



“FSN E-Commerce Ventures Limited (Nykaa)
13th Annual General Meeting”

August 25, 2025



MANAGEMENT: **MS. FALGUNI NAYAR – EXECUTIVE CHAIRPERSON,
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

MS. ANITA RAMACHANDRAN – INDEPENDENT DIRECTOR

MR. MILIND SARWATE – INDEPENDENT DIRECTOR

MR. SESHASHAYEE SRIDHARA – INDEPENDENT DIRECTOR

MR. SANTOSH DESAI – INDEPENDENT DIRECTOR

MR. MILAN KHAKHAR – NON-EXECUTIVE DIRECTOR

MR. SANJAY NAYAR – NON-EXECUTIVE DIRECTOR

MR. ANCHIT NAYAR – EXECUTIVE DIRECTOR

MS. ADWAITA NAYAR – EXECUTIVE DIRECTOR

MR. P. GANESH – CHIEF FINANCIAL OFFICER

MR. NEELABJA CHAKRABARTY – COMPANY SECRETARY

Moderator:

Dear members, good morning and a warm welcome to the 13th Annual General Meeting of FSN E-Commerce Ventures Limited, popularly known as Nykaa. Please note that this AGM is being conducted through video conference, other audio-visual means, in accordance with the provisions of the Companies Act 2013, various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Company has taken all efforts to enable its members to participate through video conference, other audio-visual means and vote at the AGM in a seamless manner.

If during the AGM any member faces any technical issues, he may contact the helpline number mentioned in the notice of the AGM. Speaker members will be on mute mode until such time when the question and answer session starts. Before we start the main proceedings of the meeting, I would like to introduce to you the Directors of the Company.

Let me start with Ms. Falguni Nayar, Executive Chairperson, Managing Director and Chief Executive Officer of your Company. She chairs the Fundraise and Investment Committee of the Company. She is attending this meeting from Mumbai. Ms. Anita Ramachandran is an Independent Director of your Company. She chairs the Nomination and Remuneration Committee, CSR and ESG Committee and is a member of the Audit Committee of the Company. She is attending this meeting virtually.

Mr. Milind Sarwate is an Independent Director of your Company. He chairs the Audit Committee and is a member of the Fundraise and Investment Committee of the Company. He is attending this meeting virtually. Mr. Seshashayee Sridhara is an Independent Director of your Company. He chairs the Stakeholders Relationship Committee of the Company. He is attending this meeting virtually. Mr. Santosh Desai is an Independent Director of your Company. He is a member of the Audit Committee. He is attending this meeting virtually.

Mr. Sanjay Nayar is a Non-Executive Director of your Company. He is a member of the Risk Management Committee, the CSR and ESG Committee and the Fundraise and Investment Committee of the Company. He is attending this meeting virtually. Mr. Milan Khakhar is a Non-Executive Director of your Company. He is a member of the Nomination and Remuneration Committee and Fundraise and Investment Committee of the Company. He is attending this meeting virtually.

Mr. Anchit Nayar is an Executive Director of your Company. He is a member of the Stakeholders Relationship Committee and Fundraise and Investment Committee of the Company. He is attending this meeting from Mumbai. Ms. Adwaita Nayar is an Executive Director of your Company. She is a member of the Stakeholders' Relationship Committee and the CSR and ESG Committee of the Company. She is attending this meeting from Mumbai.

Mr. Pradeep Parmeswaran is an Independent Director of the Company. He chairs the Risk Management Committee and is a member of the Nomination and Remuneration Committee of the Company. He is currently in USA and thus in a different time zone and hence is not attending this AGM.

Thank you all. In addition, we also have Mr. P. Ganesh, Chief Financial Officer, Mr. Neelabja Chakrabarty, Company Secretary, attending this meeting from Mumbai. Further, we also have the representative of S.R. Batliboi and Associates, LLP, the Statutory Auditors of your Company, the representative of S. N. Ananthasubramanian and Company, the Secretarial Auditors of your Company, the representative of Sharma and Trivedi, LLP, Company Secretaries and the scrutinizer appointed for this AGM, attending this meeting virtually from their respective locations.

I now request Mr. Neelabja Chakrabarty, Company Secretary, to provide general instructions to the members regarding participation in this meeting. Thank you and over to you, sir.

Neelabja Chakrabarty:

Thank you, Michelle. Good morning, everyone. It gives me immense pleasure to welcome you all to the 13th Annual General Meeting of FSN E-Commerce Ventures Limited. I shall take you through the general instructions regarding the participation at this meeting. Your Company has tied up with National Securities Depositories Limited to provide the facility of voting through remote e-voting, e-voting during the AGM and participation in the AGM through video conference and other audiovisual means. Live streaming of this meeting is being webcast on the NSDL's website.

The registers and records, as required by law, are available electronically for the inspection of the members. Since this AGM is being held through video conference and other audiovisual means, the facility of appointment of proxies by the members is not applicable. The participation of the members through video conference has been recon for the purpose of quorum as per Section 103 of the Companies Act 2013 and circular issued by the Ministry of Corporate Affairs.

The quorum being present, this meeting is called to order. Before we start the Chairperson's speech, we would like to point out that some of the statements made in today's call may be forward-looking in nature. A disclaimer to this effect has already been included in the presentation that we will be sharing.

I would now request Ms. Falguni Nayar, Executive Chairperson and Managing Director and CEO of the Company, to address the members. Over to you, ma'am.

Falguni Nayar:

Thank you, Neelabja. Good morning, ladies and gentlemen. It is my great honour to welcome you all to Nykaa's 13th Annual General Meeting. On behalf of the Board of Directors, I would like to thank each of you for taking out this time to join us today. With this, I would like to start with our presentation. Before we talk about Nykaa's performance, I would like to discuss the massive Indian opportunity and the incredible economic landscape we operate in.

India is amongst the fastest-growing major economies in the world, on a clear trajectory to become the third-largest economy with a projected GDP of over \$6 trillion by 2030. The country's per capita income is expected to more than double, reaching US\$4,500 by FY2030. India's projected GDP per capita, CAGR of 8%-9%, for the next five years is significantly ahead and outpaces the 3%-6% growth expected in other leading economies.

The rise in GDP per capita is fuelling a consumption boom in India. The retail market has already grown 1.3x between FY20 to FY25. Over the next five years, the market is set to surpass US\$1.6 trillion by 2030. India is currently the third-largest global retail market and is expected to grow faster than any other large economies like China or the US over the next five years. Moving on, let's talk about a massive opportunity that e-commerce presents. In FY2025, Indian beauty e-commerce market has reached US\$60 billion, with beauty and fashion categories making up a significant 35% of the entire mix.

Looking ahead, this market is set to reach US\$190 billion by FY2030. Within that, beauty and fashion are set to be the primary drivers of future growth, with potential of making up to 40% of the market by 2030, which means beauty and fashion alone will be bigger than the entire e-commerce market that is prevailing today in FY25. This demonstrates the long-term potential of the categories that Nykaa specialises in, placing us right at the centre of India's e-commerce revolution.

This growth in e-commerce is going to be fuelled by evolving consumer demographics as well as democratisation of technology. India already has 280 million online shoppers at par with the USA, and this pace is set to surge past 400 million by 2030. A key driver of this digital wave is our nation's youth.

The digitally native Gen Z shopper base is poised to drive nearly half of India's consumption. They prefer platforms that are curated, discovery-led, a space where we have a clear advantage. Nykaa is well-positioned for successes as we are operating in this high-growth environment where beauty and personal care and fashion are the fastest-growing categories in discretionary consumption.

The online BPC market alone is projected to grow three-fold between FY25 and FY2030, reaching \$15 billion. Similarly, the online fashion market is projected to more than triple in a similar period, reaching \$60 billion. Dear shareholders, now let's look at Nykaa's own performance in FY2025.

I am thrilled to share that Nykaa has delivered another year of strong performance in FY25, continuing our trajectory of robust growth. We have grown ahead of Indian e-commerce with a GMV of INR15,600 crores, delivering a 25% year-on-year growth and a 42% GMV CAGR over the last five years, compared to industry average at 20%. Our year-on-year growth is underscored by consistent expansion in our omnichannel business along with increased diversification over the last five years.

In just five years, we have grown our GMV 6x over and today our beauty vertical stands at roughly 75% of that GMV and fashion makes up the remaining 25%. To sum it up, FY25 has been a milestone year for us. We closed FY25 with over INR1.8 billion in GMV across all our platforms. We serve 42 million customers through our four platforms and almost 250 stores across 82 cities. We are now the largest specialized beauty retailer in the country. We have over 9,000 brands across beauty and fashion and we already have very strong fulfillment capabilities



with Nykaa. Now, our latest offering, delivering beauty products in as little as 30 to 120 minutes across top seven cities.

We have built a comprehensive ecosystem and it will continue to drive our growth in the years to come. Now, let me begin with the beauty vertical. Our beauty vertical has had an impressive year reaching GMV of close to INR11,800 crores.

This represents a 30% year-on-year growth and incredible growth of 5x in the last five years. We have a cumulative customer base of over 34 million who have placed more than 54 million omni-channel orders in FY25 alone. This is a testament to the love Nykaa receives from customers and the deep trust that they place in us.

We have further solidified our position as the number one partner for global beauty brands that enter India. We have the highest number of brand launches in 2025, including some of the renowned global brands such as Nars, Kérastase, YSL, Eucerin, Obagi, and Dr. Jart. The world's biggest beauty brands are betting big on India as it rapidly becomes a key market, evident from a number of global brands we launched in the last few months.

The momentum will only accelerate as we continue to play a crucial role and remain the partner of choice for global brands to build their business in India. We have spent the last decade building a truly omni-channel beauty ecosystem, one that spans across all channels to serve the modern Indian consumer. We believe that the focus on both online and offline retail is critical for both beauty brands and beauty consumers.

Today, we are proud to announce that we have crossed the 250 stores milestone. This makes us the largest network of beauty speciality retail stores in India with a presence in 82 cities. Our physical retail business is not only expanding its footprint, but it is also doing so profitably.

There are three different types of store formats we have. Nykaa Luxe, Nykaa On Trend, and Nykaa Kiosk. And this visual representation gives little more information about that. These stores are more than just point of sale. They are destinations that offer immersive, curated experiences. They are now becoming destinations for indulgence and discovery. Customers can now enjoy experiences like makeovers, skin consultation, hair styling, and even nail and spa services at our stores.

For over a decade, Nykaa has been instrumental in building a beauty category in India. Our flagship event, Nykaa Land, India's biggest beauty festival, was a resounding success with attendance of 25,000 beauty enthusiasts and over 1,000 content creators. Our Nykaa Wali Shaadi campaign has made Nykaa synonymous with all things wedding.

This show was among the top 10 shows on OTT platforms for several weeks. I am excited to introduce our new initiative to strengthen our fulfillment capabilities, Nykaa Now. Nykaa Now is available across top cities, delivering beauty to our customers in 30 to 120 minutes.



What truly differentiates Nykaa Now is our unparalleled assortment. It offers the largest and most comprehensive selection of beauty and has delivered 1.3 million orders till date. Now, I would like to share a video showcasing Nykaa Now.

[Video Presentation]

Let me now talk about House of Nykaa. Our House of Nykaa represents a diverse portfolio of unique brands across categories and over the last five years, this portfolio has scaled 8x, reaching the GMV of INR2,100 crores. In Q1, we are already at INR2,700 crore GMV on an annualized basis.

This slide highlights our milestones over the last five years from launch of Kay Beauty, India's most loved celebrity brand with Katrina Kaif, to strategic acquisitions of brands like Dot & Key and Earth Rhythm.

Now, I would like to share a video on House of Nykaa.

[Video Presentation]

Thank you. I am proud to announce that House of Nykaa now stands as India's second largest homegrown beauty portfolio, comprising seven brands and generating over INR1,700 crores in GMV serving 13 million customers.

Let us now talk about some of these brands. Nykaa cosmetics is India's trendiest brand for the youthful beauty consumers of today and tomorrow. Kay Beauty is in partnership with Katrina Kaif is India's first and most successful celebrity beauty brand. And I am delighted to share a proud milestone for us all. Kay Beauty is set to make its historic UK debut with an exclusive launch at Space NK. Kay Beauty is the very first beauty brand founded in India to join Space NK's carefully curated global portfolio.

With this launch, we are taking one of India's biggest beauty success stories to the UK's most prestigious luxury beauty retailer. Next, I would like to talk about Dot & Key, India's largest and most loved skincare brand, which has scaled to a GMV of more than INR900 crores in financial year '25 and it continues to scale even beyond that.

Now, let's talk about two of our fashion brands. Nykd by Nykaa is a brand that truly simplifies lingerie for Indian women, making comfort and style effortlessly accessible and TWENTY DRESSES offers chic and trendy western wear collection to match many moods of everyday life.

With that next, I would like to talk a little bit about our e-B2B platform called the Superstore by Nykaa. This technology-driven B2B platform empowers retailers across India with a wide selection of beauty and personal care assortment while helping brands expand their reach as well as improving end-consumer access. In just three years, it has quickly scaled to truly serve the underserved via technology.

In financial year 2025, Superstore's GMV has scaled to INR941 crores. It now serves 2.8 lakh transacting retailers across 1,100 cities. Audio volumes have also tripled during this period with nearly 89% of sales coming from Tier 2 and smaller markets.

Traditional distribution networks struggle to meet this demand and that's where Superstore plays a critical role. We empower underserved retailers with access to broad portfolio of over 200 national, regional and D2C brands. At the same time, we enable brands of all sizes to reach consumers across the country, truly democratizing distribution.

The business also witnessed significant improvements in its unit economics over the course of the year with a contribution margin improvement of over 484 basis points in financial year '25 alone. The primary drivers for improvement were higher gross margins, improved fulfillment costs and improved sales team productivity. To summarize, Superstore has scaled well with clear paths to profitability.

Now let's move on to the fashion vertical. Nykaa Fashion continued to deliver healthy growth with a GMV of INR3,800 crores during this financial year, outpacing the broader online fashion industry growth despite a muted consumption environment.

Our cumulative customer base has grown to 8 million and in financial year '25 alone, we've fulfilled as many as 8 million orders. We launched Nykaa Fashion to meet two key market needs. The vast potential of the fashion industry and a growing consumer desire for a trend-focused premium shopping experience.

We've stayed true to this vision, focusing on curating a high-quality assortment and enabling discovery. As per the third-party surveys, we are the second most preferred platform of choice amongst consumers and the number one most preferred platform of choice for latest trends and styles.

Nykaa Fashion enjoys best-in-class AOV and high new season sales, both of which are 2x the industry average. Over the past few years, we have built our assortment to reflect presence and availability across brands and categories. Most of the national brands retail on our platform and enjoy significant sales through Nykaa Fashion. These are some of the brands that you'll find on our platform.

In the last couple of years, we've witnessed a launch of many of the strongest D2C brands on Nykaa Fashion and they've quickly scaled on our platform. For years, Nykaa Fashion has been known to bring homegrown niche brands to the forefront through our hidden gems property, showcasing the best of what our country has to offer to millions of customers.

And finally, our House of Nykaa brands find immense consumer love and add significant value to the platform in key categories. Beyond national partnerships, Nykaa Fashion is the destination for premium and global fashion in India. Our platform now offers 1,000 international brands, bringing the world's most sought-after fashion directly to our customers' fingertips. We have also established strong relationships with leading global retailers.

We not only brought their assortment to India, but also integrated our platforms through innovative B2B2C cross-border integration, full-stack solutions and multi-marketplace models. With this, we brought brands like REVOLVE and Foot Locker into the country.

To further elevate the consumer shopping experience, we created the Nykaa Fashion Edit, which provides a content-led discovery journey and offers curated stores – offered through curated stores by stylists. This feature allows customers to shop by occasion, trends, and even through influencer-curated collections, making it easier than ever to discover new looks.

Our objective is clear, to maintain our position of India's number one style and trend and style-first shopping platform. Nykaa Fashion continues to build assortment with marquee brands across categories, from Gen Z store to Men to kids to home to accessories. We have been scaling with improving profitability. Fashion has witnessed a steady and strong margin improvement.

Our gross margin has risen, reaching 49% in FY25 and our EBITDA margin has shown remarkable progress, moving from negative 28.3 in FY20 to negative 8.3 in FY25. Moving on, let's reflect on our recent developments in technology. I am very proud of Nykaa being an extremely agile organization. It has been one of the key pillars to our success. We have been at the forefront of being able to very quickly capture every new opportunity and adapt to our customers' evolving needs.

This year we'll also see our organization transform rapidly, with us making best use of the transformative new AI developments happening across the globe. We are reimagining all our key journeys end-to-end, be it product discovery for consumers, our ability to solve customer queries, pace of our tech releases, our solutions for brand partners, and much more.

What gives us a strong edge is our existing understanding of our consumers, their preferences and behaviors which enables us to create feedback loops resulting in strong personalization capabilities.

I'd like to share a few examples of what we are building. We are taking search to the next level through Gen-AI capabilities. We are bringing content, education, personalization together to transform traditional search and create meaningful journeys for our consumers who are seeking answers from us for a product, a concern, a trend, or anything else.

The unique content and educational information we create, such as CSMS routine, our knowledge of the customer, such as brand and category affinities and AI models bring all of this together to create powerful, meaningful responses for our consumers.

Fashion is an extremely long-tailed category where the breadth of options allows consumers in e-commerce to find such strong success. Customers are looking to Nykaa Fashion as a source for the right trend and in fact, the right outfit. I'm excited to talk about the next initiative, Nykaa Muse, a personal AI stylist for every single consumer. Through our understanding of consumer, as well as ability to read between the lines of every customer query, Nykaa Muse can drive inspiration for every occasion in a customer's life.

An increasing share of our codes are now written by AI. This video shows how a UX stream that would have taken days to build has been generated in only minutes. We expect our speed of execution to increase dramatically and have taken an internal goal of 50% code generation through AI by the end of the year, well ahead of industry benchmarks.

These examples were a glimpse of how AI has truly been given a seat at every meeting we have. Today, we have 40 plus Gen AI initiatives spanning customer experiences, tech product development and productivity across functions from service to operations to finance and much more. I'm excited for the immense opportunities these transforming technologies are creating for Nykaa.

Moving on, let us look at Nykaa's financial performance trend in the year 2025. We have achieved a strong growth in both revenue and profitability. Our revenue has seen a remarkable 35% five-year CAGR. In 2025 alone, we delivered a 24% year-on-year growth reaching nearly INR8,000 crores.

Our EBITDA has grown even faster with 41% five-year CAGR, demonstrating our focus on building a sustainable and efficient business. Our EBITDA margins expanded to 6% in financial year 2025, a testament to scaling our business with the right unit economics. We have consistently improved capital efficiency and delivered healthy returns.

Our ROC has improved to 11.3% in financial year 2025 from 7.5% in financial year 2024. Our disciplined approach and capital efficiency has allowed us to build a large and growing lifestyle ecosystem with a total capital raise of only \$140 million in the entire journey of Nykaa.

And finally, we are committed to making choices that create positive impact all around us. As we grow, we are building a future that is responsible and sustainable. Everything we do as an organization, big or small actions, business or otherwise, are driven by our six core values. We aim to drive the right culture and values across our teams and people and I am proud of the integrity, strong work ethic and holistic thinking displayed by each Nykaaite in our Company.

The unique proposition of Nykaa is built on an expansive ecosystem which connects brands, suppliers, vendors into a single cohesive network. Along with the driving direct employment of over 13,000 people, we are incredibly proud of our ability to support and be part of the journey of many more individuals and SMEs such as beauty creators, independent beauty professionals, vendors, suppliers, independent retailers, through Superstore and many more.

We are deeply committed to building a sustainable and responsible organization. We have taken significant efforts to drive operational efficiency to create a positive environmental impact. I am happy to share that we have made significant strides in this area with 96% of packaging material coming from sustainable materials in 2025. We have also recycled 160 metric tons of plastic in 2025.

In the Superstore business, we are reusing packaging materials we receive from brands to further fulfill orders to retailers. We reused over 1.5 million brand boxes to fulfill orders in 2025 in our Superstore. In House of Nykaa warehouses, 100% of the corrugated boxes are being reused.

As our organization has scaled rapidly, we remain committed to nurturing a workforce that is diverse and inclusive. Women make up 43% of our team, contributing meaningfully at every level of the Company. Women also comprise 60% of our workforce when you consider Beauty & Fashion category management, Marketing, and HR.

In Financial Year '25, we were honored to be recognized amongst best workplaces for women by ETNow, a reflection of our ongoing mission to build an inclusive culture. At Nykaa, our core values shape a culture that prioritizes employee growth and development.

From recognizing performance and value champions with the Chairman's Annual Award to providing opportunities for continuous learning and discovery, we are committed to our people. Nykaa is deeply committed to employee well-being and has introduced these initiatives to support it. The Nykaa Foundation, our CSR Arm, focuses on multiple initiatives to support and uplift most vulnerable communities.

We partnered with several NGOs, positively impacting lakhs of lives over five years. Here are some of the key initiatives undertaken by Nykaa Foundation. With its focus on women empowerment, Nykaa Foundation has successfully helped over 11,500 women, helping them build careers and financial independence. Nykaa Foundation provided access to quality education, impacting more than 25,000 students. We are uplifting communities through our community empowerment efforts.

And to conclude, this has been another remarkable year in Nykaa's journey. We have not only reinforced our position as a leader in the industry, but have done so by consistently being at the forefront of what's next. Our agility, a consumer-first approach, will continue to guide us as we unlock new opportunities in the beauty and fashion industry. We look forward to what Nykaa can achieve and be for its consumers.

As we close this year, I would like to express my sincere gratitude to all of you. On behalf of the Company, I want to thank all our shareholders, our investors, our partners, our suppliers, Nykaaites, and more importantly, our customers for their unwavering faith and continued support.

Our 42 million and counting customers are at the heart of everything we do, whose trust in our platform has been the foundation of our growth and continued success. We remain committed to serving you better every day with every click and every order. Thank you for letting Nykaa be part of your life. Thank you so much.

Moderator:

Thank you very much, ma'am. I would now like to call upon Mr. Neelabja Chakrabarty, Company Secretary to give instructions about the e-voting process. Over to you, sir.

Neelabja Chakrabarty:

Dear members, I shall take you through the general instructions regarding participation at this meeting. In accordance with the provisions of the Companies Act 2013 and the rules issued thereunder and the SEBI listing regulations, the members who were provided with an opportunity to cast their vote through remote e-voting facility are on the resolutions as set out in the notice conveying this Annual General Meeting.

The remote e-voting period commenced at 9 am on Thursday, August 21, 2025, and the facility was available to the members till 5 pm on Sunday, August 24, 2025. The members who have not cast their votes through remote e-voting and who are participating in this meeting will have an opportunity to vote during the meeting through e-voting system provided by NSDL.

The facility for e-voting will also be made available for 15 minutes after the conclusion of this meeting. Since the AGM is being held through video conference or other audio-visual means, there will not be any proposing or seconding of the resolutions.

Mr. Sachin Sharma or failing him Mr. Dinesh Trivedi or failing him Mr. Vishwanath, Designated Partners at Sharma & Trivedi LLP, Practicing Company Secretaries have been appointed as scrutinizers for the scrutiny of the votes cast through the remote e-voting platform and e-voting during the AGM in a fair and transparent manner.

The voting results along with the scrutinizers' report will be declared within two working days and will be available on the Company's website and on the website of NSDL and the stock exchanges where the Company's shares are listed.

With the permission of the members, the notice of the Annual General Meeting is taken as read. We would also like to inform you that there are no qualification or adverse remarks in the reports of the statutory auditors and the secretarial auditors.

Now, I request the moderator for the meeting to kindly initiate the question and answer session.

Moderator: Let us start with the first speaker, Arun Kumar Boppana. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your question.

Arun Kumar Boppana: Good morning. Thanks to Neelabja, the CS, Ganesh and the team for arranging the VC. I think you took more than 40 minutes and you want to finish in under 2 minutes. There is a parallel meeting going on too. This timing and date somehow is a little problematic for us.

First compliments for the celebration of numbers and India's rise in the global beauty economy. FY25 was clear, clear a landmark year. A remarkable story of vision, values and value creation. My question is, what investments are being made in logistics in Tire 2 cities? Could you share your latest EBITDA margins across key segments, beauty, fashion and B2B?

What are sustainability initiatives such as packaging, innovation, renewable energy, in warehousing? Growth outlook for Nykaa On brands like Kay Beauty. What percentage of sales now come from GenX consumers? Is Nykaa tracked to deliver consolidated net productivity on a full-year basis for FY26?

With about 240 physical stores, how are you balancing offline expansion with digital-first efficiency? I think you achieved 80% next-year delivery or even earlier now in your speech. In more than eight cities, are there plans to deepen that to fulfillment to support B2B and beauty demand, adding 800 plus stores, new brands? In conclusion, Nykaa must shape confidence, identity, aspiration for a generation with beauty products.

I wish you all the best. I have another meeting. I will meet you directly. Thank you.

Moderator: Thank you. Our next speaker shareholder is Lekha Shah. Please accept the prompt on your screen. Turn on your webcam, unmute yourself and proceed with the question, ma'am.

Lekha Shah: Respected Chairperson, ma'am, Board of Directors and my fellow members, good morning and regards to everyone. Myself, Lekha Shah from Mumbai. First of all, I would like to thank our Company Secretary, Neelabja sir, especially Kevin sir, for giving me this opportunity and small smooth process where I'm able to talk in front of you all in AGM.

I found the AGM notice and I'm delighted to say it's so beautiful, full of colors and facts and pictures in place. Chairperson, ma'am, your opening remarks were so insightful and comprehensive that you have already addressed everything I had in mind. Ma'am, all our upcoming festivals filled with joy and blessings, ma'am.

Again, I thank our Company Secretary, Neelabja, sir, especially Kevin sir, for their best performance and always outstanding support for all my doubts. Ma'am, I would like to ask a few questions.

My first question is, what is the roadmap for the next 2 years? How much our PAT in current financial will affect because of the trade war? What is the total number of employees and how many human employees are working in our Company? So, I would like to say, I strongly and wholeheartedly support all the resolutions for today's meeting. Ma'am, please continue with your conference meeting in future. Thank you, ma'am.

Moderator: Thank you. Our next speaker shareholder is Bimal Kumar Agarwal. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with the question.

Bimal Kumar Agarwal: Good afternoon, good evening and good night to all the shareholders, all the Directors who have joined from different parts of the world. Chairwoman has given a beautiful picture about the Company. There is no question to be asked, only I want to know. Since new products have launched, we have filed a patent. What are our R&D expenses?

And I thank the Company Secretary team management, staff and the shareholders also. That's all from me. Thank you very much. Please continue with your conference in future. Please again, I thank the Company Secretary team also. That's all from me. Thank you very much.

Moderator: Thank you. Now, I call upon our next speaker shareholder, Ankur Chanda. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with the question.

Ankur Chanda: Good morning to everyone. Sir, I just want to say that our corporate governance is too good. That's why there is no problem. Still, I would like to ask two small questions. That despite increasing competition in the beauty and fashion e-commerce space, how does Nykaa plant to sustain and grow its profitability over the next 2 to 3 years?

Second one is, what is the management outlook on revenue and EBITDA margin growth for the next fiscal year? Third one is, can you provide clarity on the Company's capital expenditure plan and how it aligns with long-term ROI goals? That's all I would like to know. Thank you.

Moderator: Our next speaker shareholder is Manjit Singh. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with the question. Mr. Singh, please proceed.

Manjit Singh: You are audible, sir. Nykaa team management team, secretarial team and my co-shareholder, I welcome everyone. Good morning, sir. The way our Company has shown progress, we hope and pray to God that the Company continues to grow in the same way. The way we are on the platform, apart from the major cities, we also have booking on rural areas or villages. And in the coming time, on this platform, the small cities will be able to bring in more people. What are our future plans? Please tell us a little bit about this. We hope that the Company's progress is good.

Thank you very much to our Secretarial Department for all the hard work they have put in.

We hope and pray to God that the Company continues to grow in the same way. The way we joined you this morning, the morning was in the name of Nykaa. Thank you for the management team. Thank you for the Secretarial team.

Moderator: Thank you. Our next speaker shareholder is Hiranand Kotwani. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your question.

Hiranand Kotwani: Thank you. I am Hiranand Kotwani from Kalyan. It gives me immense pleasure to talk to you, this Company, very dear to us from IPO. We are regularly attending this virtual meeting. But I want that one physical get-together after the Diwali should be there. Those who are interested in the operation and sustainability of this organization, analysts, speakers, shareholders are interested in this. It is up to you. This Company has done well. But certainly, one thing is that dividend. Your revenue is good.

All is good. I read your balance sheet very nicely. In two to three minutes, I cannot praise our exercise at efficiency part. But certainly, I want to know why there is no plant. Is there any future? Because scale is important. A long-term vision is there. To scale and profitability, one plant should be there. What is your call, madam, in this regard? So many verticals. How many shops we own? How many franchises we have?

How many channel partners are there? In the balance sheet, 4,400. Lease, ownership, and franchise. I want these three figures to be disclosed. Give me an email. One thing is clear that dividend should be there? There should be remuneration moratorium unless you do not give a dividend. Nobody when annually more than that, unless and until we give dividend to the shareholder. Because you are the major shareholder. If you reduce the cost and increase the give the dividend, you will benefit from it.

Your concern is our concern. How you look in the market is good. All is well. But certainly, economic scale, efficiency, transparency, and particular transparency and competency is important. How do you look future? And corrective measures taken particularly in a plant and

particularly the sustainability. Your staffs are at par with celebrities. Don't go any huge experiences, huge experience for celebrity.

Your staff itself, madam, you are itself a celebrity. If you realize yourself, that is a very good. We know. And people, digital people know this Nykaa very well. So pay attention to the sales, pay attention to the future, pay attention to scale. Thank you and good luck.

Moderator: The next speaker shareholder is Jehangir Batiwala. Please accept the prompt on your screen. Turn on your webcam, unmute yourself and proceed with your questions.

Jehangir Batiwala: Your opening remarks was really good. I heard the whole presentation. But ma'am, I have a small suggestion that henceforth such presentations, if they can be emailed in advance, a lot of time can be saved, ma'am. You took almost about 45 minutes for your presentation. And there are other meetings going on.

So devoting that much time for a single meeting is a little difficult. Hence, I would request you that if the presentations can be emailed to the people who have done the speaker registration. Secondly, ma'am, if you can just touch upon the roadmap for the next two years, and what are your plans for taking Nykaa on a global platform.

Thank you very much for patient hearing. And I wish you best of luck to one and all and compliments of the festive season, which has just started to everybody, the whole Nykaa family. Thank you, ma'am.

Moderator: The next speaker shareholder is Dileepkumar Jain. Please accept the prompt on your screen. Turn on your webcam, unmute yourself and proceed with the question.

Dileepkumar Jain: Yes. Namaskar Jai Hind. Chairman Madam and fellow shareholders. Madam has given details in the introductory speech, so the two three questions I had, I've already got an answer to that. Best of luck for the coming time coming ahead and that our Company will keep progressing. The setback was there in the last year what we saw meaning that from listing to later on that setback to the shareholders. But looks like it will be recovered slowly the way the Company is going on.

And apart from that the Company -- the shareholders loss -- is there any right issue or bonus issue will be given or even the split form -- whatever the compensation would be there for shareholders. If it is possible, then you do it. And wish you all a very happy New Year, best wishes to you all a very happy New Year, Diwali and Ganpati.

If possible give us any complimentary for this -- like any gift coupon or discount then that will be good from our Company then that will be good for the New Year. So everything else is good for the Company, just that what is the solar power, how many outlets are being used in offices, the ratio of male to female staff, as per Modi ji's vision, so what is the ratio, thank you very much, Jai Hind.

Moderator: The next speaker shareholder is Gundluru Reddeppa. Please accept the prompt on your screen. Turn on your webcam, unmute yourself and proceed with your question.

Gundluru Reddeppa: Thank you. Thank you moderator for giving this opportunity. Chairman, ma'am, Board of directors, Company Secretary and my fellow shareholders. Good morning. Namaste. Myself Reddeppa Gundluru attending from Hyderabad. As a shareholder, I'm very happy, proud about the Company's performance. Ma'am, your speech is very wonderful. Presentation is very informative. Thank you so much for wonderful presentation. What a passion you are having about my Company business. Special appreciation to you.

Moderator: I'm sorry to interrupt you, Mr. Reddappa. I would request you to please turn off your webcam because there is a bandwidth issue at your end.

Gundluru Reddeppa: Yeah. Ma'am, I received the Annual Report. I've gone through the Annual Report. Wonderful beauty. As we are doing business in beauty, the Annual Report is very beautiful, ma'am. Its weight is very good. More than 200 kilos from first phase to last phase. Winning every moment.

What a wonderful quotation, ma'am. Thank you so much for the Annual Report presentation team, CS team, all the Company heads, account heads, together, creating your hard work. The Annual Report came out. Thank you. Special kudos to you, ma'am. And also, I'll phone in just a minute. -- I'm in another meeting. Please give me a chance once again.

One second, ma'am. Sorry, ma'am. I've gone through the Annual Report, ma'am. I found there is a wonderful transparent governance under your leadership. Transparency is high standard, ethically doing the business. Special thanks. Thank you for your wonderful financial performance and thank you for rewarding everything, ma'am. I have a question. I would like to ask you, ma'am. What is the Company's strategy to maintain growth in both beauty and fashion segments?

How is Nykaa planning to compete with other e-commerce platforms like Amazon, Flipkart, and Reliance Tira in beauty retail? Third question. What are the plans to increase presence in tier two, tier three cities? Ma'am, another question about the profitability expenses. When can shareholders expect consistent profitability at a considered level? Marketing and advertising expenses are high.

Is there any plan to optimize them while keeping growth? What is the current margin in the Beauty and Fashion segment? Ma'am, about the expansion, ma'am? Stores and expansion. How many office stores were opened this year? And what are the targets for next year's targets? How does offline or store profitability compared with -- supporting other regulations, ma'am?

Thank you, Tina ji, for a wonderful opportunity. Thank you so much. I wish you all the best. God bless you all. I wish -- I pray God to give the strength and wisdom of the entire Board of directors. Thank you, ma'am.

Moderator: Our next speaker shareholder is Ashit Kumar Pathak. Please accept the prompt on your screen. Turn on your webcam, unmute yourself, and proceed with your question. Mr. Pathak, please proceed.

Ashit Kumar Pathak: Good morning, respected Chairman, Board of Directors, Company Secretary, fellow members, joining at 30th AGM of FSN E-Commerce Ventures Limited. My name is Ashit Kumar Pathak, joining from Dum Dum, Kolkata. At first, my extreme gratitude to our Company Secretary, Mr. Neelabja Chakrabarty and entire secretarial team, leadership team, nicely sending me the hard copy of annual report very well in advance and excellent secretarial team.

Ma'am, your opening remarks, you explained all nicely by video representation. Excellent, excellent, excellent. Now, the financial performance also excellent. GMV growth 25%, and net revenue INR7,950 crores, 25% growth, and profit after tax INR72 crores, gross margin 43.7%. And nicely achieved cost optimization model. Excellent.

Ma'am, my last speaker also mentioned about cost optimization in operating expense. That is very, very important. May be taken in innovative way, because we have also investment in innovation and distribution and inventory trajectory. So, this is my first view I'd like to share. And debt reduction policy, I noticed our increased to INR836.42 crores and gearing ratio increased to 0.64 against 0.48. Share your thoughts.

And I noticed our fashion business vertical is not so prospective. Mentioned near about 8.3% EBITDA loss against NSB. Share your thoughts about the fashion business vertical growth. Any plan for acquisition other private entity like Earth Rhythm Private Limited, Dot & Key Wellness Limited, and expected business growth financially year '26 new products in pipelines, diversification in BPC and fashion, and any view for saloon business. Share your thoughts.

Also, first quarter result is nicely achieved. I am congratulating entire Secretarial team for this. Near about net profit growth 24.47%. And finally, there are some two-three points. Indian government recent GST reduction, any positive impact in our operation. Also, time tariff, any impact in raw materials import. Share your thoughts.

Gender diversification, maybe equal gender diversification, because 43% we have women employee. Any plan for consolidation between existing domestic subsidiaries. And amalgamation, any subsidiaries business like mentioned in the balance report. And finally, any shareholder regarding policy. Last in financial year '21 and financial year '22, members are rewarded with bonus share. So think about this.

Also, any R&D we are maintaining, because we are also maintaining cosmetics and other in personal care. As well as our investment in also mentioned take BBC innovation and investing in order management and advertisement technology. So that to be concentrated in research and development, because this is a very skin related thing, I think so far in cosmetics also.

And also, finally, I highlighted my Company's excellent going to union mutual fund innovation opportunities fund. I noticed the retail portfolio total 20.90 my Company is taken place 2.74 as

on 30th June 2025 tax sheets, excellent management team and excellent growth. Only there is lacuna shareholder regarding policy.

I pray to God, everybody for good health and prosperity of my Company by leadership of you and inter management team. Thanking you, ma'am.

Moderator: Thank you. The next speaker shareholder is Vasudha Dakwe. Please accept the prompt on your screen, turn on your webcam unmute yourself and proceed with your question. Ms. Dakwe, please accept the prompt.

Vasudha Dakwe: Very good afternoon, respected chairperson, ma'am, board of directors and my fellow shareholder, myself Vasudha from Thane. I will also thankful to our Company Secretarial team for sending me the hard copy of the report very in advance, which itself is very clear and transparent and also colorful. The opening speech given by the chairperson is also very informative and excellent.

I will congratulate for the robust performance of the Company during the past year and in future also doing well. I would like to ask what is our market price in our domestic market as well as overseas. With this, I support all the resolution. Thank you very much and wish the Company all the best for coming financial year and my best wishes for coming Ganapati, Dussehra and Diwali festival. Thank you very much.

Moderator: The next speaker shareholder is Susheel Arora. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed, sir. Sir, please accept the prompt.

Susheel Arora: Respected Chairman and Board of Directors and our shareholders and Secretarial team and Kevin-ji, I would like to thank you very much. Thank you for letting me speak at our 13th AGM. Our chairman ma'am has given a very good speech. She has given a very good speech. Especially the Nykaa marriage is very good. And the AGM book that was sent was very good. Thank you for sending it on time. It is a beautiful book.

I would like to say that near Diwali, if we can have a get together for shareholders then we will get a chance to meet you. It is virtual. There is no problem in that. But once if there is a get together then it will be good. Ma'am, I have a request, especially for ladies your Nykaa products, if there is a discount if someone wants to buy a product, if something is given in that then it will be very good.

The rest, in your speech you shared about the growth of the Company, it was very good and it felt nice to hear that our Company is growing well. Without taking much time our shareholders have said a lot. There are answers to our questions. And madam has given a very good speech. She has told everything. Thank you.

Moderator: Thank you. The next speaker shareholder is Gagan Kumar. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your question.

Gagan Kumar:

Meeting started with good morning and now it is around good afternoon. It will not go till evening. Let me make myself very brief. I am Gagan Kumar from Delhi. Most of my query is covered by chairperson ma'am in the opening remarks and the presentation. My only one or two concerns are that in this challenging phase what is our strategy to maintain or to enhance our margins.

My second query is if we see that there are lots of competition and our strategy to attract more and more customers to our store or our site, what special treatment we can give? The only concern I have for today's AGM and I am the shareholder of so many companies but I would like to mention here the dynamic secretarial team over there is that we have sent request for the speaker and most of the companies send the link and they do not inform the shareholder that either you received it or not.

We got three time calls from your Secretarial team by ma'am, Tina, Mr. Neeraj again by Mr. Neeraj. So, this kind of Secretarial team will truly boost our morale to stay in the Company. Thank you so much for this opportunity.

Moderator:

Thank you. The next speaker shareholder is Anil Parekh. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your question.

Anil Parekh:

Okay. Chairperson madam Falguni Nayar ji, other board members and my fellow shareholders. Madam, I am Anil Parekh here from Bombay and I am long standing shareholder since the listing of this Company. Chairperson madam, I am really touched with the performance this year and I am truly, what you call admire that being a woman you have done exceptionally well this year and our turnover has reached gross merchandise value has reached to INR15,604 crores. Excellent madam.

Also, our consolidated net revenue has increased to INR7,950 crores. Excellent performance madam under the challenging environment and economic scenario. Madam, our beauty and personal care business is a key growth driver and we can see that it is increased by 30% and margin has also improved 9.6%.

There are many positive things in the Company and I don't want to repeat it again before me many speakers have said. I would like to understand only from you that how many more retail stores can be added in this year. Since last year we have added around 50 stores and very good expansion program we have. So what is your capex program as far as establishing new stores.

And you have already highlighted many things which eradicate all the questions which I had in my mind. So I am thankful to you for allowing me to speak at this meeting. I am also thankful to our CS team, Neelabja and Kevin particularly for assisting timely. Thank you for patient hearing and I am supporting all the resolutions proposed today. Thank you.

Moderator:

Thank you. The next speaker shareholder is Bharat Negandhi. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your question. Mr. Negandhi, I would request you to kindly rejoin the meeting and try again.

Now I invite our next speaker shareholder Aspi Bhesania to kindly accept the prompt on your screen, turn on his webcam, unmute himself and proceed with the question.

Aspi Bhesania:

Madam, I am Aspi from Bombay. I thank the Secretarial department for giving me an opportunity to speak. Madam, we have 237 stores. How many are owned and operated by Nykaa, leased but operated by us and owned and operated by franchisees? Madam, we are making brands for others. How about making our own brands more powerful?

Madam, I congratulate the management for excellent results. Even first quarter was very good. But why no physical AGM? Because we are unable to meet you like earlier. Madam, Page 6, there are 25 brands. Why don't you have a further brand and sub-brands for different things? Is selling price in online and physical stores the same or is there a difference?

Madam, there is a saying that charity begins at home. Madam, please give our products free or at a big discount to our top management, especially CFO and Company Secretary and yourself. Your top management should be the brand ambassadors for our Company.

Madam, please put me on your mailing list for conference calls and annual investor days. Our standalone EPS is INR0.34 and consolidated EPS is INR0.23. What steps are being taken to make our subsidiaries profitable? Considering small EPS, I feel there is no need for a dividend. I would prefer capital appreciation to dividend.

Madam, we are selling our products at such a high price and still our PVT margin is only 1.6%. What is the reason for that? And promoter holding is 52%. Do you have any intention of increasing the promoter holding? Madam, thank you very much and all the best for the future.

Moderator:

Thank you. Our next speaker shareholder is Yusuf Rangwala. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with the question. Mr. Rangwala, please proceed.

Yusuf Rangwala:

Madam, I am Yusuf Rangwala from Mumbai. I am the oldest shareholder. First, I would like to thank our Company Secretary for sending my balance sheet. That is very handsome and very colorful. Sir, I will come to the point. Our balance sheet is around 500 pages. Very good. Very knowledgeable.

Sir, we are having around 300 stores at present and 1000 dealers. 1000 branches as you mentioned. And we are in 82 cities. And our Katrina Kaif is our brand ambassador. And Rasha Thadani. And there are so many others in this. Sir, this is our 13th Annual General Meeting. Sir, when was the last bonus vote given? Many of them passed. Till now you have declared a bonus. I would like to know.

Sir, Nykaa is having an analyst meet around 2-3 months. Sir, why are you not calling us as a shareholder? This is my humble request, madam. Next time in the month of November or December, if there is an analyst meet, please call us also, madam. This is my humble request.

As we are distributing to our brand ambassador our products, why not distribute it to our shareholders, sir? This is my humble request, madam. Please distribute some product or sample.

And there are so many other stores where our Nykaa products are available. This shows how our products are in demand. So, our products are available in foreign also. In UK also our products are available. And our products are available all over India, sir. So, this, madam, your guidance and this Company's growing up. And the time will come, sir.

Thank you very much. And also a request for a factory visit, madam. How is this product manufactured? Can you arrange a factory visit? This is my humble request. Sir, how is this product manufactured? We can do it. This is my humble request.

I wish you a very happy Ganesh Chaturthi. All my friends and all my staff. I am speaking from Mumbai. My name is Yusuf Rangwala, sir, madam. Thank you very much, madam. Jai Hind, madam.

Moderator: Thank you. The next speaker shareholder is Sneh Mohnot. Please accept the prompt, turn on your webcam, unmute yourself and proceed with your questions. If now you are audible, please proceed.

Sneh Mohnot: Namaskar, ma'am. I am Sneha Mohnot from Gurgaon, Haryana. I would like to welcome the chairman and all the board members. I fully support all your proposals. Nykaa is a very big brand name in itself. It is progressing continuously. I wish you all the same in the future. Your secretarial department is doing a very good job.

We have been able to connect with you through their efforts. Thank you very much for that. I don't have any special question. Because madam told us everything in her report. So I thank her too. Thank you.

Moderator: Thank you. The next speaker shareholder is Bimal Bhatt. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your questions. Good morning.

Bimal Bhatt: Okay. Namaste. Honorable chairperson, Ms. Falguni Nayar, Respected directors, key managerial personnels, senior management, human resources and my fellow colleagues. I am Bimal R Bhatt from Vadodara, Gujarat. The land of Mahatma Gandhi, a strategist and Sardar Patel, an executor. Thank you, Company secretary and entire team. For a great support and help.

Hearty congratulations to our team, Nykaa, for achieving the performance in a disruptive world. As a part of co-creation and reverse stakeholder engagement process, my few observations and views which I have already shared in advance as a collaborative effort. First is composition of board of directors. Should we have a young sports person as an Independent Director, that is below 40 years and also more women representation as an independent director, say in next year, 50%. I believe, yes.

Second. Core management team. Is it representing our brand equity? Should we have 50% women in core team? I believe, yes. Third. Company has engaged different brand ambassadors

for different products. What is the amount paid to them? Are we getting adequate return of investment, as envisaged as a part of business model from them.

Fourth. As a genuine collaborative effort, may I request to refer to my book, Business and governance insight on Amazon India USA and UK. It is already pre-reviewed by Honorable Suresh Prabhuj, ex-Cabinet Minister, Honorable K.V. Kamath, Mr. Dinesh Kanabar, Nilesch Vikamsey, Jyotin Mehta and others. Its review was also published in Director Today, May 2024, a monthly journal of Institute of Directors, New Delhi.

And lastly, I am happy to share about my recent article Stakeholder Engagement a priority, in Director Today, July 2025, a monthly journal of Institute of Directors, New Delhi. To help our Company to achieve more than 100%. Most important. I am so happy to see, respected Shri. Milind in our call, the most experienced KMP and Independent Director. Thank you very much, Milind bhai.

Lastly, best wishes for an exciting journey ahead for all the shareholders. Thank you very much, Bimal R Bhatt, ex-public interest Director.

Moderator: Thank you. The next speaker shareholder is Goutam Nandy. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your question.

Goutam Nandy: A very good morning and namaskar. Respected Chairman, respected Chairperson, madam, Board of Directors, my online fellow shareholders. Myself Goutam Nandy from Kolkata, an equity shareholder from the listing of the Company. Firstly, I would like to give thanks to your secretarial department, for sending me annual report, along with notice and necessary joining link, through email well in advance.

I have also received a hard copy of your annual report, as requested for. So, specially thanks to our respected Company Secretary. Mr. Neelabja Chakrabarty ji. Very sober, well behaved and a very dynamic person and his whole team of your secretarial department for rendering very good services to our minority shareholders.

Madam, you are organizing your annual general meeting through video conference and I find it is a grand success like the previous years. So, thanks again. Madam, I am very pleased to receive your wonderful annual report, consisting about 500 pages which is very, very attractive and also very informative.

Madam, I find very good performance in every segment, even in this challenging year. Respected chairperson, madam, your introductory speech was very, very informative and also very encouraging. So, thanks again. All points have been covered already. So, no repetition from my side.

Only one or two questions from my side. Madam, you have more or less 250 outlets at this right moment. Is there any plan to open any new outlet in this year? Madam, in your segment, who are the main competitors? One request. Please continue this VC meeting in future.

Madam, I am very happy and also very proud to be a shareholder of your Company. I have full trust with our strong management like you. So, along with my family, wholeheartedly support your all resolutions. Which we have already casted through our e-booking.

Madam, looking forward with a positive outlook towards our Company, with higher profit margin, good dividend, if possible bonus and return. May God bless you, madam. Stay safe, stay healthy. Thank you very much. Namaskar. Signing off.

Moderator: Thank you. The next speaker shareholder is Jaydip Bakshi. Please accept the prompt on your screen, turn on your webcam, unmute yourself and proceed with your question.

Jaydip Bakshi: A very good afternoon, chairperson madam and others present in today's video conference. Myself, Jaydip Bakshi, connecting from the city of Kolkata. First of all, I convey my thanks to our Company secretary, Mr. Neelabja Chakrabarty, for giving me an opportunity to express my view and presenting a detailed and informative annual report.

Madam, your initial speech was very much informative and also the video presentation depicted our Company affairs and also the product details also. And myself are proud to be part of this Company, which is a leader in the beauty commerce segment. And how are we planning to improve our brand value further and any joint venture are we thinking of?

And with the festive season around the corner, what is our target? Kindly share on that. And regarding e-commerce, how much has been the percentage of business we have generated and how much are we using the digital technology for improvement of our brand and other product influence also? And personally, my family is using and really satisfied with our products.

And through the R&D, are we thinking of any new value-added ones for more in roads? And regarding competition, what is our thought process for sustainable progress in the future? That's all from my side. And continue with this VC so that we can everyone get connected and do remember us, ma'am, during the festive times. Thank you, ma'am. Thank you, everyone, for giving me an opportunity.

Moderator: Thank you. Ladies and gentlemen, that was the last speaker shareholder. Now that we have all the questions and comments from our members, we will now take a short break for 20 minutes, post which our chairperson will address the questions. Please note that during the break, we will play the advertisement videos.

Ladies and gentlemen, the Chairperson would now respond to the queries raised by the speaker members in a consolidated manner. Thank you and over to you, ma'am.

Falguni Nayar: Thank you very much everyone for being patient and being online. We are happy to be back and we will try and adjust most of your questions where each of us will come in and address the relevant questions and then at the end hopefully we would have addressed most of the questions that were raised today.

I think I will start with the expected business performance of our business verticals. There is a lot of this information already coming through, through quarterly results but I will reiterate it here. Online BPC market is expected to grow in early 20s, over the next several years, given strong macroeconomic and consumption tail winds.

As a market leader we have said frequently that we aspire to grow at mid-20s growth ahead of the overall market share to maintain and increase our market share is what our initiative in the Beauty segment. On the Fashion side, for the financial year '25 due to industry wide consumption slowdown in financial year 2025, despite this we were able to deliver growth, ahead of the industry.

And we think our fashion growth will accelerate irrespective, I mean, obviously favorable industry -- but there's a fair amount of assortment building in the right partnership in the industry driven fashion business, that will allow us to grow ahead of the industry.

We also saw strong growth in financial year '26 with growth of 25% in the quarter 1 of 2026 which was much ahead of the industry growth and that -- for the year in terms of the first quarter performance in both growth and marketing part and that momentum continues now with business comforting.

Overall, as a Company all of the initiatives have been backed on. We feel that we will allow our NSV to grow 3x to 4x 2025 levels by 2030. So, in the next five years we will achieve 3x to 4x growth in our NSV for the whole Company and this will be due to expansion in assortment, sorry this is the answer to Fashion.

So, this industry will grow 3x to 4x due to expansion in assortment in across categories of Men, Women, Kids and Home, as well as a pretty strong growth in customer acquisition coupled with retention of strong customer retention rate, as well as premiumisation. And many of the other initiatives in beauty side will continue to grow as planned and that will allow us to deliver across 25% or mid 20s in the next couple of years.

On the second one, what I'd like to address is, the impact of GST 2.0 on our business in the future. We welcome government move to simplify and reduce the GST rate. This, coupled with the tax rate cuts in this year's budget and the industry cuts by RBI, would provide 60% -- reduction in net growth story.

Increase in discretionary spending would benefit companies like us that operate in lifestyle categories. Particularly, as you are aware, GST rate has come down from 12% to 5% for most of the fashion categories. In the beauty, the rates were around 18%, so they remain the same.

The next question was on target for the festive year. What is our target for the festive season? The second half for Nykaa tends to be a strong quarter for lifestyle categories as a whole, and hence even for Nykaa. We look forward to strong festive consumption, which will be further boosted by recent GST cuts and tax relief that government have initiated.

So overall, like all other participants, everyone is expecting a pretty robust festive season this year. And in fact, we are in the middle of it, and all indications seem to suggest that that's how it will go.

How do we balance the customer acquisition cost with long-term profitability? That was the next question asked by people like Mr. Arun Kumar, Ankur Chanda, as well as Gagan Kumar. Nykaa has been conscious about balancing growth and profitability. Since the IPO, we have consistently delivered mid-20s revenue growth.

At the same time, our EBITDA margins have expanded from 4.7% in FY20 to 6% by FY25. All the businesses continue to see improvements in profitability. Customer acquisition is critical to our long-term growth, and it's also an investment for our future. And we will deliver returns on this investment that we are making in customer acquisition.

We remain confident that customer acquisition is being done in a way that their customer cohorts will be healthy, and we'll be able to achieve healthy customer retention and hence long-term growth. Accordingly, we continue to invest in customer acquisition and prioritise strong customer growth. And as you are aware, we've announced that Nykaa has acquired 42 million customers.

Our current cumulative customer base stands at 42 million, which includes the growth of the recent year. And the recent year growth is almost 30% on a year-on-year basis. So beyond this also, we believe that there is a strong runway for customer growth, and we will continue to make relevant investment to ensure long term growth while focusing on the operational efficiency to deliver near-term profitability. I hope I've answered this question well.

Just to point out, I did not highlight it, but the first question on business performance was from Mr. Ashit Pathak and Mr. Jehangir. And the question on the GST was from Mr. Ashit Pathak. And on the festive season, the question was asked by Mr. Jaydip Bakshi.

With that, I'll move on to the next question. What are the sustainability initiatives such as packaging innovation, renewable energy in warehousing? This is a question from Mr. Arun Kumar Boppana. Are 10 by 10 initiatives stated in the year 2022 with a goal to reduce non-recyclable plastic consumption by 10% every year for the next 10 years?

And we are happy to say that we are already ahead of this target, of our long-term target, and approximately 96% of our shipments are packaged using sustainable materials. For the remaining 4%, we try to recycle or else give it to the authorised vendor of Central Pollution Control Board for recycling.

We have recycled more than 2,000 metric tons and 160 metric tons of carbon and plastic waste, respectively, in financial year 2025. We have undertaken multiple initiatives from environmental sustainability front. We have zero paper utilization for order processing. We call it paperless picking. We also have zero increase in GHG emission intensity, scope 1 and scope 2.

100% reuse of corrugated boxes across all houses, Nykaa warehouse. And as a brand owner and importer, we have achieved our EPR, extended producer responsibility target to a designated recycler. We are 100% EPR compliant since 2021. We also started installation of renewable energy system in our operational infrastructure. And we do believe that this will only increase going forward.

Our next question was, how many employees do we have, including both permanent and contract and what is the ratio of male and female employees? And this was from Mrs. Lekha Shah. We have more than 13,000 employees, of which 3,735 are permanent employees. Off-role and contract employees majorly form part of the operations, warehouse operations, as well as the field on street staff that we have in our EB2B business, as well as some of the store advisors. Of the total 3,735 permanent employees, 43% are women. However, I think as some of you all pushed us to have more than 50% women, I would like to share here that if we were to exclude the technology and operations function, 51% of our employees are women.

So we are fairly represented from a women perspective, except in a large area of technology. And I have said this many times, and I will reiterate it here. It remains our dream as Nykaa to enable a lot of STEM education in the country, and through that, over the years, see greater percentage of women entering the engineering fields and entering the engineering job markets, so that this ratio is favorable even in that stream. And with that, Nykaa should be able to have a very fairly represented number of people in the women workforce. Also, in our store staff, the beauty advisors are more predominantly women at 57%.

And as a result, even in retail network, 56% of staff is BA. I mean, 56% of the staff is women. So thus, we do believe that we will be able to achieve a much better and higher number of women represented in our organization as we continue to grow. On the core management team side, I think this was a question from Mr. Bimal Bhatt. He was asking that -- he was guiding us that we should have more diverse workforce and also represented at the managerial level.

So I do want to recognize that as much as 43% of our managerial women are also -- managerial staff is also women. And similarly I think women represents about 30% of women in the senior leadership position, including at the board level also where we have about 30% representation of women. And it remains our commitment that we will continue to improve on these.

Who are the main competitors of our business and how are we positioned was the next question asked by many of you, including Bharat and Lata Negandhi, Ankur Chanda, Gundluru Reddeppa and Gagan Kumar, as well as Goutam Nandy. Nykaa is uniquely positioned as we operate multiple digital platforms for both beauty and fashion categories. We are the country's largest beauty retail network and the second largest homegrown beauty brands business.

We also have rapidly growing B2B business. While competition exists for different parts of our business, there is no direct comparability due to sheer size and breadth of what we do. We are also the largest speciality beauty retailer in the country. We have over 37 million beauty customer base and 42 million plus customers across all our platforms and with 250 beauty physical stores as of July 25 across 82 cities, we are the largest offline beauty retailer as well.

Deep and multi-year relationships with brands, including several global brands where Nykaa to many of them, Nykaa is a preferred partner, sometimes exclusively listed on Nykaa and our house of brands which are getting stronger over the years. Our content and commerce strategy also has a network of 28,000 influencers.

It's this whole network of what we offer to the ecosystem is unmatched by any competitor and we do believe we have 30% plus online BPC market share and the remaining market share is spread across horizontal platforms, a few specialized retailers and some D2C websites. Horizontal such as Amazon, Flipkart and quick commerce players cater to more personal care categories whereas Nykaa is stronger on the beauty side.

On beauty alone, our market share would be considerably higher. As an omni-channel specialized beauty retailer with scale online and offline presence, we are again significantly ahead of competition. Having said that, given that the BPC per capita consumption is so low, there is significant growth runway in this category and there is a potential for strong growth for all stakeholders in the beauty and fashion ecosystem.

The next question was on the composition of Board of Directors. Should we have a young sports person as an Independent Director below the age of 40 years and also more women representation as an Independent Director, say 50% in the next three years? This was from Mr. Bimal Bhatt. I think these are all very good questions and very good nudges for us to go in the right direction and we will continue to follow good governance practices.

As per Companies Act, as you know, it's mandated to have one women director and at 30% board representation of women, we are already ahead and amongst one of the highest amongst our listed peers. However, it doesn't stop us here and we will continue to endeavor for more. We also have one woman Independent Director, Mrs. Anita Ramachandran.

More than 50%, I mean 50% of our board is independent and our board comprises of accomplished leaders across diverse backgrounds in entrepreneurship, strategy, finance, marketing, technology and they have played an instrumental role in stewarding the Company in the right direction and we acknowledge all of their efforts and contribution towards the Company.

The next question was on can we give you an update on our GCC business as well as global plans and this was from Mr. Jehangir. We started our operations in GCC in 2023. We have launched our omni-channel multi-brand retail beauty platform called Nysaa in partnership with Apparel Group. Apparel Group brings in strong retail experience in that market.

Our online platform and first store went live in that region in March 2024. We currently have four stores across UAE and Oman. We will gradually roll out stores across the region and we have ambition to launch about 70 stores over next five years. We also have 200 brands already listed in our GCC stores as well as online.

We have 200 brands online and about 110 in our stores. Top brands in GCC include highly respectable brands like Kylie Cosmetics, Natasha Denona, Medicube, Dr. Althea, Iconic London

and K-Beauty. We believe GCC offers tremendous opportunity going forward. BPC market in GCC is a US\$34 billion market, almost 1.5 times the size of the Indian BPC market in a population that is only 3% size of India. BPC e-commerce market is US\$3 billion.

BPC spend per capita in the GCC is as high as US\$500, highest in the world. And similar to India, it also has a large base of young population, 40% of the population is below the age of 25 years. All this makes GCC a very attractive market. And e-commerce penetration currently in the GCC remains low at 9% to 16% across countries and there are no scaled omni-channel retailers in the country with the exception of Sephora which is predominantly has offline presence.

This provides a significant opportunity for Nykaa to build and replicate its beauty playbook in the GCC. And we are very excited to continue to embark and continue to move forward on that path. The other global plans including taking our brand K-Beauty to UK through a launch at Space NK which is imminent. And we are quite excited about what that means for K-Beauty to now be recognized globally beyond India. With that I hand over to Anchit to address some of the questions on the beauty side.

Anchit Nayar:

Great, thank you very much and I hope that I am audible. Great, so we had a question from Arun Kumar Boppana on how do we balance the cost structures of offline versus digital-first channels and with 237 physical stores how are we planning to balance offline expansion with digital-first efficiency.

So first let me say that we spent the last decade really focused on building a very truly holistic beauty ecosystem. One that spans across all channels to serve the modern Indian consumer who is shopping across both online and offline today. Our strong omni-channel presence has been critical success driver for our beauty business. Both our online and offline businesses have delivered strong growth for several years and both the businesses are profitable today.

Retail stores have been critical to our objective of premiumization and many of our premium and luxury brand partners that retail through our stores in addition to retailing through our e-commerce platform are large beneficiaries of this network of stores. Currently two-thirds of our offline GMV comes from these premium brands. Consumer education is best done in a physical setting and as believers in education being the largest enabler of demand we find this to be a very unique part of our overall distribution strategy.

Most of our physical retail stores turn EBITDA positive within nine months of operations and this is on a fully loaded basis. The average order values of our customers in our physical retail stores is significantly higher than that of our consumers on our online platform and continue to increase year over year. Even with 250 stores across 82 cities today offline stores contribute roughly 8% of our overall GMV.

We aim to reach 500 stores across the top 100 cities in the next five years, but despite this expansion given the scale of our e-commerce business we will continue to remain an online digital first retailer with a very strong offline presence. The next question was from Arun Kumar

Boppana and Manjit Singh. The question is you have achieved 80% next day delivery in top eight cities.

Are there any plans to deepen Tier 2 fulfillment to support beauty demand? So it's a good question and I'll start by saying we have a network of 44 warehouses today versus just 18 in FY21. We invested heavily over the past several years in ramping up our warehouse capabilities and we are currently at relevant capacity and infrastructure allowing us to serve customers on a Pan India basis across all 19,000 plus pin codes of this country and to serve these consumers across the country with effective speed.

Our order to delivery days has come down significantly as we have ramped up our warehouse capacity from five days in FY21 to less than 48 hours across India at present. With our existing warehouse network we have further enhanced our delivery capabilities by introducing same day and next day delivery in early FY25.

Today we now deliver 70% plus of our order volume of the top 100 plus cities in India within 24 to 36 hours. We recently launched Nykaa Now in the top seven cities which offers the largest beauty assortment in the country today and that has an order to delivery timeline of 30 minutes to two hours.

We have thus created very strong fulfillment capabilities across not just Tier 1, but also Tier 2 and Tier 3 cities and beyond and we continue to remain committed to improving our efficiency and speed for our consumers and as a result today almost 65% of our revenues comes from tier two cities and beyond indicating Nykaa's very strong presence across the country. Thank you.

Adwaita Nayar:

Thank you Anchit. So moving on we'll address some of the questions on fashion in the House of Brands. A question we got from Arun Kumar Boppana was what is the growth outlook for Nykaa's own brands like K-Beauty and others? As of now the House of Nykaa business has seven beauty brands and five fashion brands and a cumulative GMV of over INR2,100 crores.

On beauty that GMV is INR1,700 crores and we are the second largest home grown brands portfolio. We have stated boldly that by FY30 our ambition for the House of Nykaa beauty brands business is to achieve a GMV of INR6,000 crores with a margin profile similar to that of mature consumer brand businesses.

On the beauty side we have built several brands like Nykaa Cosmetics and Wanderlust. Nykaa Cosmetics is now a INR350 crores brand in FY25 and K-Beauty another one of our brands has scaled 3X since launch in 2019 and is today a INR240 crores plus GMV brand. K-Beauty enters the UK this year partnering with Space NK.

We're also constantly evaluating brands with unique and differentiated offering to see if there is anything that we should be acquiring. Amongst our acquisitions Dot and Key is an acquisition that we've done. We acquired this brand in 2021 and it's grown 15X since acquisition.

Today it has a GMV of over INR900 crores plus. Our beauty brands business has scaled really well not just on Nykaa, but off platform as well. Today 40% of the GMV of this beauty brands

business comes from selling on other platforms. In fashion two of our brands which have also achieved significant scale is Nykd and Twenty Dresses. With fashion we started rationalizing our channel strategy and focusing more on Nykaa itself.

Two of our fashion brands have exceeded INR100 crores in GMV which is Nykd and Twenty Dresses. With Nykd in particular we have a very large ambition to be a national brand. It's a laundry brand and we feel that the country needs more laundry brands of this positioning and at this price point and this huge potential that this brand has.

The next question we received from Ashit Pathak was around what was the rationale for the Dot and Key acquisition and the Earth Rhythm incremental stake acquisition. Are there any more acquisition plans? So we do believe that we will do a combination of both. We will build brands internally, but we will also pursue interesting acquisitions.

We evaluate young and upcoming brands with good founders, strong innovation and very interesting brand positioning. And we really do believe that the creative energy that some of these entrepreneurs bring is really valuable. So we are always on the lookout for interesting brands and interesting entrepreneurs.

Dot and Key in particular we acquired a 51% stake and then we added on another 39% and today we have an overall stake of 90%. The brand has scaled 12X since acquisition and today it's one of the leading D2C skin care brands in the country with a GMV of over INR900 crores. Nykaa's investment in Dot and Key is a testament to the strength and the performance of the brand, its long term potential and the key strategic role that Nykaa has played in helping scale it.

Earth Rhythm we acquired around 18.5% in FY23 and then acquired an additional stake in FY25 taking our stake now upward of 70%. With this additional investment the Company affirms its commitment to the long term opportunity of Earth Rhythm which has been built on the ethos of transparency, efficacy and clean beauty. Earth Rhythm also owns its R&D capabilities which we find very exciting and it allows the brand to pursue really interesting formulations and very unique innovations to meet the customer needs.

We had also gotten a question on R&D and what percent of expenses for the own brands come from that. So what we will say is that we are trying to build a world class brand business and for that R&D is absolutely essential. So we've been investing deeply in our R&D capabilities, everything from building our R&D lab to having very strong comprehensive testing to working with a very large network of formulators, manufacturers, R&D experts to come up with the right product and there's no one solution for every product.

We have a different approach to R&D for every product that we launch, but we do know that this is the heart and soul of our business and there's a lot of investment both in terms of money, time and energy in getting R&D and innovation right. With that I'll hand over to Ganesh to take on some questions.

P Ganesh:

Thanks, Adwaita. I am audible. So there were many questions and suggestions around dividend payment as well as dividend payment policies. The Board has not recommended any dividend

on equity shares of the Company for the year ended March 31, 2025, considering the fact that the Company is in a growth stage and it is prudent to use internal accruals for supporting the Company's long term growth objectives at this juncture.

The Board of Directors will consider paying dividend to shareholders at an appropriate time taking into account multiple factors as has been detailed in the dividend distribution policy which is approved by the Board and which is available on the Company's website. There were questions around EBITDA margins across key segments of the Company. So we'd like to share that the beauty business reported EBITDA of 8.9% as a percentage of NSV in FY25 versus 8.7% in FY24.

The expansion in EBITDA margins by 20 business points Y-o-Y has been on the back of strong own brands performance with higher margins and scale efficiencies and this has been achieved in spite of the fact that there have been higher investments in marketing. Coming to the fashion business, the EBITDA loss came down to 8.3% as a percentage to NSV in FY25 versus 10.3% loss in FY24.

So the improvement of 200 basis points has been led by operating efficiencies across gross margin and fulfillment expenses along with scale efficiencies. There was also a question on the profits at subsidiary levels. So at a one Nykaa level, at a consolidated level, we made a profit after tax of INR72 crores in FY25 which is a growth of 81% Y-o-Y. Then when we look at the subsidiaries, Nykaa Retail which is our platform beauty business as well as FSN Brands which has the Nykaa offline stores, both these businesses together account for 90% plus of the Nykaa's overall revenue and they are profitable at PAT level.

There are other subsidiaries including Dot and Key which are also profitable. Then when we look at the major businesses, the only one at this point in time amongst major businesses which is still to get into profit breakeven is Nykaa Fashion which reported a 8.3% EBITDA loss for FY25 and where we expect the breakeven to happen pretty soon. There was also a question on whether Nykaa is on track to deliver consolidated net profitability on a full year basis for FY26.

So Nykaa has been profitable since its listing and our EBITDA margins for FY25 grew to 6% from 4.3% in FY22 and this has been led by operating leverage and scale efficiencies. Our PAT for FY25 was at INR72 crores. While we do not give forward looking guidance, we remain optimistic of sustainable growth and improvement in profitability over the longer term. There was also a question on store count, what model do we have, what are capex plans around that etcetera.

So as Anchit mentioned, while we are at 250 plus in terms of stores and have an aspiration of taking it to 500 by the end of this decade, I would like to add over there that we have a Company operated and Company owned model. We do not have any franchise stores currently. And as you would all recall over the last couple of years in FY22 and FY23, we had significant amount of capex on the back of stores rollout, significant expansion of warehousing facilities as well as capex facility.

I am referring to FY22 and FY23 here. From there the capex as a percentage of sales has moderated and in FY25 this was about 2% of sales with the primary focus now on stores rollout in addition to our investments in tech spends. There was a question on further plan of consolidation of other online businesses etcetera and whether there are plans for further amalgamations of existing subsidiaries like the ones we had done in FY25.

We will continue to evaluate business restructuring initiatives on an ongoing basis and the objective here would be to bring about operational synergies by streamlining business operations across entities. There was also a question on debt at the Company level. As we keep making investments to expand and grow our business, we also continuously monitor the debt levels so as to ensure that our debt levels remain optimized.

Our debt equity ratio for FY25 stood at 0.5 times thereby indicating that there is significant room for further leverage. The ROCE for FY25 also came in at 11.3% which is 380 basis points higher than the previous year while delivering a revenue growth of 25%. The last question which I would like to cover, there was also a question on the percentage of online business for Nykaa.

As you are all aware, we are predominantly an e-commerce online business and therefore the share of online will be ballpark in the range of about 85%. With that, I would like to hand it back to the operator.

Moderator:

Thank you sir. Ma'am, I would request you to give the vote of thanks, please.

Falguni Nayar:

Thank you. Dear Members, we have been able to provide opportunity to all the Members, who had duly sent their request for registration as Speaker Shareholder, for this AGM. In case, any of the queries raised by you during this meeting have remained unanswered, you may send a request by writing an email to the Company Secretary. The Company Secretary on receipt of any such request shall respond suitably.

I would now also like to authorise the Company Secretary, to conduct the voting procedure and conclude the meeting. We are grateful to all our Members from all over the world who joined the meeting through video conference and offered their most valuable suggestions to make the Company better.

I would also like to thank all our Directors who continue to provide enormous guidance to this Board and for attending this meeting. With your consent, I conclude today's proceedings. Thank you all, for attending this meeting. We look forward to seeing you again next year.