a span of 18 months.</p>
Number of Meetings of the Board attended during the year.	4 out of 4 from his appointment
List of Directorship of other Board.	<ol style="list-style-type: none"> 1. Nykaa Fashion Pvt. Ltd, 2. Nykaa E-Retail Pvt. Ltd.
List of Membership / Chairmanship of Committees of other Board.	Nil
Shareholding in FSN E-Commerce Ventures Pvt. Ltd.	<p>5,334 equity shares : Held in individual capacity</p> <p>4,00,000 equity shares : Held through Anchit Nayar Family Trust</p>
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Son of Ms. Falguni Nayar, Director & CEO
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	<p><u>Terms and Conditions:</u></p> <ul style="list-style-type: none"> • Head physical retail business of Nykaa Group (CEO) • Head Marketing (Chief Marketing Officer) • Appointed as Director (Professional, Non-Executive) <p><u>Remuneration:</u> Not paid for FY 19-20. Any remuneration would be paid in future by following the provisions of The Companies Act, 2013</p>
Justification for choosing the appointees for appointment as Independent Directors	N.A.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Ms. Falguni Nayar, Ms. Adwaita Nayar and Mr. Anchit Nayar are in any way concerned or interested financially or otherwise in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

ITEM NO. 4:

Your Company currently pays the sitting fees of INR 20,000/- each to the Independent Directors, viz. Ms. Anita Ramachandran and Ms. Alpana Parida towards attending the Board Meeting, as approved by the Board of Directors in its Meeting held on February 05, 2016.

Pursuant to recommendation of Nomination & Remuneration Committee in its Meeting held on 19th August, 2020, the Board of Directors in their Meeting held on 20th August, 2020, have approved the proposed change in the structure to include the Non-Executive Directors and Independent Directors also, to receive sitting Fees and Commission towards attending various meetings of Board of Directors and Committees therein. The proposed structure is detailed in the draft resolution of this agenda item. Such resolution shall not apply to the nominee directors of the investor companies and the promoter directors.

The approval of Shareholders is sought in terms of Clause 36 of the Articles of Association of the Company

Relevant details relating to payment of compensation as required by the Companies Act 2013, and Secretarial Standard-2 on General Meetings are provided as follows:

Name of the Director	Ms. Anita Ramachandran	Ms. Alpana Parida Shah	Mr. Yogeshkumar Mahansaria
DIN	00118188	06796621	00090323
Date of Birth	28/04/1955	22/01/1963	13/09/1975
Age	65	57	45
Date of first appointment on the Board	12/10/2015	28/09/2015	09/11/2016
Qualifications	PGDM	PGDM	Graduate
Experience and Expertise	30 years of experience in Human Resources	25 years of experience in Marketing	20 years of experience in Finance and Retail
Number of Meetings of the Board attended during the year.	5	3	4
List of Directorship of other Board.	a. Utkarsh Small Finance Bank Limited b. Grasim Industries Ltd c. Godrej And Boyce Manufacturing Company Limited d. FSN E-Commerce Ventures Private Limited e. Happiest Minds Technologies Limited f. Samhi Hotels	a. GRP Limited b. S H Kelkar and Company Limited c. Cosmo Films Limited d. Prime Securities Limited e. Primesec Investments Limited f. FSN e-Commerce Ventures Private Limited g. Brilloca Limited h. Tiivra Ventures	a. Sujata Textile Mills Private Limited b. Yogesh Agencies And Investments Private Limited c. Avendus Capital Private Limited d. Acumen Trading And Investments Private Limited e. FSN E-Commerce Ventures Private Limited f. Mahansaria Tyres

	<p>Limited</p> <p>g. Aditya Birla Housing Finance Limited</p> <p>h. Geometric Limited</p> <p>i. Oxfam India</p> <p>j. IDFC Asset Management Company Limited</p> <p>k. Metropolis Healthcare Limited</p> <p>l. Cerebrus Consultants Private Limited</p> <p>m. Rane (Madras) Limited</p> <p>n. Connexus Consultants Private Limited</p> <p>o. Kotak Mahindra Life Insurance Company Limited</p>	Private Limited	<p>Private Limited</p> <p>g. Astra Industries And Trading Private Limited</p> <p>h. Mahansaria Industrial Ventures Private Limited</p>
Shareholding in FSN E-Commerce Ventures Pvt. Ltd.	0.02%	0.04%	-
Relationship with other directors, manager and other Key Managerial Personnel of the Company	-	-	-
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Non-Executive Director. Remuneration proposed to be paid as per the draft resolution of item no. 4. Remuneration last drawn is NIL		
Justification for choosing the appointees for appointment as Independent Directors	N.A.		

None of the Directors or Key Managerial Personnel of the Company and their relatives except Ms. Anita Ramachandran, Ms. Alpana Parida Shah and Mr. Yogeshkumar Mahansaria are in any way concerned or interested financially or otherwise in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

ITEM NO. 5:

The Company proposes to issue on preferential basis 1,00,000 (One Lakh) Optionally Convertible Redeemable Non-Cumulative Preference Shares (“OCRPS”) of Rs. 10/- (Rupees Ten only) each at a Premium of Rs 6,049.56/- each (Rupees Six Thousand and Forty-Nine and Paise Fifty-Six only), in one or more tranches, for cash at par, on a private placement basis, for the purpose of acquiring, motivating, rewarding and incentivizing the key employees.

The valuation of the OCRPS has been arrived at based on the valuation report dated 12th August, 2020 issued by Ms. Neena Agarwal, Registered Valuer (Registration No. IBBI/RV/05/2019/11667), using the Discounted Cash Flow method of valuation, pursuant to the provisions of the Act and rules issued thereunder.

Accordingly, the approval of the members of the Company is being sought, by way of a special resolution, to offer and issue OCRPS, at par on Preferential basis to the employees / promoters of the Company.

A statement of disclosures as required under Rules 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, is as under:

1	the size of the issue and number of preference shares to be issued and nominal value of each share	Upto 1,00,000 Optionally Convertible Redeemable Preference Shares of Face Value of Rs. 10/- each for a total issue size of Rs 10,00,000/-
2	the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non – convertible	Non-Cumulative, Non-Participating, Optionally Convertible and Redeemable
3	The objectives of the issue	To acquire, motivate, reward and incentivize the key employees
4	The manner of the issue	Fresh issue on Preferential Basis
5	the price at which such shares are proposed to be issued	Rs. 6,059.56/- per OCRPS.
6	the basis on which the price has been arrived at	As per the Valuation Report dated 12 th August, 2020 obtained from Ms. Neena Agarwal, Registered Valuer (Registration No. IBBI/RV/05/2019/11667), using the Discounted Cash Flow method of valuation, pursuant to the provisions of the Act and rules issued thereunder.
7	the terms of issue, including terms and rate of dividend on each share, etc.	The shares shall carry a fixed Non-Cumulative dividend at a rate of 0.001% on the capital for the time being paid-up thereon.
8	the terms of redemption, including	<u>Redemption:</u> Company shall have the

	<p>the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion</p>	<p>option to redeem the fully paid OCRPS at Issue Price (i.e face value of Rs. 10/- each at a premium of Rs. 6,049.56 per OCRPS) in following situations:</p> <ul style="list-style-type: none"> - If the Holder ceases to be an employee of the Company or its subsidiary(ies) anytime within a period of 4 years from the date of allotment of OCRPS - Company fails to achieve a consolidated annual turnover (annual consolidated net revenue as per the audited consolidated financials) of Rs. 6,500 crores (Rupees Six Thousand Five Hundred Crores only) by FY24 (i.e. financial year ended 31st March 2024). <p><u>Conversion:</u></p> <ul style="list-style-type: none"> • Holder of the OCRPS shall have the right, provided he / she continues to be an employee of the Company/its subsidiary(ies) for a period of 4 years from the date of allotment, to convert each fully paid up OCRPS into 1 equity share of the face value Rs. 10 each, anytime on or after 01st April 2024, subject to Company achieving an consolidated annual turnover (annual consolidated net revenue as per the audited consolidated financials) of Rs. 6,500 crores (Rupees Six Thousand Five Hundred Crores only) by FY24 (i.e. financial year ended 31st March 2024) • Notwithstanding the above, Company shall have an unconditional right to convert each fully paid up OCRPS into 1 equity share of the face value Rs. 10/- each, any time after the issue of such OCRPS • If during the tenor of the OCRPS, the OCRPS are neither redeemed nor converted into equity shares, then at the end of the tenor of the OCRPS, each fully paid up OCRPS shall be converted into 1 equity share of the face value Rs. 10/- each.
9	the manner and modes of redemption	Company shall have the option to redeem the fully paid OCRPS at Issue Price in

		<p>following situations:</p> <ul style="list-style-type: none"> - If the Holder ceases to be an employee of the Company or its subsidiary(ies) anytime within a period of 4 years from the date of allotment of OCRPS - Company fails to achieve a consolidated annual turnover (net revenue) of Rs. 6,500 crores (Rupees Six Thousand Five Hundred Crores only) by FY24 (i.e. financial year ended 31st March 2024). 												
10	the current shareholding pattern of the company	<p>Equity Shareholding Pattern as on 26th September, 2020:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>% to Equity Capital</th> </tr> </thead> <tbody> <tr> <td>Directors/Relatives of Directors</td> <td>65.02</td> </tr> <tr> <td>Indian Public</td> <td>4.66</td> </tr> <tr> <td>Bodies Corporate</td> <td>3.16</td> </tr> <tr> <td>Foreign Holding</td> <td>13.49</td> </tr> <tr> <td>Others</td> <td>13.67</td> </tr> </tbody> </table>	Category	% to Equity Capital	Directors/Relatives of Directors	65.02	Indian Public	4.66	Bodies Corporate	3.16	Foreign Holding	13.49	Others	13.67
Category	% to Equity Capital													
Directors/Relatives of Directors	65.02													
Indian Public	4.66													
Bodies Corporate	3.16													
Foreign Holding	13.49													
Others	13.67													
11	the expected dilution in equity share capital upon conversion of preference shares	0.67%												
12	Minimum Subscription	Not applicable												
13	Renunciation of Rights	Not applicable												
14	Transferability of OCRPS	<p>OCRPS shall not be transferable except in following situation :</p> <p>Upon the holder ceasing to be an employee of the Company or its subsidiary(ies), Board of the Company or any committee thereof, may at its own discretion, require the holder to transfer the OCRPS to such persons as may be determined by Board or any committee thereof at such price as may be determined by Board or any committee thereof</p>												
15	Tenure	5 years												
16	Payment Terms	<ul style="list-style-type: none"> • Rs. 10/- (Rupees Ten only) per OCRPS at the time of subscription of OCRPS, - Rs.7.5/- (Rupees Seven and Paise Fifty only) towards face value and Rs. 2.5/- (Rupees Two and Paise Fifty only) towards premium on issue of OCRPS; • Company shall have the right to call the balance unpaid monies (nominal value 												

		<p>and premium) in one or more tranches at anytime at may be decided by the Board or any committee thereof;</p> <ul style="list-style-type: none"> • If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him / her requiring payment of so much of the call or instalment as is unpaid. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
17	Variation in terms of OCRPS	Any variation in the terms of the OCRPS after allotment shall be made in accordance with applicable provisions of the Act and Rules framed thereunder.
18	Fractional Shares	Fractional shares, if any, arising on conversion the OCRPS shall be rounded off to the next higher digit if equal to or greater than 0.5 share. Any fraction below 0.5 share shall be ignored.
19	Ranking of equity shares arising on conversion	The Equity Shares to be allotted on conversion of the OCRPS shall rank <i>pari passu</i> in all respects with the then existing equity shares of the Company, and shall be subject to the Memorandum and Articles of Association of the Company.
19	Manner of issuance of OCRPS and equity shares on conversion	OCRPS would be allotted in physical form and the equity shares arising on conversion shall also be issued in physical form.
20	Relevant date with reference to which the price has been arrived at	30 th June, 2020
21	The class or classes of persons to whom the allotment is proposed to be made	Such employees, either directly or through their private trusts, as may be identified by the Nomination and Remuneration Company of the Company, anytime prior to the dispatch of notice for convening the Meeting of the shareholders for approval of

		the said preferential allotment.
22	Intention of promoters, directors or key managerial personnel to subscribe to the offer	To apply / subscribe to Preference Shares being issued.
23	The proposed time within which the allotment shall be completed	12 months from the date of passing Special Resolution
24	The names of the proposed allottee and the percentage of post preferential offer capital that may be held by them	As may be recommended by the Nomination and remuneration Committee and approved by the Board of Directors
25	The change in control, if any, in the company that would occur consequent to the preferential offer.	No change in Control
26	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	Not applicable
27	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable

28. The pre issue and post issue shareholding pattern of the Company:

SR. NO	CATEGORY	PRE ISSUE		POST ISSUE	
		NO. OF SHARES HELD	% OF SHARE HOLDING	NO. OF SHARES HELD	% OF SHARE HOLDING
A	Promoters' holding				
1	Indian :				
	Individual				
	Equity	73,17,295	48.76	73,17,295	48.43
	Preference	1,00,000	0.67	1,20,000	0.79
	Bodies Corporate				
	Equity	0	0.00	0	0.00
	Preference	0	0.00	0	0.00
2	Foreign Promoters:				
	Individual				
	Equity	0	0.00	0	0.00
	Preference	0	0.00	0	0.00
	Bodies Corporate				
	Equity	0	0.00	0	0.00
	Preference	0	0.00	0	0.00
	Sub Total (A)				
	Equity	73,17,295	48.76	73,17,295	48.43
	Preference	1,00,000	0.67	1,20,000	0.79

B	Non-Promoters' holding :				
1	Institutional Investors				
	Equity	0	0.00	0	0.00
	Preference	0	0.00	0	0.00
2	Non-Institution:				
	Equity	0	0.00	0	0.00
	Preference	0	0.00	0	0.00
3	Private Corporate Bodies				
	Equity	4,65,514	3.10	4,65,514	3.08
	Preference	0	0.00	0	0.00
4	Directors and Relatives				
	Equity	22,61,981	15.07	22,61,981	14.97
	Preference	50,000	0.33	90,000	0.60
5	Indian Public				
	Equity	6,88,018	4.58	6,88,018	4.55
	Preference	0	0.00	0	0.00
6	Others				
	Equity (NRIs)	40,00,289	26.65	40,00,289	26.48
	Preference (Employees)	1,25,000	0.83	1,65,000	1.09
	Sub Total (B)				
	Equity	1,47,33,097	98.17	1,47,33,097	97.52
	Preference	2,75,000	1.83	3,75,000	2.48
	GRAND TOTAL	1,50,08,097	100.00	1,51,08,097	100.00

All relevant documents (including the private placement offer letter, the draft record of private placement offer and the valuation report) are open for inspection by the members at the Registered Office of the Company, on all working days, during business hours up to the date of the Meeting, and will also be made available for inspection at the meeting

The Board recommends passing of the resolution set out in Item No. 3 in the Notice convening the meeting as a Special Resolution. The said resolution is placed before the members of the Company for their approval by way of a special resolution.

Some of the directors (Promoter Employees), Key Management Personnel and/or their relatives may be concerned / interested in the resolution to the extent of allotment of OCRPS to them, as may be decided by Nomination & Remuneration Committee and Board of Directors.

ROUTE MAP OF THE VENUE OF THE 8TH (EIGHTH) ANNUAL GENERAL MEETING AND ATTENDANCE SLIP

In view of the current extra-ordinary circumstances due to COVID-19 pandemic being suffered in the country, MCA vide its Circular No. 14/2020 had emphasized the requirement of social distancing in the current scenario and with reference to Clarification / Guidance on applicability of Secretarial Standards on General Meetings (SS-2) dated 15th April, 2020 issued by The Institute of Company Secretaries of India, the Company will hold the AGM through VC/OAVM, without the physical presence of the Members at and the venue of AGM shall be deemed to be the Registered Office of the Company situated at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai – 400013.

In view of the directions from MCA, the Meeting is being convened through VC/OAVM and physical presence of the Members are not required at the venue and that the proceedings of the AGM conducted shall be deemed to be made at this venue.

BOARD’S REPORT

**TO THE MEMBERS OF
FSN E-COMMERCE VENTURES PRIVATE LIMITED**

The Directors take pleasure in presenting the Eighth Annual Report of your Company (‘the Company’) together with the Audited Financial Statements for the financial year ended 31st March, 2020.

(1) RESULT OF OUR OPERATIONS:

(A) FINANCIAL HIGHLIGHTS OF THE COMPANY

The highlights of the Financial Statements of the Company for the Financial Year (“FY”) 2019-20 are as under :-

(Rs. In Lakhs)

Particulars	Financial Year Ended 31/03/2020		Financial Year Ended 31/03/2019	
	Standalone	Consolidated	Standalone	Consolidated
Income from Operations	20,412.84	1,85,011.40	10,206.46	1,15,902.40
Other Income	3,050.01	1,075.63	1,719.45	503.80
Total Revenue	23,462.85	1,86,087.03	11,925.91	1,16,406.20
Total Expenditure	21,287.20	1,87,540.41	11,968.17	1,19,535.04
Profit / (Loss) before Taxation	2,175.65	(1,453.38)	(42.26)	(3,128.84)
Current Tax	-	605.90	-	-
Deferred Tax Expenses / (Credit)-	668.74	240.67	(120.45)	(485.81)
Profit / (Loss) after Taxation	1,506.91	(2,299.95)	78.19	(2,643.03)
Balance in the Profit / (Loss) Account in the Balance Sheet	(6,470.32)	(16,264.46)	(7,978.24)	(13,938.69)

(B) REVIEW OF OPERATIONS OF THE COMPANY

During the financial year under review, the Company’s total revenue was Rs. 23,462.85 Lakhs as against Rs. 11,925.91 Lakhs for FY 31st March, 2019. The total expenditure for FY 31st March, 2020 was Rs. 21,287.20 Lakhs as against Rs. 11,968.17 Lakhs for FY 31st March, 2019. During the year the Company’s net profit aggregated to Rs. 1,506.91 Lakhs as against Rs. 78.19 Lakhs for FY 31st March, 2019. During the year company has adopted IND AS method of accounting.

The net owned Funds of the Company as on 31st March, 2020 stood at Rs. 41,887.43 Lakhs as against Rs. 29,332.26 Lakhs in the previous year resulting in an increase of 42.80 % over the previous year.

(2) APPROPRIATIONS:

(A) DIVIDEND

Your Directors do not recommend any Dividend on the Equity Shares and Preference Shares of the Company for FY ended 31st March, 2020

(B) AMOUNT PROPOSED TO BE TRANSFERRED TO RESERVES & SURPLUS

There are no amounts which the Board proposes to carry to any specific reserves.

(3) SHARE CAPITAL:

During the year under review, the Authorized Share Capital of the Company was (i) re-classified to enable the Company to issue its Preference Shares and (ii) increased from Rs. 15 crores to Rs. 20 crores. As at 31st March, 2020, the same stands at Rs. 20 crores divided into 1.95 crores Equity Shares of Rs. 10/- each and 5 Lakhs Preference Shares of Rs. 10/- each.

The issued and paid-up Equity Share Capital as on 31st March, 2020 stands at Rs. 14,54,90,770/- consisting of 1,45,49,077 fully paid-up shares of Rs 10/- per share and Preference Share Capital stands at Rs. 20,62,500/- consisting of 2,75,000 partly-paid up shares of Rs. 7.50/- per share.

During the year under review:

- (i) The Company has not issued shares with differential voting rights.
- (ii) The Company has granted 37,650 stock options (ESOPs)
- (iii) The Company has not issued sweat equity shares.
- (iv) The Company has created and issued 4,50,528 Optionally Convertible Redeemable Non-Cumulative Preference Shares (OCRPS) of Face Value of Rs. 10/- each at the then prevailing Premium of Rs 3,852.61/- each, to be allotted in one or more tranche(s), for cash at par, on a preferential basis and on a private placement basis to the subscribers / invitees approved by the Nomination & Remuneration Committee.
- (v) The paid-up share capital of the Company was increased by issuing and allotting additional shares of Face Value of Rs. 10/- each at premium as detailed below:

Sr. No.	No of Shares	Premium per share (Rs)	Premium Amount (Rs)
(I)	Equity Shares (Fully Paid-Up):		
1	13,625	87.40	11,90,825
2	8,325	90.00	7,49,250
3	1,02,964	347.95	3,58,26,324
4	13,575	640.00	86,88,000
5	3,050	2203.23	67,19,852
6	1,65,029	6,059.56	100,00,03,127
Total (I)	3,06,568	-	1,05,31,77,378
(II)	OCRPS (Partly Paid-Up):		
1	2,75,000	7.50	20,62,500
Total (II)	2,75,000	-	20,62,500
GRAND TOTAL (I) + (II)	5,81,568	-	105,52,39,878

(4) MEETINGS:

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year, the Company had held 5 (Five) Board Meetings. The date of such Board Meetings and attendance of directors is given below. The maximum interval between two Board meetings did not exceed 120 days.

Name of the Directors	04/06/2019	13/08/2019	12/11/2019	05/02/2020	23/03/2020	Total
Falguni Nayar	√	√	√	√	√	5/5
Alpana Parida Shah	√	√	×	√	×	3/5
Milan Khakhar	√	√	×	√	√	4/5
Yogesh Mahansaria	√	√	×	√	√	4/5
Vikram Sud	√	×	×	√	√	3/5
Adwaita Nayar	√	√	√	√	√	5/5
Anita Ramachandran	√	√	√	√	√	5/5
William Sean Sovak	√	√	√	√	×	4/5
Shefali Munjal*	×	×	√	√	×	2/5
Akshay Tanna*	√	√	√	√	×	4/5
Anchit Nayar^	×	√	√	√	√	4/5
Padmini Somani^	×	×	×	√	×	1/5

*Appointed w.e.f. June 4, 2019

^Appointed w.e.f. August 13, 2019

(5) DIRECTORS & KEY MANAGERIAL PERSONNEL:

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013, (“Act”) and the rules framed thereunder and other applicable laws inter alia with respect to appointment of women director, non-executive director(s) and non-executive independent director(s).

Director(s) Disclosure

Based on the declarations and confirmations received from the Directors, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

Directors

During the year under review, following were the movements in Directorships. The Board of Directors commends the appointment of Mr. Anchit Nayar at the ensuing AGM.

Sr. No.	Name of the Director	Designation	Appointment / Cessation	Date
1	Anchit Nayar	Non-Executive Director	Appointment	13 th August 2019
2	Padmini Somani	Nominee Director	Appointment	13 th August 2019
3	Akshay Tanna	Nominee Director	Appointment	4 th June 2019

Sr. No.	Name of the Director	Designation	Appointment / Cessation	Date
4	Shefali Munjal	Director	Casual Vacancy	26 th April 2019
		Nominee Director	Appointment	4 th June 2019

Key Managerial Personnels

In accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Falguni Nayar - Chief Executive Officer, Mr. Sachin Parikh - Chief Financial Officer and Mr. Pratik Bhujade - Company Secretary are the Key Managerial Personnels of the Company.

During the year under review, the composition of Key Managerial Personnels remain unchanged. Subsequent to the year end, Mr. Sachin Parikh resigned from the position of CFO with effect from 22nd May 2020 and Mr. Arvind Agarwal was appointed as CFO with effect from 1st June 2020.

(6) COMMITTEES OF THE BOARD OF DIRECTORS:

(A) CONSTITUTION OF THE INVESTMENT COMMITTEE

During the year under review, an Investment Committee of the Board was constituted in the Board Meeting held on 4th June, 2019, comprising of the following Directors/Officers as members and its terms of reference was fixed:

- (1) Mr. Yogesh Mahansaria (Chairman)
- (2) Ms. Falguni Nayar
- (3) Mr. Sachin Parikh

No meeting of the Investment Committee was held during the year under review.

(B) CONSTITUTION OF THE FINANCE CUM MANAGEMENT COMMITTEE

During the year under review, a Finance cum Management Committee of the Board was constituted in the Board Meeting held on 4th June, 2019, comprising of the following Directors/Officers as members and its terms of reference was fixed:

- (1) Ms. Falguni Nayar (Chairperson)
- (2) Mr. Milan Khakhar
- (3) Mr. Sachin Parikh

One meeting of the Finance cum Management Committee was held on 4th June, 2019, during the year under review. It was attended by all the Committee Members.

(C) CONSTITUTION OF THE SERIES-F FUNDRAISE COMMITTEE

During the year under review, a Series-F Fundraise Committee of the Board was constituted in the Board Meeting held on 23rd March, 2020, comprising of the following Directors as members and its terms of reference was fixed:

- (1) Mr. Yogesh Mahansaria (Chairperson)
- (2) Ms. Falguni Nayar
- (3) Mr. Milan Khakhar

One meeting of the Series-F Fundraise Committee was held on 23rd March, 2020, during the year under review. It was attended by all the Committee Members.

(D) AUDIT COMMITTEE

In terms of Section 179 of the Companies Act, 2013, the Board of Directors has constituted an Audit Committee. During the year under review, the Audit Committee was re-constituted and as at 31st March, 2020, the Committee comprises of Mr. Yogesh Mahansaria [Chairperson], Ms. Alpana Parida Shah, Mr. William Sean Sovak and Ms. Anita Ramachandran, as its members.

The details of the meetings and attendance of members are as follows:

Name of the Directors	04/06/2019	13/08/2019	12/11/2019	05/02/2020	Total
Yogesh Mahansaria	√	√	-	√	3/4
Alpana Parida Shah	√	√	-	√	3/4
William Sean Sovak	√	√	√	√	4/4
Anita Ramachandran	×	√	√	√	3/3

(E) NOMINATION & REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013, the Board of Directors has constituted Nomination & Remuneration Committee. As at 31st March, 2020, the Committee comprises of Ms. Anita Ramachandran [Chairperson], Ms. Alpana Parida Shah, Mr. Milan Khakhar and Mr. Yogesh Mahansaria, as its members

The details of the meetings and attendance of members are as follows:

Name of the Directors	13/05/2019	13/08/2019	25/11/2019	Total
Anita Ramachandran	√	√	√	3/3
Alpana Parida Shah	√	×	√	2/3
Milan Khakhar	√	√	√	3/3
Yogesh Mahansaria	√	√	√	3/3

(7) SUBSIDIARIES / JOINT VENTURE / ASSOCIATE COMPANIES:

As on 31st March, 2020, the Company has four wholly owned subsidiaries viz. (i) FSN Brands Marketing Private Limited, (ii) Nykaa E-Retail Private Limited, (iii) Nykaa Fashion Private Limited, and (iv) FSN International Private Limited and one subsidiary viz. Nykaa -KK Beauty Private Limited.

During the year under review, the Company has incorporated FSN International Private Limited on 10th December, 2019 for the principal business of marketing, sale and distribution of beauty and cosmetic products overseas. The Company is also in the process of incorporating a wholly-owned subsidiary of FSN International Private Limited, in Dubai.

The Company does not have any associate companies in accordance with the provisions of the Act.

In terms of Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company are laid before the ensuing Annual General Meeting. A report on the performance and financial position of each of the subsidiaries, as per the Companies Act, 2013, is provided in Form AOC-1 attached to the financial statements.

(8) EXTRACT OF THE ANNUAL RETURN:

The extracts of the annual return in form MGT-9 as required under Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to this Board Report as Annexure "A".

(9) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

(10) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the transactions entered into with the Related Parties as defined under the Companies Act, 2013, during the financial year were in the ordinary course of business and on an arm's length pricing basis.

Your Directors draw attention of the Shareholders to Note 38 of the financial statements which sets out related party disclosures.

(11) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is engaged in the business of manufacturing and trading of beauty & cosmetic products, fashion products, wellness and other related products. The manufacturing is done

through job work processing of goods from third party and hence the particulars relating to conservation of energy and technology absorption are not applicable.

Foreign Exchange earnings and outgo:

	2019-20	2018-19
Earnings in Foreign Exchange:	NIL	NIL
Expenditure in Foreign Exchange:	Rs. 4,456.41 Lakhs	Rs. 2,250.89 Lakhs

(12) MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY:

The material changes and commitments affecting the financial position of the Company between the completion of financial year on 31st March 2020 and the date of this Report are given below:

(i) COVID-19 PANDEMIC:

The outbreak of Covid-19 which has been declared as a global pandemic by the World Health Organization has adversely disturbed and impacted the economy and businesses all over. The nationwide lockdown announced by the Government from 25th March, 2020 affected the Company's operations as well due to restrictions on movement of goods which delayed procurement of products and delivery of customer orders. We managed to keep the website online by selling 'essential items' which slowed down the revenues considerably.

These times have brought out the best in the teams - with business teams dynamically changing site offerings, finance teams working relentlessly to close fundraise and manage cash flow, retail teams pioneering hyperlocal solutions, technology teams continuing to innovate and operations team ensured our warehouses operate and our customers are served.

(ii) SERIES-F FUND RAISE:

The Board of Directors and Shareholders have accorded the approval to the Company to create, offer, issue and allot the equity shares on preferential cum private placement basis, as follows:

- (a) 109,986 equity shares of face value Rs.10/- each at a premium of Rs. 6,049.56/- per share for total consideration of INR 666,466,766.16 to Steadview Capital Mauritius Limited
- (b) 32,350 equity shares of face value Rs.10/- each at a premium of Rs. 6,049.56/- per share for total consideration of Rs. 19,60,26,766/-, to Sunil Kant Munjal

(13) RISK MANAGEMENT:

The Board has duly identified risk(s) associated with the operation and functioning of the Company. The Board of Directors of the Company reviews the operation and financial position, from time to time.

(14) INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year under review, such controls were tested by the Statutory Auditors of the Company and no material weaknesses in the design or operations were observed and reported by the Statutory Auditors.

(15) RE-APPOINTMENT OF STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereunder, M/s V. C Shah & Co., Chartered Accountants, Mumbai (FRN: - 109818W) were appointed as Statutory Auditors of the Company from the conclusion of 7th Annual General Meeting (AGM) of the Company till the conclusion of 8th AGM.

Subject to the approval of the members at the ensuing Annual General Meeting, the statutory auditors M/s. V. C. Shah & Co., Chartered Accountants are proposed to be appointed for a period of five years, from the conclusion of 8th Annual General Meeting for FY 2019-20 till the conclusion of 13th Annual General Meeting for FY 2024-25 on such terms and conditions as may be approved by the shareholders.

(16) EXPLANATION TO AUDITOR'S REMARKS:

There is no reservation and qualification marked by Statutory Auditors in the Audit Report for the financial year ended 31st March, 2020.

(17) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

(18) PARTICULARS OF DEPOSITS:

The Company has accepted deposits (*under Rule 2[c] of the Companies [Acceptance of Deposits] Rules, 2014*) from one of the Shareholders [Mr. Rishabh Mariwala] of the Company and complied with Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

(19) DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Directors confirm that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and
- (f) The Directors have laid down internal financial controls on financial statements and such internal financial controls are adequate.

(20) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

It is the continuous endeavor of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

Particulars	Number of Complaints
Number of complaints received	Nil
Number of complaints disposed off	Nil

(21) EMPLOYEES STOCK OPTION SCHEME (ESOS):

The Company had introduced “ESOS 2012 & 2017” to enable the employees of the Company to participate in the future growth and financial success of the Company.

A total of 74 employees were issued 37,650 Stock Options during the financial year 2019-20 and 5,09,086 options are outstanding as at the end of the year. During the year paid-up capital of the Company has increased by 1,41,539 number of shares upon exercise of options granted. There is no material change in the ESOS and that it is in compliance with the provisions of section 62 of the Companies Act, 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.

The disclosure as required under the said Rules is enclosed herewith as Annexure-B to this report.

(22) CORPORATE GOVERNANCE:

It has always been the Company's endeavor to excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law of the land.

The Board of Directors of the Company has implemented the best management practices and Corporate Governance suitable with size and nature of operations of the Company.

(23) HUMAN RESOURCES:

The relations of the employees of the Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

During the year, the Company has successfully inducted significant talent at senior and mid-level into the Company and was successful in retaining and developing the existing human resources. The Company has developed a robust learning & development calendar in line with the training needs identified for its employees.

(24) ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

(25) ENHANCING SHAREHOLDERS VALUE:

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

(26) GREEN INITIATIVES:

Electronic copies of the Annual Report 2019-20 and Notice of the 8th Annual General Meeting are sent to all members whose email addresses are registered with the Company. For members who have not registered their email addresses, physical copies of the Annual Report 2019-20 and the Notice of the 8th Annual General Meeting under Section 101 of the Companies Act, 2013 are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

(27) CONTRIBUTION TO PM CARES FUND AND OTHER INITIATIVES:

With the intent to serve the country at large and the affected people in these tough times, the employees supported the donation initiative by contributing 1 day's salary for the month of April 2020 to the PM Cares Fund. This contribution of employees totalled over Rs. 40 Lakhs which was matched by the Promoters of the Company by making an equal contribution of Rs. 40 Lakhs in their personal capacity.

Further, the Company has also committed to spend over Rs 20 lakhs towards grocery and hygiene essentials for the warehouse employees and their families. Further, donations have been made of personal protection and hygiene equipment to the police and local government authorities in Delhi, Pune, Bangalore, Kolkata and Mumbai, among others, in appreciation of their selfless dedication towards ensuring the safety of the citizens in extremely challenging conditions.

(28) ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record their warm appreciation for the valuable contribution, untiring efforts and spirit of dedication demonstrated by the employees and officers at all levels, in the sure and steady progress of the Company.

Your Directors also express their deep gratitude to its Bankers and concerned governmental authorities. They are thankful to the Shareholders, Brands and Customers for the co-operation and trust they have reposed in the Company.

For and on behalf of the Board of Directors

sd/-
Falguni Nayar
Chairperson
DIN:- 00003633

Regd. Office:

104, Vasan Udyog Bhavan
Sun Mill Compound,
Lower Parel (W),
Mumbai - 400013

Place: Mumbai

Dated: 20th August, 2020

ANNEXURE 'A' TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

(I) REGISTRATION AND OTHER DETAILS:

CIN	U52600MH2012PTC230136
Registration Date	24/04/2012
Name of the Company	FSN E-Commerce Ventures Private Limited
Category / Sub-Category of the Company	Company having Share Capital / Indian Non-Government Company
Address of the Registered Office and contact details	104 Vasant Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Mumbai 400013 022-6614 9616
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp Vasant Oasis, Next to Keys Hotel, Makwana Road, Andheri (E), Mumbai - 400059 Tel : +91-22-62638200 Fax : +91-22-62638299 E-mail : www.bigshareonline.com

(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Manufacturing of Cosmetic products (through outsourcing job work)	20237	100%

(III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1	FSN Brands Marketing Private Limited <u>Add:</u> A1-135, Shah & Nahar Industrial Estate, Dhanraj Mill Compound, Sitaram Jadhav Marg, Lower Parel (W), Mumbai 400013	U74120MH2015PTC262096	Wholly Owned Subsidiary	100%	2(87)
2	Nykaa E-Retail Pvt. Ltd.	U74999MH2017PTC291558	Wholly Owned Subsidiary	100%	2(87)

Sr. No.	Name and address of the Company	CIN / GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
	Add: 104, Vasan Udyog Bhavan, Sun Mill Compound, Lower Parel (W), Mumbai 400013				
3	Nykaa Fashion Private Limited Add: 104, Vasan Udyog Bhavan, Sun Mill Compound, Lower Parel (W), Mumbai 400013	U18102MH2019PTC320627	Wholly Owned Subsidiary	100%	2(87)
4	Nykaa-KK Beauty Private Limited Add: 4-B, 4 th Floor, Todi Building Mathuradas Mill Compound, Worli Mumbai 400013)	U24290MH2018PTC311880	Subsidiary Company	51%	2(87)
5	FSN International Private Limited Add: 104, Vasan Udyog Bhavan, Sun Mill Compound Tulsi Pipe Road, Lower Parel (West), Mumbai 400013	U52100MH2019PTC334211	Wholly Owned Subsidiary	100%	2(87)

(IV) (A). SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
A. Promoters and Promoter Group									
(1) Indian									
a) Individual/HUF	33,80,000	43,37,295	77,17,295	54.18	-	-	-	-	(54.18)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other - Trusts	-	-	-	-	77,17,295	-	77,17,295	53.04	53.04
Sub-Total(A) (1):	33,80,000	43,37,295	77,17,295	54.18	77,17,295	-	77,17,295	53.04	(1.14)
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub- Total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	33,80,000	43,37,295	77,17,295	54.18	77,17,295	-	77,17,295	53.04	(1.14)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate									
i) Indian	1,84,615	2,84,327	4,68,942	3.29	2,98,721	1,49,350	4,48,071	3.08	(0.21)
ii) Overseas	4,84,462	6,85,626	11,70,088	8.22	12,05,781	6,71,149	18,76,930	12.90	4.69
b) Individuals*									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	49,002	54,539	1,03,541	0.73	36,789	26,104	62,893	0.43	(0.29)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	25,83,759	1,80,329	27,64,088	19.41	18,15,848	2,71,609	20,87,457	14.35	(5.06)
c) Others (specify)									
Non Resident Indians	1,23,044	18,95,511	20,18,555	14.17	15,04,020	4,52,411	19,56,431	13.45	(0.73)
NBFC Registered with RBI	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	4,00,000	-	4,00,000	2.75	2.75
Sub-Total (B)(2):	34,24,882	31,00,332	65,25,214	45.82	52,61,159	15,70,623	68,31,782	46.96	1.14
Total Public Shareholding Public Group (B)= (B)(1)+(B)(2)	34,24,882	31,00,332	65,25,214	45.82	52,61,159	15,70,623	68,31,782	46.96	1.14
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	68,04,882	74,37,627	1,42,42,509	100.00	1,29,78,454	15,70,623	1,45,49,077	100.00	-

ii. Shareholding of Promoters and Promoter Group (Equity Share Capital)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Falguni Nayar	40,03,964	28.11	-	-	-	-	(28.11)
2.	Sanjay Nayar	37,13,331	26.07	-	-	-	-	(26.07)
3.	Falguni Nayar Family Trust (Trustees: Falguni Nayar and Sanjay Nayar)	-	-	-	33,13,331	22.77	-	22.77
4.	Sanjay Nayar Family Trust (Trustees: Sanjay Nayar and Falguni Nayar)	-	-	-	40,03,964	27.52	-	27.52
5.	Adwaita Nayar Family Trust (Trustees: Adwaita Nayar, Falguni Nayar and Sanjay Nayar)	-	-	-	4,00,000	2.75	-	2.75
	Total	77,17,295	54.18	-	77,17,295	53.04	-	(1.14)

iii. Change in Promoters' Shareholding (Equity Share Capital) (Please specify, if there is no change)

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year			Cumulative Shareholding at the end of the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company	Date of Transaction	Net Increase / (Decrease) in Share holding	Reason	No. of Shares	% of total shares of the Company
1.	Falguni Nayar	40,03,964	28.11	13/08/2019	(40,03,964)	Transfer	-	(28.11)
2.	Sanjay Nayar	37,13,331	26.07	13/08/2019	(33,13,331)	Transfer	-	(26.07)
				13/08/2019	(4,00,000)			
3.	Falguni Nayar Family Trust (Trustees: Falguni Nayar and Sanjay Nayar)	-	-	13/08/2019	33,13,331	Transfer	33,13,331	22.77

4.	Sanjay Nayar Family Trust (Trustees: Sanjay Nayar and Falguni Nayar)	-	-	13/08/2019	40,03,964	Transfer	40,03,964	27.52
5	Adwaita Nayar Family Trust (Trustees: Adwaita Nayar, Falguni Nayar and Sanjay Nayar)	-	-	13/08/2019	4,00,000	Transfer	4,00,000	2.75

iv. Shareholding Pattern (Equity Share Capital) of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year			Shareholding at the end of the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company	Date of Transaction	No. of Shares Increase / (Decrease) in Share holding	Reason	No. of Shares	% of total shares of the Company
1	Harindarpal Singh Banga jt Indra Banga	13,55,993	9.52	-	-	-	13,55,993	9.32
2	Sunil Kant Munjal	9,92,940	6.97	18/10/2019	(3,18,980)	Transfer	6,73,960	4.63
3	Narotam Sekhsaria	5,69,505	4.00	-	-	-	5,69,505	3.91
4	TPG Growth IV SF Pte Limited	5,06,152	3.55	30/04/2019	36,000	Transfer	5,42,152	3.73
5	Lighthouse India Fund III, Limited	4,84,462	3.40	-	-	-	4,84,462	3.33
6	Steadview Capital Mauritius Limited	-	-	18/10/2019	2,71,133	Transfer	-	-
				31/03/2020	1,65,000	Allotment	4,36,162	3.00
7	Mala Gaonkar	4,04,773	2.84	-	-	-	4,04,773	2.78
8	Anchit Nayar Family Trust (Trustees: Anchit Nayar, Sanjay Nayar and Falguni Nayar)	-	-	13/08/2019	4,00,000	Transfer	4,00,000	2.75
9	Rishabh Mariwala	1,85,727	1.30	-	-	-	1,85,727	1.28
10	Yogesh Agencies & Investments Private Limited	1,84,615	1.29	-	-	-	1,84,615	1.27

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors and Key Managerial Personnels	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year			Shareholding at the end of the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company	Date of Transaction	No. of Shares Increase / (Decrease) in Share holding	Reason	No. of Shares	% of total shares of the Company
A	DIRECTORS:							
1	Falguni Nayar	40,03,964	28.11	13/08/2019	(40,03,964)	Transfer	-	(28.11)
2	Adwaita Nayar	4,00,000	2.81	13/08/2019	(4,00,000)	Transfer	1,000	0.01
				31/03/2020	1,000	Transfer		
3	Anchit Nayar	5,334	0.04	30/06/2019	4,00,000	Transfer	5,334	0.04
				13/08/2019	(4,00,000)	Transfer		
4	Vikram Sud	20,000	0.14	-	-	-	20,000	0.14
5	Milan Khakhar	-	-	-	-	-	-	-
6	Yogesh Mahansaria	-	-	-	-	-	-	-
7	Anita Ramachandran	2,260	0.02	-	-	-	2,260	0.02
8	Alpana Parida Shah	5,648	0.04	-	-	-	5,648	0.04
9	Akshay Tanna	-	-	-	-	-	-	-
10	Shefali Munjal	76,924	0.54	-	-	-	76,924	0.53
11	Padmini Somani	-	-	-	-	-	-	-
12	William Sean Sovak	-	-	-	-	-	-	-
B	KEY MANAGERIAL PERSONNELS:							
1	Falguni Nayar	40,03,964	28.11	13/08/2019	(40,03,964)	Transfer	-	(28.11)
2	Sachin Parikh	-	-	05/02/2020	8,000	ESOP Allotment	8,000	0.05
3	Pratik Bhujade	-	-	-	-	-	-	-

(V) (B). SHAREHOLDING PATTERN (Preference Share Capital) Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other (Trusts)	-	-	-	-	-	1,00,000	1,00,000	36.36	100.00
Sub-Total(A) (1):	-	-	-	-	-	1,00,000	1,00,000	36.36	100.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub- Total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	-	-	-	-	-	1,00,000	1,00,000	36.36	100.00
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	-	-	-	-	-	70,000	70,000	25.46	100.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	55,000	55,000	20.00	100.00
c) Others (please specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
NBFC Registered with RBI	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	50,000	50,000	18.18	100.00
Sub-Total (B)(2):	-	-	-	-	-	1,75,000	1,75,000	63.46	100.00
Total Public Shareholding Public Group (B)= (B)(1)+(B)(2)	-	-	-	-	-	1,75,000	1,75,000	63.46	100.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	-	-	-	-	2,75,000	2,75,000	100.00	100.00

ii. Shareholding of Promoters (Preference Share Capital)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Falguni Nayar Family Trust (Trustees: Falguni Nayar and Sanjay Nayar)	-	-	-	1,00,000	36.36	-	100.00
	Total	-	-	-	1,00,000	36.36	-	-

iii. Change in Promoters' Shareholding (Preference Share Capital) (Please specify, if there is no change)

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year			Cumulative Shareholding at the end of the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company	Date of Transaction	Net Increase / (Decrease) in Share holding	Reason	No. of Shares	% of total shares of the Company
1.	Falguni Nayar Family Trust (Trustees: Falguni Nayar and Sanjay Nayar)	-	-	26/12/2019	1,00,000	Allotment	1,00,000	36.36

iv. Shareholding Pattern (Preference Share Capital) of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year			Shareholding at the end of the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company	Date of Transaction	No. of Shares Increase / (Decrease) in Share holding	Reason	No. of Shares	% of total shares of the Company
1.	Sanjay Suri	-	-	26/12/2019	15,000	Allotment	15,000	5.45
2.	Reena Chhabra	-	-	26/12/2019	15,000	Allotment	15,000	5.45
3	Nihir Parikh	-	-	26/12/2019	15,000	Allotment	15,000	5.45
4	Sachin Parikh	-	-	26/12/2019	10,000	Allotment	10,000	3.64
5	Hitesh Malhotra	-	-	26/12/2019	7,500	Allotment	7,500	2.73
6	Manoj Jaiswal	-	-	26/12/2019	7,500	Allotment	7,500	2.73
7	Madhavi Irani	-	-	26/12/2019	5,000	Allotment	5,000	1.82
8	Nirav Jagad	-	-	26/12/2019	4,000	Allotment	4,000	1.45
9	Gaurav Sharma	-	-	26/12/2019	4,000	Allotment	4,000	1.45
10	Gaurav Tejwani	-	-	26/12/2019	4,000	Allotment	4,000	1.45

v. Shareholding of Directors and Key Managerial Personnel (Preference Share Capital)

Sr. No.	Name of the Directors and Key Managerial Personnels	Shareholding at the beginning of the year (As on 01.04.2019)		Transactions during the year			Shareholding at the end of the year (As on 31.03.2020)	
		No. of Shares	% of total shares of the Company	Date of Transaction	No. of Shares Increase / (Decrease) in Share holding	Reason	No. of Shares	% of total shares of the Company
A	DIRECTORS:							
1.	Falguni Nayar	-	-	-	-	-	-	-
2.	Adwaita Nayar	-	-	-	-	-	-	-
3	Anchit Nayar	-	-	-	-	-	-	-
4	Vikram Sud	-	-	-	-	-	-	-
5	Milan Khakhar	-	-	-	-	-	-	-
6	Yogesh Mahansaria	-	-	-	-	-	-	-
7	Anita Ramachandran	-	-	-	-	-	-	-
8	Alpana Parida Shah	-	-	-	-	-	-	-
9	Akshay Tanna	-	-	-	-	-	-	-
10	Shefali Munjal	-	-	-	-	-	-	-
11	Padmini Somani	-	-	-	-	-	-	-
12	William Sean Sovak	-	-	-	-	-	-	-
B	KEY MANAGERIAL PERSONNELS:							
1	Falguni Nayar	-	-	-	-	-	-	-
2	Sachin Parikh	-	-	-	-	-	-	-
3	Pratik Bhujade	-	-	-	-	-	-	-

(VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

				(Rs. Lakhs)
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
(i) Principal Amount	2,436.16	-	-	2,436.16
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,436.16	-	-	2,436.16
Change in Indebtedness during the financial year				
• Addition	-	-	3,500.00	3500.00
• Reduction	-948.46	-	-1,500.00	-2,448.46
Net Change	-948.46	-	2,000.00	1,051.54
Indebtedness at the end of the financial year (31.03.2020)				
(i) Principal Amount	1,487.70	-	2,000.00	3,487.70
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,487.70	-	2,000.00	3,487.70

(VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

			(Rs. Lakhs)
Sr. No.	Particulars	Name of MD/WTD/Manager Falguni Nayar (WTD)	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	97.80	97.80
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	-	-
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
TOTAL (A)		97.80	97.80
Ceiling as Per The Act		Maximum Remuneration upto 5% of Net Profit	-

Note: Ms. Falguni Nayar has been paid remuneration in dual capacity of Director & CEO

(B) Remuneration to other Directors:

(Rs. Lakhs)				
Sr. No	Particulars	Name of Directors		Total Amount
1.	Independent Directors	N/A		
	(a) Fee for attending Board / Committee Meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
Total (1)				-
2.	Other Non-Executive Directors	Anita Ramachandran	Alpana Parida Shah	
	(a) Fee for attending Board / Committee Meetings	1.00	0.60	1.60
	(b) Commission	-	-	-
	(c) Others, please specify			
Total (2)		1.00	0.60	1.60
Total (B) = (1) + (2)				1.60
Total Managerial Remuneration (A) + (B)				99.40
Overall Ceiling as per the Act				N.A.

(C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. Lakhs)					
Sr. No.	Particulars	Key Managerial Personnel			Total Amount
		Falguni Nayar CEO	Sachin Parikh CFO	Pratik Bhujade CS	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	97.80	138.28	9.34	245.42
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	-	-	-	-
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Options	-	42.37	-	42.37
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
TOTAL (C)		97.80	180.65	9.34	287.79

Note: Ms. Falguni Nayar has been paid remuneration in dual capacity of Director & CEO

(D) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

sd/-
Falguni Nayar
Chairperson
DIN:- 00003633

Place: Mumbai
Date : 20th August, 2020

Annexure “B”

DISCLOSURES UNDER (ESOS)

- (a) options granted: **37,650**
- (b) options vested: **1,80,494**
- (c) options exercised: **1,41,539**
- (d) the total number of shares arising as a result of exercise of option; **1,41,539**
- (e) options lapsed; **310**
- (f) the exercise price: **Rs. 97.40/-, Rs. 100/-, Rs. 650/-, Rs. 357.95/- and Rs. 2,213,23/-**
- (g) variation of terms of options: **The vesting schedule varies considering the date of joining**
- (h) money realized by exercise of options; **Rs. 5,45,89,641/-**
- (i) total number of options in force; **5,09,086**
- (j) employee wise details of options granted to:—

- (i) Key managerial personnel.

Sr. No	Name	Designation	Options granted
	N.A		

- (ii) any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year.

Sr. No	Name	Designation	Options granted
	N.A		

- (iii) identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. **NIL**

Annexure “C”

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Lakhs)

Sr. No.	Particulars	Details	Details	Details	Details	Details
1.	Name of the subsidiary	FSN Brands Marketing Pvt. Ltd.	Nykaa E-Retail Pvt. Ltd.	Nykaa-KK Beauty Pvt. Ltd.	Nykaa Fashion Pvt. Ltd.	FSN International Pvt. Ltd.
2.	The date since when the subsidiary was acquired	(since incorporation)	(since incorporation)	(since incorporation)	(since incorporation)	(since incorporation)
3.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Share capital	200.00	951.00	100.00	1.00	10.00
6.	Reserves & surplus	(4,910.83)	949.60	133.26	(1,459.78)	(13.96)
7.	Total assets	26,363.77	57,150.06	2,000.09	2,076.24	16.64
8.	Total Liabilities	26,363.77	57,150.06	2,000.09	2,076.24	16.64
9.	Investments	NIL	NIL	NIL	NIL	NIL
10.	Turnover	19,271.79	1,66,976.22	1,514.42	3,535.61	-
11.	Profit /(Loss) before taxation	(3,960.70)	2,691.78	76.80	(2,223.57)	(21.96)
12.	Provision for taxation					
	-Current Tax	-	583.18	22.72	-	-
	-Deferred Tax	(86.63)	216.02	(0.72)	(551.22)	(5.53)

Sr. No.	Particulars	Details	Details	Details	Details	Details
13.	Profit / (Loss) after taxation	(3,874.07)	1,892.58	54.80	(1,672.35)	(16.43)
	Name of the subsidiary	FSN Brands Marketing Pvt. Ltd.	Nykaa E-Retail Pvt. Ltd.	Nykaa-KK Beauty Pvt. Ltd.	Nykaa Fashion Pvt. Ltd.	FSN International Pvt. Ltd.
14.	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
15.	% of shareholding	100%	100%	51%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures : Not Applicable

Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

Notes :- The following information shall be furnished at the end of the statement.

- Names of associates or joint ventures which are yet to commence operations : *None*
- Names of associates or joint ventures which have been liquidated or sold during the year : *None*

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

sd/-
Falguni Nayar
Chairperson
DIN:- 00003633

Place: Mumbai
Date : 20th August, 2020