V C SHAH & CO
CHARTERED ACCOUNTANTS

205-206, Regent Chambers, 2nd Floor, Jamnalal Bajaj Road, 208, Nariman Point, Mumbai 400 021. Tel.: 022 - 43440123 email- vcshahco@vcshah.com

INDEPENDENT AUDITOR'S REPORT

To the Members of FSN International Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **FSN International Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit & Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its loss including other comprehensive loss, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial Statements and Auditor`s Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report (including annexures thereto) but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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The director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the standalone financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g).

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified

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under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" wherein we have expressed an unmodified opinion.

h) In our opinion and according to the information given to us, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigation which could impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44(e) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 44(f) to the standalone financials statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of even date to the members of FSN International Limited on the standalone financial statements for the year ended March 31, 2026.

In terms of the explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) (B) The Company has maintained proper records showing full particulars of Intangible Assets.

(c) The Company has a regular program of physical verification of its Property, Plant and Equipment by which all the assets are verified in a phased manner over a period of three years. In our opinion, periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets. Assets located outside India, which constitute a material portion of the total Property, Plant and Equipment, have been verified by the management. According to the information and explanations provided to us, no material discrepancies were noticed on such verification.

(d) According to the information and explanations provided to us, the company does not own any immovable properties. Hence, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.

(e) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year. Hence, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.

(f) As represented by the Management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Hence, reporting under clause (i)(e) of paragraph 3 of the Order is not applicable.

ii. (a) According to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. Discrepancies if any, were less than 10 % in aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) The Company has not been sanctioned any working capital during the year from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.

iii. (a) According to the information and explanations provided to us, the Company has provided loans to subsidiary companies, the details of loans granted as required are as under:

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(₹ in million)

Party	Loans
Aggregate amount granted/provided during the year	Nil
Balance outstanding as at March 31, 2026 in respect of above cases	94.39

Note: The change in Loan balance outstanding is attributable to foreign exchange translation movement as per Ind AS 21 as no fresh loans were granted during the year.

During the year, the Company has not provided advances in the nature of loans or stood guarantees or provided security to companies, firms, Limited Liability Partnerships or any other parties.

(b) During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees to its subsidiaries and associate are not prejudicial to the Company's interest. During the year the Company has not provided advances in the nature of loans and security to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under clause (iii)(b) of paragraph 3 of the Order in respect of advances in the nature of loans and security given is not applicable.

(c) According to the information and explanations provided to us in case of loans given to subsidiary companies, repayment of principal and interest is not stipulated. Hence, reporting under clause (iii)(c) of paragraph 3 of the order is not applicable.

(d) According to the information and explanations provided to us repayment of loans is not stipulated, accordingly no amount is overdue. Hence, reporting under clause (iii)(d) of paragraph 3 of the Order is not applicable.

(e) According to the information and explanations provided to us no loan has fallen due nor has been renewed nor extended nor fresh loan is given to settle the overdue, hence reporting under clause (iii)(e) of paragraph 3 of the Order is not applicable.

(f) Loans have been provided to subsidiaries, either repayable on demand or without any terms of repayment, further no loan is made to promoters of the Company. The details of the loans provided to subsidiaries are as under:

Party	Aggregate Amount (₹ in million)*	% of Total Loans granted
FSN Global FZE	43.12	45.68%
Nykaa International UK Limited	51.27	54.32%

*The aggregate amount outstanding represents the closing balance as at March 31, 2026.

(iv) In our opinion and according to the information and explanations provided to us, the Company has not given any loan to directors. Hence, the requirements under Section 185 of the Act are not applicable. In respect of investments made, the company has complied with the requirements of Section 186.

(v) According to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the



directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) We are informed that the Central Government has not prescribed maintenance of cost records under sub- section (1) of section 148 of the Companies Act 2013 for the business activities carried out by the Company. Hence, reporting under Clause (vi) of paragraph 3 of the Order is not applicable.

(vii) According to the information and explanations provided to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, duty of customs, provident fund, employees' state insurance, income tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales-tax, service tax, duty of excise and value added tax are not applicable to the company.

(b) According to the information and explanations provided to us, there are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any disputes.

(viii) According to information and explanations given to us, the Company has not surrendered or disclosed any unrecorded transaction as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause (viii) of paragraph 3 of the Order is not applicable.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Hence, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial Institution or government or any government authority.

(c) According to the information given to us and based on the audit procedures performed by us , the term loans were applied for the purposes for which they were obtained.

(d) According to the information given to us and based on the audit procedures performed by us, no funds raised for short term basis have been used for long term purposes by the company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Hence, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiary companies. Hence, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.

(x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments). Hence, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.



(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally), hence the reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.

(xi) (a) To the best of our knowledge and according to the information and explanations provided to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Hence, reporting under clause (xi)(a) of paragraph 3 of the Order is not applicable.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act 2013 has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company as required under section 177 of the Act. As represented to us by the management, there are no whistleblower complaints received by the Company during the year under the vigil mechanism established by the parent company for the group.

(xii) The Company is not a Nidhi Company as per provisions of the Companies Act, 2013. Hence, reporting under clause(xii)(a),(xii)(b) and (xii)(c) of paragraph 3 of the Order is not applicable.

(xiii) Transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly, the requirements to report under clause (xiii) of paragraph 3 of the Order in so far as it relates to section 177 of the Act is not applicable to the Company.

(xiv) In our opinion and according to the information and explanation provided to us, internal audit is not applicable to the Company as per section 138 of the Act. Hence, reporting under clause (xiv) (a) and clause (xiv)(b) of paragraph 3 of the Order is not applicable.

(xv) In our opinion and according to the information and explanations provided to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Act are not applicable. Hence, reporting under clause (xv) of paragraph 3 of the Order is not applicable.

(xvi) (a) In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses (xvi) (a) to (c) of paragraph 3 of the Order is not applicable.

(b) In our opinion, there is no Core Investment Company within the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and, hence reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable.

(xvii) In our opinion and according to the information and explanation given to us, the Company has not incurred cash losses during the current financial year and has incurred cash losses of ₹ 29.56 Mn during the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Hence, reporting under clause (xviii) of paragraph 3 of the order is not applicable.

(xix) On the basis of the financial ratios disclosed in note 45, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone



financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) Based on the verification of the details provided, the criteria specified under section 135 of the Act are not fulfilled and accordingly the requirement of spending on Corporate Social Responsibility is not applicable to the Company. Hence, reporting under clause (xx)(a) and clause (xx)(b) of paragraph 3 of the Order is not applicable.

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





Viral J. Shah
Partner
Membership No: 110120
UDIN: 26110120TEHSAM8406
Place: Mumbai
Date: May 07, 2026

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2(g) under 'Report on other legal and regulatory requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of FSN International Limited (the "Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over standalone financial statements.

Meaning of Internal Financial Controls Over Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes

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those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial and such internal financial controls over financial reporting were operating effectively as at March 31, 2026 based on the criteria for internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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





Viral J. Shah
Partner
Membership No: 110120
UDIN: 26110120TEHSAM8406
Place: Mumbai
Date: May 07, 2026

FSN International Limited
(Amounts in ₹ millions, unless stated otherwise)

Balance sheet as at March 31, 2026

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3	8.31	2.15
Capital work-in-progress	4	0.00*	-
Intangible assets	5	53.60	0.04
Right of use assets	6	0.24	-
Intangible assets under development	7	-	20.98
Financial assets			
Investments	8	739.15	319.86
Deferred tax assets (net)	9	19.86	21.83
Non current tax assets (net)		0.57	0.16
Total non-current assets (A)		**821.73**	**365.02**
Current assets			
Inventories	10	4.35	6.30
Financial assets			
Trade receivables	11	89.23	58.38
Cash and cash equivalents	12	46.74	17.81
Loans	13	94.39	84.08
Other financial assets	14	26.27	0.61
Other current assets	15	99.32	64.83
Total current assets (B)		**360.30**	**232.01**
Total Assets (A+B)		**1,182.03**	**597.03**
Equity and liabilities			
Equity			
Equity share capital	16	450.78	450.78
Other equity	17	(67.80)	(64.99)
Total equity (A)		**382.98**	**385.79**
Liabilities			
Non-current liabilities:			
Financial liabilities			
Borrowings	18	640.60	-
Long-term provisions	19	2.74	0.21
Total non-current liabilities (B)		**643.34**	**0.21**
Current liabilities:			
Financial liabilities			
Borrowings	20	-	106.90
Lease liabilities	21	0.25	-
Trade payables	22		
-Total outstanding dues of micro enterprise and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		79.65	59.21
Other financial liabilities	23	67.43	41.04
Short-term provisions	24	1.96	0.30
Other current liabilities	25	6.42	3.58
Total current liabilities (C)		**155.71**	**211.03**
Total liabilities (B+C)		**799.05**	**211.24**
Total equity and liabilities (A+B+C)		**1,182.03**	**597.03**

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

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For V C Shah & Co
Chartered Accountants
ICAI Firm Registration No: 109818W

Viral J. Shah
Partner
Membership No: 110120

Place: Mumbai
Date: May 07, 2026

For and on behalf of Board of Directors of
FSN International Limited

P Ganesh
Director
DIN No. 07202923

Sujeet Jain
Director
DIN No. 03440936

Mrunal Brahmabhatt
Company Secretary
ACS M.No. A61278

Place: Mumbai
Date: May 07, 2026

Aayush Bansal
Chief Financial Officer

Place: Mumbai
Date: May 07, 2026

FSN International Limited

(Amounts in ₹ millions, except per share data and unless stated otherwise)

Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	26	205.78	75.00
Other income	27	23.99	40.26
Total Income		**229.77**	**115.26**
Expenses			
Purchase of traded goods	28	78.31	21.89
Changes in inventories of stock-in-trade	29	1.95	(3.49)
Employee benefits expense	30	27.34	44.61
Finance costs	31	30.59	4.77
Depreciation and amortisation expense	32	14.25	0.35
Other expenses	33	77.91	67.44
Total expenses		**230.35**	**135.57**
Loss before tax		**(0.58)**	**(20.31)**
Tax charge/(credit):			
Deferred tax	9	4.75	(5.00)
Deferred tax of earlier years		(2.71)	-
Total tax charge/(credit)		**2.04**	**(5.00)**
Loss after tax		**(2.62)**	**(15.31)**
Other Comprehensive Income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurement (loss) on defined benefit plans		(0.26)	(0.10)
Income tax effect on above		0.07	0.03
Other comprehensive (loss) for the year, net of tax		**(0.19)**	**(0.07)**
Total Comprehensive (loss) for the year		**(2.81)**	**(15.38)**
Earnings per share of face value Rs. 10/- each			
Basic	34	**(0.06)**	**(0.37)**
Diluted		**(0.06)**	**(0.37)**
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date
For V C Shah & Co
Chartered Accountants
ICAI Firm Registration No: 109818W

Viral J. Shah
Partner
Membership No: 110120

Place: Mumbai
Date: May 07, 2026

For and on behalf of Board of Directors of
FSN International Limited

P Ganesh
Director
DIN No. 07202923

Sujeet Jain
Director
DIN No. 03440936

Mrunal Brahmabhatt
Company Secretary
ACS M.No. A61278

Place: Mumbai
Date: May 07, 2026

Aayush Bansal
Chief Financial Officer

Place: Mumbai
Date: May 07, 2026

FSN International Limited

(All amounts are in ₹ millions, unless stated otherwise)

Statement of Cash Flows for the year ended March 31, 2026

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities		
Net loss before tax as per Statement of Profit & Loss	**(0.58)**	**(20.31)**
Adjustments to reconcile loss before tax to net cash flows:		
Add: Depreciation of property, plant & equipment	1.43	0.29
Add: Amortisation of intangible assets	12.82	0.06
Add: Interest expense and other finance costs	30.59	4.77
Add: Provision for Gratuity expense	1.19	(0.05)
Add: Provision for Leave compensated expense	0.69	(0.17)
Add: Expected credit loss	2.66	(9.60)
Less: Interest income	(5.73)	(5.60)
Less: Unrealised Gain on Foreign Exchange Fluctuations (net)	(15.46)	(3.12)
Operating loss before working capital changes	**27.61**	**(33.73)**
Working capital Adjustments:		
Increase)/Decrease in trade receivables	(27.98)	(27.18)
(Increase)/Decrease in inventories	1.95	(3.49)
Increase)/Decrease in other current assets	(34.49)	(41.26)
Increase)/Decrease in other financial assets	(25.71)	(0.09)
Increase/(Decrease) in trade payables	19.96	34.08
Increase/(Decrease) in current financial liabilities	23.14	27.31
Increase/(Decrease) in other current liabilities	2.85	2.95
Increase/(Decrease) in provisions	2.05	0.52
Cash (used) in operations	**(10.62)**	**(40.89)**
Payment of taxes (net of refunds)	(0.41)	(0.07)
Net cash flows (used) in operating activities (A)	**(11.03)**	**(40.96)**
Cash flows from investing activities		
Investments in subsidiaries	(419.29)	(166.63)
Purchase of Property, Plant and Equipment and other intangible assets	(52.69)	(20.98)
Loans to subsidiaries	-	(16.34)
Interest Received	5.78	5.50
Net cash flows (used) in investing activities (B)	**(466.20)**	**(198.45)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	200.00
Loan taken from Holding Company	533.70	26.60
Interest expenses on intercompany loan	(27.20)	(4.18)
Principal payment of lease liabilities	(0.30)	-
Interest expense on lease liabilities	(0.04)	-
Net cash flows from financing activities (C)	**506.16**	**222.42**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**28.93**	**(16.99)**
Cash and cash equivalents at the beginning of the year	17.81	34.80
Cash and cash equivalents at the period end (Refer note 12)	**46.74**	**17.81**

Note:

1.Non cash transactions relating to investing and financing activities (Refer note 23 and 35).

2.The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard Ind AS 7 Statement of Cash Flows.

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For V C Shah & Co

Chartered Accountants

ICAI Firm Registration No: 109818W

Viral J. Shah

Partner

Membership No: 110120

Place: Mumbai

Date: May 07, 2026

For and on behalf of Board of Directors of

FSN International Limited

P Ganesh

Director

DIN No. 07202923

Sujeet Jain

Director

DIN No. 03440936

Mrunal Brahmabhatt

Company Secretary

ACS M.No. A61278

Place: Mumbai

Date: May 07, 2026

Aayush Bansal

Chief Financial Officer

Place: Mumbai

Date: May 07, 2026

FSN International Limited
(Amounts in ₹ millions, unless stated otherwise)

Statement of Changes in Equity for the year ended March 31, 2026

A. Equity share capital (refer note 16):

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

	No. of shares	Amount
As at April 01, 2024	**2,50,78,000**	**250.78**
Issued during the year	2,00,00,000	**200.00**
As at March 31, 2025	**4,50,78,000**	**450.78**
Issued during the year	-	-
As at March 31, 2026	**4,50,78,000**	**450.78**

B. Other Equity (refer note 17):

Particulars	Capital contribution from Parent	Reserves and surplus	Other Comprehensive Income (OCI)	Total other equity
		Surplus/(deficit) in statement of profit and loss		
As at April 1, 2024	**1.77**	**(51.38)**	**-**	**(49.61)**
Loss for the year	-	(15.31)	-	(15.31)
Other comprehensive loss	-	-	(0.07)	(0.07)
Total comprehensive loss	**-**	**(15.31)**	**(0.07)**	(15.38)
Addition during the year	-	-	-	-
As at March 31, 2025	**1.77**	**(66.69)**	**(0.07)**	**(64.99)**
Loss for the year	-	(2.62)	-	(2.62)
Other comprehensive loss	-	-	(0.19)	(0.19)
Total comprehensive loss	**-**	**(2.62)**	**(0.19)**	**(2.81)**
Addition during the year	-	**-**	-	**-**
As at March 31, 2026	**1.77**	**(69.31)**	**(0.26)**	**(67.80)**

As per our report of even date
For V C Shah & Co
Chartered Accountants
ICAI Firm Registration No: 109818W

Viral J. Shah
Partner
Membership No: 110120

Place: Mumbai
Date: May 07, 2026

For and on behalf of Board of Directors of
FSN International Limited

P Ganesh
Director
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Company Secretary
ACS M.No. A61278

Place: Mumbai
Date: May 07, 2026

Aayush Bansal
Chief Financial Officer

Place: Mumbai
Date: May 07, 2026

Notes to Financial Statements

1. Corporate Information

FSN International Limited (the 'Company') (CIN:U52100MH2019PLC334211) is incorporated as a Public limited Company. The Company was originally incorporated on December 10, 2019 and domiciled in India. The Company is a wholly owned subsidiary of FSN E-Commerce Ventures Limited (the 'Holding Company'). The registered office of the Company is located at 104, Vasan Udyog Bhavan Senapati Bapat Marg, Lower Parel, Mumbai - 400013.

The Company is engaged in the business of selling beauty, wellness, fitness, personal care, health care, skin care, hair care and other related products on/through e-commerce, m-commerce, internet, stores, stalls etc.

The separate financial statements for the year ended March 31, 2026 were approved by the Board of Directors and approved for issue on May 07, 2026.

2. Material Accounting Policies

2A. Basis of preparation

i) Statement of compliance:

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans

iii) New and amended standards adopted by the Company:

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amended certain accounting standards with effect from the date of notification. These amendments did not have a material impact on the amounts recognised in prior periods and are not expected to have a significant impact on the current or future reporting periods.

iv) New and amended standards issued but not effective

There are no standards that are notified and not yet effective as on the date.

2B. Summary of material accounting policies

a) Current versus non-current classification

The Company segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period up to twelve months as its operating cycle.

b) Property, plant & equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the qualifying asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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Subsequent expenditure related to an item of Property, plant and equipment is included in asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.All other repairs and maintenance are charged to the Statement of Profit and Loss for the period during which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profitand Loss when the asset is derecognized.

Depreciation on Property, plant and equipment:

Depreciation is provided using the Straight Line Method based on useful life of the assets prescribed inSchedule II to the Companies Act, 2013. Leasehold improvements are amortized on a straight line basisover the period of primary lease or the expected useful life whichever is lower.

Estimated useful life of the assets are as follows:

Property, plant and equipment	Useful life (in years)
Furniture & Fixtures	10

The assets' residual values, useful life and methods of depreciation are reviewed at each reporting period and adjusted prospectively for any change in estimate, if appropriate. Changes in expected useful life are treated as change in accounting estimate.

c) Intangible assets

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

Following, initial recognition, intangible assets with finite life are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the period/year in which the expenditure is incurred.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairmentwhenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite life is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss.

Amortisation of intangible assets:

Intangible assets are amortised on straight line basis as per the following useful life:

Intangible asset	Useful life (in years)
Computer Software	3
Web Portal Development	3

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Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

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

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

d) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

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

- Finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costsof completion necessary to make the sale.

An inventory provision is recognised for cases where the net realisable value is estimated to be lower thanthe inventory carrying value. The net realisable value is estimated taking into account various factors, including obsolescence of material due to design change, process change etc., unserviceable items i.e. items which cannot be used due to deterioration in quality or due to shelf life or damaged in storage and ageing of material i.e. slow moving/non-moving prevailing sales prices of inventory.

e) Financial Instruments

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

I. Initial recognition and measurement:

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

Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in section 2B(i) Revenue from contracts with customers.

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

Financial Liabilities

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

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

The Company business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

II. Subsequent measurement:

i. Financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value though profit or loss

Financial assets at amortised cost *(debt instruments)*

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Financial assets at fair value through other comprehensive income (FVTOCI) *(debt instruments)*

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

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Financial Assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit or Loss.

ii. Financial liabilities

Financial liabilities at fair value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount ofloss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

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

iii. Derecognition

Financial Assets

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

- The rights to receive cash flows from the asset have expired, or

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

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

Financial Liabilities

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

III. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies simplified expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 115 and do not contain significant financing components.

The Company applies general approach for recognition of expected credit losses on all other financial assets.

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables are written off when there is no reasonable expectation of recovery.

IV. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company senior management determines change in the business model as a result of external or internal changes which are significant to the Company operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

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Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss on the reclassification date.

f) Revenue recognition

I. Revenue from contracts with customers

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price(net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of discounts offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

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

i. Sale of products:

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

Contacts where the Company's obligation is to arrange for the provision of goods and services by another party, the Company recognises revenue in the amount of the commission to which it expects to be entitled in exchange for arranging for the provision of goods and services.

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

Income from marketplace services:

The Company B2B marketplace service generates revenue primarily from transaction fee paid by vendors in marketplace. Revenue related to transaction fees and any related fulfilment fees earned from these arrangements are recognised when the services are rendered, which generally happens at the time underlying sales has been concluded.

Rendering of services:

Income from services are recognised as and when the services are rendered.

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Marketing Support Revenue

The Company recognizes marketing income i.e. visibility services provided by the Company to various brands at retail outlets. Revenue from advertisement services is recognised when advertisement is displayed.

Software Development Revenue
Revenue from software development services is recognized at a point in time upon achievement of contractual milestones and customer acceptance of the related deliverables, in accordance with milestone-based billing arrangements agreed with customers. Amounts billed or received in advance are recognized as contract liabilities (deferred revenue) until the corresponding performance obligations are satisfied, while unbilled revenue for completed milestones is recognized as contract assets where the Company has an enforceable right to consideration.

ii. Contract balances:

- **Contract assets**

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

- **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e.,only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**

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

II. Interest income:

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

g) Provisions

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

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

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

h) Foreign currency transactions

Functional and presentation currency

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

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

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(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of other monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period/year, or reported in previous financial statements, are recognized as income or as expenses in the Statement of Profit and Loss in the period/year in which they arise.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is basedon the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing

categorization(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The management assessed that cash and cash equivalents, trade receivables, advances, trade payables, bank overdraft and other financial liabilities approximate their carrying amountslargely due to the short-term maturities of these instruments.

The management selects appropriate valuation techniques using discounted cash flow model when the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

j) Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing to the extent they are regarded as adjustment to the interest cost.

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k) Income taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance withthe Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of

the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax are measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date. Current income tax and deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in OCI or in equity). The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

l) Cash and Cash Equivalents

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

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

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Notes to Financial Statements

m) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. The Company does not recognise a contingent liability but discloses its existence and other disclosures in the notes to the financial statements unless the possibility of any outflow in settlement is remote.

n) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

o) Segment reporting

The Company is engaged in the business of selling beauty, wellness, fitness, personal care, health care, skin care, hair care and other related products on/through e-commerce, m-commerce, internet, stores, stalls, etc. The Company's business activity falls within a single primary business segment, i.e. Others. Accordingly, disclosures as required under IND AS 108, Operating Segments, have not been separately presented in the financial statements since the information is available directly from the Statement of Profit and Loss.

p) Leases

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

Company as a Lessee:

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

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

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

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

Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

ii. Lease liabilities:

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

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

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

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

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

q) Share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments of FSN E Commerce Ventures Limited (the Holding Company). These shares vest equally over a period of 3 – 4 years. The Company does not have an obligation to settle the transaction with its employees. Therefore, the Company accounts for the transaction with its employees as equity settled and recognizes a corresponding increase in equity as contribution from Parent. The share-based payment expenses is recharged to the Company, which is adjusted against capital contribution by Holding Company.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in contribution by parent in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2C. Significant accounting judgements, estimates and assumptions

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

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

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

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I. Estimates and assumptions:

a. Fair Value measurement of financial instruments

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

Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b. Provision

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

c. Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

d. Deferred Taxes

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

e. Impairment of financial assets:

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

f. Measurement of fair value of non-marketable equity investments:

These instruments are initially recorded at cost and subsequently measured at fair value. Fair value of investments is determined using the income approaches. The income approach includes the use of discounted cash flow model, which requires significant estimates regarding the investees' revenue, costs, and discount rates based on the risk profile of comparable companies. Estimates of revenue and costs are developed using available historical and forecast data.

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

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

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(Amounts in ₹ millions, unless stated otherwise)

Notes to the financial statements as at and for the year ended March 31, 2026

Note 3
Property, plant and equipment

Particulars	Furniture and fixtures
Gross carrying amount	
As at April 1, 2024	**2.79**
Additions	-
Disposals/transfers	-
As at March 31, 2025	**2.79**
Additions	7.28
Disposals/transfers	-
As at March 31, 2026	**10.07**
Accumulated depreciation	
As at April 1, 2024	**0.35**
Depreciation charge for the year	0.29
Disposals/adjustments	-
As at March 31, 2025	**0.64**
Depreciation charge for the year	1.12
Disposals/adjustments	-
As at March 31, 2026	**1.76**
Net Carrying Amount	
As at March 31, 2026	**8.31**
As at March 31, 2025	**2.15**

Note 4
Capital work-in-progress

Particulars	Amount
Gross carrying amount	
As at March 31, 2024	**-**
Additions	-
Capitalisation	-
As at March 31, 2025	**-**
Additions	7.28
Capitalisation	(7.28)
As at March 31, 2026	**0.00***

Capital work-in-progress ageing Schedule:

Particulars	Amount of the Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
As at March 31, 2026	0.00*	-	-	-	0.00*
As at March 31, 2025	-	-	-	-	-

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

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(Amounts in ₹ millions, unless stated otherwise)

Notes to the financial statements as at and for the year ended March 31, 2026

Note 5
Intangible assets

Particulars	Computer Softwares	Web Portal Development	Total
Gross carrying amount			
As at March 31, 2024	**0.18**	**-**	**0.18**
Additions	-	-	-
Disposals/transfers	-	-	-
As at March 31, 2025	**0.18**	**-**	**0.18**
Additions	-	66.39	66.39
Disposals/transfers	-	-	-
As at March 31, 2026	**0.18**	**66.39**	**66.57**
Accumulated depreciation			
As at March 31, 2024	**0.08**	**-**	**0.08**
Amortisation charge for the year	0.06	-	0.06
Disposals/adjustments	-	-	-
As at March 31, 2025	**0.14**	**-**	**0.14**
Amortisation charge for the year	0.04	12.79	12.83
Disposals/adjustments	-	-	-
As at March 31, 2026	**0.18**	**12.79**	**12.97**
Net Carrying Amount			
As at March 31, 2026	**-**	**53.60**	**53.60**
As at March 31, 2025	**0.04**	**-**	**0.04**

Note 6
Right of use assets

Particulars	Warehouse
Gross carrying amount	
As at April 1, 2024	-
Additions	-
Disposals/transfers	-
As at March 31, 2025	-
Additions	0.55
Disposals/transfers	-
As at March 31, 2026	**0.55**
Accumulated depreciation	
As at April 1, 2024	-
Depreciation charge for the year	-
Disposals/adjustments	-
As at March 31, 2025	-
Depreciation charge for the year	0.31
Disposals/adjustments	-
As at March 31, 2026	**0.31**
Net Carrying Amount	
As at March 31, 2026	**0.24**
As at March 31, 2025	**-**

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Note 7
Intangible assets under development ('IAUD')

Particulars	Amount
As at March 31, 2024	-
Addition	20.98
Capitalisation	-
As at March 31, 2025	**20.98**
Addition	45.41
Capitalisation	(66.39)
As at March 31, 2026	-

Particulars	Amount of the IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026	-	-	-	-	-
As at March 31, 2025	20.98	-	-	-	20.98

1) There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above-mentioned reporting dates.

Note 8
Non-current investments (Unquoted)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments in subsidiaries (Unquoted, fully paid up)		
(A) Investments in Equity Instruments of Subsidiaries (at cost)		
FSN Global FZE (470 shares of AED 1,000 each) (Mar 31, 2025 - 340 shares)	10.43	7.15
Nykaa International UK (4,05,000 shares of GBP 1 each) (Mar 31, 2025 - 210,000 shares)	44.31	21.23
Nessa International Holdings Limited (79,16,926 shares of USD 1 each) (Mar 31, 2025 - 34,70,500 shares)	684.41	291.48
Nykaa Foundation (1 share of INR. 10 each) (Mar 31, 2025- 1 share)	0.00*	0.00*
Total investments measured at cost	**739.15**	**319.86**
Aggregate amount of unquoted investments	739.15	319.86
Aggregate amount of impairment in value of investments	-	-

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

Note 9
Income tax

a) The major components of income tax expense / (benefit) are:

(i) Income Tax expense/ (benefit) recognised in statement of profit or loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax:		
In respect of current year	4.75	(5.00)
In respect of Deferred tax of earlier years	(2.71)	-
Income tax benefit reported in the statement of profit or loss	**2.04**	**(5.00)**

(ii) Expense/Benefit recognised in other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax		
Remeasurement benefit of defined benefit plans	0.07	0.03
Income tax benefit reported in the other comprehensive income	**0.07**	**0.03**

Reconciliation of tax expense and the accounting loss multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss before tax	(0.58)	(20.31)
Applicable tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	(0.14)	(5.11)
Tax effect of:		
Others (mainly includes permanent differences)	2.18	0.11
Deferred tax reversal /(provision)		
Total tax benefit	**2.04**	**(5.00)**
Tax benefit/charge recognized in the statement of profit and loss	2.04	(5.00)
Effective tax rate	**-354.67%**	**24.60%**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Impact of brought forward losses	15.74	19.20
Provision for Expected Credit Loss	3.14	2.48
Provision for Inventory	0.01	0.01
Expenses allowed on payment basis	1.18	0.12
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	(0.21)	0.02
Deferred tax assets (A)	**19.86**	**21.83**
Deferred tax liabilities (B)	-	-
Deferred tax assets (net) (C=A-B)	**19.86**	**21.83**

ii. Reconciliation of deferred tax assets (net):

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	21.83	16.81
Tax benefit/(Charge) during the period recognised in profit or loss	(2.04)	5.00
Tax benefit during the period recognised in OCI	0.07	0.03
Closing balance	**19.86**	**21.83**

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Note 10
Inventories (valued at lower of cost or net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Stock-in-trade	4.35	6.30
Total	**4.35**	**6.30**

The inventory includes good-in-transit as follows:
Stock-in-trade - As at March 31, 2026, Nil (March 31, 2025 : ₹ 6.30 Mn)
During the year ended March 31, 2026, Nil (March 31, 2025: Nil) is recognised as provision taking into account various factors, including obsolescence of material,

Note 11
Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables - Unsecured, Considered Good	89.23	58.38
Trade receivables credit impaired	12.49	9.84
Less: Allowances for expected credit loss (Refer note 38)	(12.49)	(9.84)
Total	**89.23**	**58.38**

(For details of trade receivables with related party, refer Note 37 - Related Party Transactions)
No trade receivables are due from directors or other officers of the company either severally or jointly with any other person.

Gross Trade receivables aging schedule
March 31, 2026

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - unsecured, considered good	21.40	14.77	35.03	18.03	-	-	89.23
Undisputed Trade receivable – credit impaired	-	-	0.05	12.44	-	-	12.49
Total	**21.40**	**14.77**	**35.08**	**30.47**	**-**	**-**	**101.72**

March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - unsecured, considered good	0.76	35.23	22.39	-	-	-	58.38
Undisputed Trade receivable – credit impaired	-	-	9.84	-	-	-	9.84
Total	**0.76**	**35.23**	**32.23**	**-**	**-**	**-**	**68.22**

Note 12
Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks in current accounts	46.74	1.81
Deposits with original maturity of less than three months - With Banks	-	16.00
Total	**46.74**	**17.81**

Note 13
Loans (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Loan to subsidiaries (Unsecured - considered good)	94.39	84.08
Total	**94.39**	**84.08**

(For details of Loans with related party, refer Note 37 - Related Party Transactions)

V C SHAH & CO CHARTERED ACCOUNTANTS

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Note 14
Other financial assets (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	0.15	-
Unbilled receivable	25.66	-
Receivable from payment gateway / cash collection vendors	-	0.10
Interest accrued but not due	0.46	0.51
Total	**26.27**	**0.61**

Movement in Interest accrued on loans but not due:

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	0.51	0.42
Interest charged during the year	5.66	5.59
Payment received	(5.71)	(5.50)
Closing balance	**0.46**	**0.51**

Note 15
Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to suppliers (Unsecured, considered good)	40.94	31.47
Prepaid Expenses	0.79	0.48
Balance with statutory / government authorities	57.59	32.88
Total	**99.32**	**64.83**

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V C SHAH & CO CHARTERED ACCOUNTANTS

FSN INTERNATIONAL LIMITED

FSN International Limited
Notes to the financial statements as at and for the year ended March 31, 2026
(Amounts in ₹ millions, unless stated otherwise)

Note 16
Equity Share Capital
i) Authorised Share Capital

Particulars	Equity Shares	
	Numbers	Amount
i) Authorised Share Capital		
As at April 1, 2024	**3,00,00,000**	**300.000**
Increase during the year	2,00,00,000	200.000
As at Mar 31, 2025	**5,00,00,000**	**500.000**
Increase during the year	-	-
As at Mar 31, 2026	**5,00,00,000**	**500.000**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Issued, subscribed and fully paid up equity capital of INR 10 each issued

Particulars	Equity shares	
	Numbers	Amount
As at April 1, 2024	**2,50,78,000**	**250.78**
Issued during the year	2,00,00,000	200.00
As at March 31, 2025	**4,50,78,000**	**450.78**
Issued during the year	-	-
As at March 31, 2026	**4,50,78,000**	**450.78**

iii) Shares held by holding company (along with nominee shareholders)

Out of equity shares issued by the company, shares held by its holding company is as below:

Particulars	As at March 31, 2026	As at March 31, 2025
FSN E-Commerce Ventures Limited (Holding Company) 4,50,78,000 (March 31, 2024: 2,50,78,000) equity shares of ₹ 10/- each	450.78	450.78

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
FSN E-Commerce Ventures Limited (Holding Company)	4,50,78,000	100.00%	4,50,78,000	100.00%

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

v) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

vi) Details of promoter shareholding along with nominee shareholders

As at March 31, 2026

Promoter Name	Description	No. of shares at the beginning of the year	% of total Shares	No. of shares at the end of the year	% of total shares	% change during the year
FSN E-Commerce Ventures Limited (Holding Company)	Equity shares of ₹ 10 each fully paid	4,50,78,000	100.00%	4,50,78,000	100.00%	0.00%
		4,50,78,000	**100.00%**	**4,50,78,000**	**100.00%**	**0.00%**

As at March 31, 2025

Promoter Name	Description	No. of shares at the beginning of the year	% of total Shares	No. of shares at the end of the year	% of total shares	% change during the year
FSN E-Commerce Ventures Limited (Holding Company)	Equity shares of ₹ 10 each fully paid	2,50,78,000	100.00%	4,50,78,000	100.00%	0.00%
		2,50,78,000	**100.00%**	**4,50,78,000**	**100.00%**	**0.00%**

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FSN INTERNATIONAL LIMITED

FSN International Limited
Notes to the financial statements as at and for the year ended March 31, 2026
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Note 17
Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Retained earnings		
Opening balance	(66.69)	(51.38)
Add: Loss during the year	(2.62)	(15.31)
Closing balance (A)	**(69.31)**	**(66.69)**
(ii) Other comprehensive loss		
Opening balance	(0.07)	-
Add: Other comprehensive loss for the year	(0.19)	(0.07)
Closing balance (B)	**(0.26)**	**(0.07)**
(iii) Capital Contribution from Holding Company		
Opening balance	1.77	1.77
Add : Additions during the year	-	-
Closing balance (C)	**1.77**	**1.77**
Total (A+B+C)	**(67.80)**	**(64.99)**

Nature and purpose of reserves
(i) Retained earnings :
Retained earnings are the profits/(losses) that the Company has earned/incurred till date, less any dividends or other distributions paid to shareholders.

(ii) Other Comprehensive Loss:
This represents the cumulative gains and losses arising on remeasurement of defined employee benefit plan.

(iii) Capital Contribution from Holding Company :
Loan from Holding Company: Fair valuation of loans taken from parent on initial recognition.

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V C SHAH & CO CHARTERED ACCOUNTANTS

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Note 18
Borrowings (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured carried at amortised cost		
Loan from Holding Company	640.60	-
Total	**640.60**	**-**

A) Terms of loans from holding company
1)The above loan carry an interest rate referenced to the government security rate close to the tenor of the loan and mutually agreed spread.
2)The above loan is for a period of 3 years and interest rate being charged is 8-9% p.a.
B) Refer Note 43 for maturity profile of above loans.

Note 19
Long-term provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for gratuity (Refer note 36)	2.74	0.21
Total	**2.74**	**0.21**

Note 20
Borrowings (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Loan from Holding Company	-	106.90
Total	**-**	**106.90**

Note 21
Lease liabilities (current)

Particulars	As at March 31, 2026	As at March 31, 2025
Payable for lease liabilities (refer note 35)	0.25	-
Total	**0.25**	**-**

Note 22
Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of trade payables other than micro enterprises and small enterprises	79.65	59.21
Total	**79.65**	**59.21**

Notes :
1. Refer Note 37 for payables to related parties.
2. Trade payables are generally non interest bearing.

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

The identification of Micro, Small and Medium Enterprises is based on the Management's knowledge of their status. Disclosure is based on the information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'.

Particulars	As at March 31, 2026	As at March 31, 2025
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Trade payables aging schedule

March 31, 2026

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.65	20.54	56.46	-	-	79.65
Total	**2.65**	**20.54**	**56.46**	**-**	**-**	**79.65**

March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.62	57.59	-	-	-	59.21
Total	**1.62**	**57.59**	**-**	**-**	**-**	**59.21**

V C SHAH & CO CHARTERED ACCOUNTANTS

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Note 23
Other financial liabilities (current)

Particulars	As at March 31, 2026	As at March 31, 2025
Measured at amortised cost		
Employee related liabilities	2.66	4.25
Accrued expenses	60.89	36.27
Creditors for capital goods	0.01	-
Interest accrued but not due on borrowings	3.87	0.52
Total	**67.43**	**41.04**

Refer Note 37 for payables to related parties.

Movement in Interest accrued but not due on borrowings and finance charge:

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	0.52	0.49
Interest and Finance charge accrued during the year (excluding Amortisation impact)	30.55	4.21
Payment of interest and Finance charge during the year	(27.20)	(4.18)
Closing balance	**3.87**	**0.52**

Note 24
Short - term provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for gratuity (Refer note 36)	0.89	0.00*
Provision for Compensated absences	1.07	0.30
Total	**1.96**	**0.30**

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

Note 25
Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues	5.60	3.58
Advance from customers	0.82	-
Total	**6.42**	**3.58**

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Note 26
Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Sale of products	115.95	32.34
B. Sale of services		
Marketing support revenue	18.55	3.56
Income from marketplace services	6.48	39.10
Software development services	64.80	-
Total	**205.78**	**75.00**

Geography	For the year ended March 31, 2026	For the year ended March 31, 2025
Within India	18.55	3.56
Outside India	187.23	71.44
	205.78	**75.00**

(A) Disaggregation of revenue from contracts with customers
The Company derives its major revenue from sale of products through offline channels, which is a single line of business.

(B) Contract Balances

Particulars	For the year ended March 31, 2026	As at March 31, 2025
Trade Receivables	89.23	58.38

(C) Reconciliation between the contract price and revenue from contracts with customers

Particulars	For the year ended March 31, 2026	As at March 31, 2025
Contract Price	**205.78**	**75.00**
Revenue recognized in the current year from contract liability:		
Advance from Customer	-	-
Revenue deferred in the current year towards unsatisfied performance obligation:		
Advance from Customer	-	-
Revenue from operations	**205.78**	**75.00**

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

Note 27
Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest Income		
Loan given to subsidiaries	5.66	5.59
Fixed deposits	0.07	0.01
(b) Other non-operating income		
Income Tax Refund	-	0.00*
Miscellaneous income	2.01	30.50
Foreign exchange gain	16.25	4.16
Total	**23.99**	**40.26**

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

Note 28
Purchase of traded goods

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchases of traded goods	78.31	21.89
Total	**78.31**	**21.89**

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Notes to the financial statements for the year ended March 31, 2026
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Note 29
Changes in inventories of stock-in-trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stock-in-trade		
Opening balance	6.30	2.81
Closing balance	4.35	6.30
Total	**1.95**	**(3.49)**

Note 30
Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, Wages and Bonus	24.06	43.75
Contribution to provident fund	1.28	0.63
Gratuity expenses	1.19	0.05
Compensated expenses	0.69	0.17
Staff welfare expenses	0.12	0.01
Total	**27.34**	**44.61**

Note 31
Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on lease liabilities	0.04	-
Interest expense on inter company loan	30.55	4.77
Total	**30.59**	**4.77**

Note 32
Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 3)	1.12	0.29
Depreciation of Right-of-use assets (refer note 6)	0.31	-
Amortisation of Intangible assets (refer note 5)	12.82	0.06
Total	**14.25**	**0.35**

Note 33
Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Marketing & Advertisement Expense	38.73	24.86
Legal and Professional Fees	6.91	4.96
Web & Technology Expenses	4.07	2.28
Payment Gateway Charges	-	3.75
Freight outward	11.38	33.39
Travelling & Conveyance Expenses	0.72	0.04
Printing & Stationery	0.03	-
Rates & Taxes	5.88	2.82
Insurance Expenses	0.19	0.02
Rent and Maintenance Expenses	-	0.28
Repairs & Maintenance - Others	0.32	-
Director Sitting Fees	2.35	0.03
Bank charges	0.49	0.17
Auditor's remuneration :		
- Audit fees	1.38	0.76
- Other Matters	-	0.38
- Out of pocket expenses	0.06	0.06
Allowance for Expected Credit Loss	2.66	(9.60)
Recruitment Expenses	0.66	1.23
Beauty advisor Expenses	-	0.72
Bad Debts written off	0.38	-
Miscellaneous Expenses	1.70	1.29
Total	**77.91**	**67.44**

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Note 34
Basic & diluted earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Nominal value of per equity share	10/-	10/-
Loss after tax (A)	(2.62)	(15.31)
Loss attributable to equity shareholders	(2.62)	(15.31)
Total number of shares outstanding during the year	4,50,78,000	4,50,78,000
	4,50,78,000	4,14,06,767
Weighted average number of equity shares outstanding during the period (B)		
Basic earnings per share = A/B	**(0.06)**	**(0.37)**
Weighted average number of diluted equity shares (C)	4,50,78,000	4,14,06,767
Diluted earnings per share = A/C	**(0.06)**	**(0.37)**

Note 35
Leases
The Company as lessee

The Company has lease contracts for premises obtained for warehouse Leases of premises generally have lease term of 1.5 to 2 years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company has one lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Refer note 6 for carrying value of right of use assets.

Set out below are the carrying amounts of lease liabilities (included under lease liabilities) and the movements during the year:

Particulars	As at March 31, 2026
Opening balance	-
Addition	0.55
Accretion of interest	0.04
Deletion due to closure	-
Rent waiver	-
Payments	0.34
Closing balance	**0.25**
Non-current	-
Current	0.25
Total	**0.25**

The maturity analysis of lease liability is disclosed in note 44

The effective interest rate for lease liabilities as at March 31, 2026 is 10.23%

Particulars	For the year ended March 31, 2026
Depreciation expenses of right of use assets	0.31
Interest expenses on lease liabilities	0.04
Expenses relating to short term leases	-
Expenses relating to low value leases	-
Variable lease payments	-
Total amount recognised in Statement of Profit and Loss	**0.35**

V C SHAH & CO CHARTERED ACCOUNTANTS

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Note 36
Defined benefit plan and other long term employee benefit plan:

I) **Defined contribution plan**
During the year, the Company has made contribution/provision to provident fund stated under defined contribution plan amounting to ₹ 1.28 Mn (March 31, 2025 : ₹ 0.63 Mn) and the same has been recognised as an expense in the Statement of Profit and Loss.

II) **Defined benefit plans**
The Company operates a defined benefit gratuity plan for its employees. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving.
The Company has provided for gratuity based on actuarial valuation done as per projected unit credit method.

A. The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2026 and March 31, 2025:

Particulars	As at March 31, 2026	As at March 31, 2025
Amount to be recognised in balance sheet		
Present value of defined benefit obligation	3.63	0.21
Less: Fair value of plan assets		-
Funded status – deficit / (surplus)	3.63	0.21
Net liability recognised in balance sheet	**3.63**	**0.21**
Current	0.89	0.00*
Non-current	2.74	0.21

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

i) Changes in the present value of defined benefit obligation

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	0.21	-
Current service cost	0.53	0.05
Past service cost	0.58	-
Interest cost	0.08	-
Actuarial loss in obligation for year ended due to changes in financial assumptions	0.01	0.01
Actuarial loss in obligation for year ended due to changes in demographic assumptions	(0.18)	0.08
Actuarial loss in obligation for year ended due to changes in experience adjustments	0.43	0.01
Liability assumed / (settled)*	1.97	0.05
Closing defined benefit obligations	**3.63**	**0.21**

*On account of intra group transfers

ii) Amount for the year ended March 31, 2026 and March 31, 2025 recognised in the Statement of Profit and Loss under employee benefit expenses and other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	0.53	0.05
Past service cost	0.58	-
Interest expenses	0.08	-
Amount recognised in Statement of Profit and Loss	**1.19**	**0.05**
Actuarial loss in obligation for year ended due to changes in financial assumptions	0.01	0.09
Actuarial loss in obligation due to changes in demographic assumptions	(0.18)	-
Actuarial loss in obligation for year ended due to changes in experience adjustments	0.43	0.01
Amount recognised in Other Comprehensive Income (OCI)	**0.26**	**0.10**

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B The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Mortality table	IALM (2012-14)	IALM (2012-14)
Discount rate	6.55%	6.65%
Future salary increases*	7.00%	7.00%
Withdrawal rates	26.57% for managers and above 38.67% for frontline staff	22% for managers and above 30% for frontline staff
IALM - Indian Assured Lives Mortality (Ultimate)	IALM (2012-14)	IALM (2012-14)

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated terms of the obligations.

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

Particulars	As at March 31, 2026	As at March 31, 2025
Within the next 12 months (next annual reporting period)	0.89	0.00*
Between 2 and 5 years	2.42	0.12
Between 6 and 9 years	0.98	0.13
10 & Above following years	0.47	0.09
Total expected payments	**4.76**	**0.34**

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

The average duration of defined benefit plan obligation at the end of the reporting period is 3.71 years (March 31,2025: 6.63 years).

D Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as of end of reporting period is shown below:

Particulars	Pre-tax impact (decrease) / increase in liability	
	As at March 31, 2026	As at March 31, 2025
Discount rate (-/+ 1%)		
Decrease by 100 basis points	0.14	0.01
Increase by 100 basis points	(0.13)	(0.01)
Future salary increase (-/+ 1%)		
Decrease by 100 basis points	(0.12)	(0.01)
Increase by 100 basis points	0.13	0.01

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

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

(A) Interest risk - A decrease in the discount rate will increase the plan liability.

(B) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(C) Salary risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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Notes to the financial statements as at and for the year ended March 31, 2026

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Note 37

Related party transactions

A. Names of the related parties

Nature of relationship	Name of entity
Holding company*	FSN E-Commerce Ventures Limited
Fellow subsidiary*	Nykaa E Retail Limited
	FSN Brands Marketing Private Limited
	Nykaa-KK Beauty Private Limited
	Nykaa Fashion Limited
	Nykaa Foundation
	Dot & Key Wellness Limited (formerly known as Dot & Key Wellness Private Limited)
Subsidiary*	FSN Global FZE
	Nykaa International UK Limited
	Nessa International Holdings Limited
Step down subsidiary	Nyssa Beauty LLC*
	Nysaa International for Wholesale and Retails Trade Co. SPC (Kuwait) (w.e.f. June 5, 2024)
	Nysaa Cosmetics Trading (Qatar) (w.e.f. June 26, 2024)
	Nysaa Trading LLC (Saudi) (w.e.f. September 20, 2024)
	Nysaa Distribution FZE (UAE) (w.e.f. October 22, 2024) *
	Nysaa Cosmetics SPC (Oman) (w.e.f. January 23, 2025)
	Nysaa Beauty Bahrain W.L.L Company (w.e.f August 28, 2024)

*Where there are transactions during the current or previous year.

Directors and Key Management Personnel (KMP)

Mr Sanjay Nayar#	Director
Mr Seshashayee Sridhara	Director
Mr Aayush Bansal#	Chief Financial Officer (w.e.f. August 8,
Mr Tanuj Dhingra#	Chief Financial Officer (w.e.f. November 8, 2024 till August 5, 2025)
Mr Arun Sharma#	Company Secretary (till August 6, 2025)
Ms Mrunal Brahmabhatt#	Company Secretary (w.e.f. January 30,
Mr Sujeet Jain#	Director
Mr P Ganesh#	Director
Mr Amit Vora#	Manager (w.e.f. August 8, 2025)

Where there are no transactions during the current or previous year

B. Transactions with Related party

Particulars	Nature of transactions	Transactions during the year ended March 31, 2026	Outstanding balances as on March 31, 2026	Transactions during the year ended March 31, 2025	Outstanding balances as on March 31, 2025
Holding company					
FSN E-Commerce Ventures Limited	Interest Expenses	30.55	(12.61)	4.21	(0.52)
	Purchases (net of discounts)	0.54	(0.33)	13.00	(0.58)
	Reimbursement of Expenses	1.29	(0.97)	26.91	
	Discount income	-	-	(1.12)	-
	Marketing Income	(1.26)	-	(2.21)	-
	Equity Share Capital	-	(450.78)	(200.00)	(450.78)
	Equity Contribution	-	(1.77)	-	(1.77)
	Notional interest Expenses- Loan	-	-	0.63	-
	Loan taken (net)	(533.70)	(640.60)	(27.23)	(106.90)
Nykaa E Retail Limited	Listing fees	0.21	-	1.52	-
	Reimbursement/(Recovery) of Expenses	8.26	(2.04)	9.51	(3.52)
	Rent Expenses	-	-	0.19	-
FSN Brands Marketing Private Limited	Purchases (net of discounts)	1.29	(0.25)	2.37	(0.57)
	Reimbursement of Expenses	0.01	-	0.01	-
	Marketing Income	-	-	-	-
Nykaa KK Beauty Private Limited	Purchases (net of discounts)	82.57	-	5.83	-
	Discount income	(8.04)	-	(0.68)	-
	Marketing Income	(17.89)	6.31	(1.35)	0.08
Nykaa Fashion Limited	Reimbursement of Expenses	1.32	0.50	0.57	(0.63)
FSN Global FZE	Recovery of Expenses	(6.60)	(64.01)	(40.56)	(56.42)
	Loan Given (Net) (*)	-	43.12	7.43	38.86
	Interest income	(2.56)	0.21	(2.55)	0.23
	Investment in subsidiary	3.27	10.42	-	7.15
Nykaa International UK Limited	Loan Given (Net) (*)	-	51.27	8.91	45.22
	Interest income	(3.10)	10.19	(3.05)	7.09
	Investment in subsidiary	23.08	44.31	6.48	21.23
Dot & Key Wellness Limited (formerly known as Dot & Key Wellness Private Limited)	Purchases (net of discounts)	0.12	-	2.25	0.05
Nessa International Holdings Limited	Investment	392.93	684.41	160.15	291.48
Nyssa Beauty LLC	Reimbursement of Expenses	(71.97)	103.51	(30.61)	30.61
	Sales	(0.93)	-		
Nysaa Distribution FZE	Sales	(10.14)	8.77	-	-
	Reimbursement of Expenses	(0.16)	0.16	-	-
Nykaa Foundation	Investment*	-	0.00*	0.00*	0.00*
Key Management Personnel (KMP)#					
Mr. Seshashayee Sridhara	Sitting Fees	0.15	-	0.03	-
	Commission	2.20	(2.20)		

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

Figures in brackets indicates payables and income

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The Company do not have any other transaction with key managerial person than that is disclosed above.

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Note 38
Share based payments

Under the Employees Stock Option Scheme – 2017 ("2017 Scheme), the stock options of the holding company were granted to certain employees of the Company. In most cases, the exercise price of the share options is equal to the market price of the underlying shares on the date of grant. Vesting period of options are 3 to 4 years and options are vested equally over the vesting period. Vested options are exercisable as per the terms of the option plan, provided the employee is in employment of the Company on the date of the vesting of the stock options and should not be serving his notice period. The fair value of the share options is estimated at the grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the share options were granted.

The Company has recognised an expense of ₹ Nil (March 31, 2025: ₹ Nil) arising from equity settled share based payment transactions for employee services received during the year.

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

Options granted under ESOS 2017

	As at March 31, 2026	As at March 31, 2025
Options outstanding at the beginning of the year	-	-
Transferred in during the year	31,800	-
Options granted during the year	-	-
Options forfeited during the year	(20,450)	-
Options expired/lapsed during the year	-	-
Options exercised during the year	(10,000)	-
Options outstanding at the end of the year	**1,350**	**-**
For options outstanding at the end of the year:		
Exercise price range	₹ 226.33	-
Weighted average remaining contractual life (in years)	2.16	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of expected life. The Company has determined the market price on grant date based on the closing price of stock on NSE Index, as on the grant date.

The weighted average share price at the date of exercise of options exercised during the the year was ₹ 249.7 (March, 2025 ₹ Nil)

Expenses arising from share-based payment transactions
The total expenses arising from share-based payment transactions recognised were as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stock based compensation expense determined under fair value method recognised in statement of profit or loss	Nil	Nil

Note: During the year, certain employees holding stock options under the 2017 Scheme were transferred from a fellow subsidiary to the Company. All options held by these employees had either vested or been forfeited prior to their transfer. The outstanding options as at the balance sheet date represent vested but unexercised options. Accordingly, no share-based payment expense or liability has been recognised by the Company during the year in respect of these options.

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Note 39
Fair value measurement hierarchy

The carrying values of the financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values.

Particulars	Carrying value as of	
	March 31, 2026	March 31, 2025
Financial Assets:		
Amortised cost		
Investments	739.15	319.86
Loans	734.99	84.08
Trade receivables	89.23	58.38
Cash and cash equivalents	46.74	17.81
Other financial assets	26.27	0.61
	1,636.38	**480.74**
Financial Liabilities:		
Amortised cost		
Borrowings	640.60	106.90
Trade payables	79.65	59.21
Other financial liabilities	67.43	41.04
	787.68	**121.72**

Note 40
Commitments and contingent liabilities

A) Commitments
The Company does not have any contract remaining to be executed on capital account and not provided for (net of advances).

B) Contingent liabilities
The company does not have any contingent liabilities.

Note 41
Segment information

The Company is engaged in the business of selling beauty, wellness, fitness, personal care, health care, skin care, hair care and other related products on/through offline channels. The Company's business activity falls within a single primary business segment, i.e. Others. Accordingly, disclosures as required under IND AS 108, Operating Segments, have not been separately presented in the financial statements since the information is available directly from the Statement of Profit and Loss.
The Company has identified Board of Directors as Chief Operating Decision Maker ('CODM') who reviews and allocates resources.
The information based on geographical areas in relation to revenue and non-current assets are as follows:

(a) Revenue from operations

Revenue from geographical market

Geography	For the year ended March 31, 2026	For the year ended March 31, 2025
Within India	18.55	3.56
Outside India	187.23	71.44
	205.78	**57.38**

(b) Non-current operating assets
Non-current operating assets of ₹ Nil are located outside India. All other non-current operating assets are located in India.

(c) The company has revenue from transactions with two external customers amounting to 10 percent or more of the total revenue.

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Note 42
Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.
No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2026.

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

Particulars	As at March 31, 2026	As at March 31, 2025
Gross debt	640.60	106.90
Less: Cash and cash equivalents	(46.74)	(17.81)
Net debt (A)	**593.86**	**89.09**
Equity	382.98	385.79
Total Equity (B)	**382.98**	**385.79**
Net gearing ratio (A)/(B)	**1.55**	**0.23**

Note 43
Financial risk management objectives and policies:
The Company's principal financial liabilities comprise borrowings from Its holding company, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise cash and bank balance, trade and other receivables that derive directly from its operations

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Company's senior management team oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk, product price risk and interest risk.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2026 and March 31, 2025.

a) Interest rate risk

The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short-term working capital demand loans with interest rates negotiated from time to time so that the Company has an effective mix of fixed and variable rate borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2026	+50	(3.20)
	-50	3.20
March 31, 2025	+50	(0.53)
	-50	0.53

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b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade receivables, trade payables and advances paid to vendors. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies. When a derivative is entered into for the purpose of hedging any foreign currency exposure, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

Particulars	Currency	As at March 31, 2026		As at March 31, 2025	
		Foreign Currency	₹	Foreign Currency	₹
Receivables:					
Trade Receivables	USD	0.37	30.94	0.37	30.40
	AED	0.21	5.27	0.03	0.58
	GBP	0.15	18.39	-	-
Payables:					
Trade payables	USD	0.02	1.92	-	-
	AED	0.05	1.26		
	GBP	0.02	2.43	-	-

c) Product price risk

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

B) Credit risk

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

a) Trade receivables

The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks. The Company's experience of delinquencies and customer disputes have been minimal. Also the Company have a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. Accordingly, the credit risk is cover by the company. (Refer accounting policy 2(B) for expected credit loss on trade receivable).
Trade receivables are non- interest bearing and are generally on payment terms of 0-90 days.

Movement in allowances for expected credit loss:

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	9.84	19.44
Provision made/(reversed) during the year	2.66	(9.60)
Provision written off during the year	-	-
Closing balance	**12.49**	**9.84**

b) Security Deposit

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

c) Other financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

C) Liquidity risk

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

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

Particulars	Carrying value	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2026					
Borrowings	640.60	533.70	106.90	-	640.60
Trade payables	79.65	23.19	56.46	-	79.65
Other financial liabilities	67.43	67.43	-	-	67.43
Lease liabilities	0.25	0.26	-	-	0.26
Total	**787.93**	**624.58**	**163.36**	**-**	**787.94**
As at March 31, 2025					
Borrowings	106.90	106.90	-	-	106.90
Trade payables	59.21	59.21	-	-	59.21
Other financial liabilities	41.04	41.04	-	-	41.04
Total	**207.15**	**207.15**	**-**	**-**	**207.15**

Note 44
Other Statutory Information

a) The Company does not have any transactions with companies struck off.

b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

d) The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) Other than the details mentioned below, no funds have been received by the Company from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Details of date and amount of fund received by the Company during the year ending March 31, 2026 is as follows:

Name of Company	Address of the Company	Relationship with the Company	Date of Loan	Amount of Loan
FSN E-commerce Ventures Limited	104,Vasan Udyog Bhavan,Sun Mill Compound Tulsi Pipe Road, Lower Parel (West), MUMBAI, Maharashtra, India, 400013	Holding Company	11 April 2025	200.00
			3 February 2026	11.00
			7 February 2026	6.00
			12 February 2026	122.68

Details of date and amount of fund further invested in intermediary during the year ending March 31, 2026 is as follows:

Name of Intermediary	Address of the Intermediary	Relationship with the Intermediary	Date of Investment	Amount of Investment
Nessa International Holdings Limited	Office DD-14-124-027, Floor 14, Al Khatem Tower, Abu Dhabi Global Market Square,Abu Dhabi, United Arab Emirates	Subsidiary	16 April 2025	192.81
			02 February 2026	19.92
			18 February 2026	126.95

Details of date and amount of fund further invested by intermediary to ultimate beneficiary during the year ending March 31, 2026 is as follows:

Name of the Ultimate benefeciary	Address of the Intermediary	Relationship with the Intermediary	Date of Loan	Amount of Loan
Nysaa Beauty LLC	R01-4, AL Sima tower, Al Bharsha South, Dubai, UAE	Subsidiary	18 April 2025	35.51
			25 May 2025	14.20
			30 June 2025	21.30
			18 August 2025	28.40
			17 September 2025	28.40
			28 November 2025	14.20
			31 December 2025	10.65
			25 February 2026	12.07
			02 March 2026	5.22
			02 March 2026	21.30
			31 March 2026	35.51
			31 March 2026	35.53
Nysaa Distribution FZE	S21317, Jebel Ali Free Zone, Dubai, UAE	Subsidiary	28 May 2025	9.94
			28 November 2025	7.10
			01 December 2025	10.65
			02 March 2026	14.20
Nysaa Cosmetics SPC Oman	PO BOX 1821, PC 130, Royal Tower, 6th Floor Way No. 3518, Building No. 1444, MBD Area, Ruwi, Musc	Subsidiary	30 June 2025	7.10
			23 July 2025	28.40

The provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

g) The Company is not declared wilful defaulter by any Bank, financial institution or other lender.

h) There are no proceedings initiated or pending against the Company under Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

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FSN INTERNATIONAL LIMITED

FSN International Limited
Notes to the financial statements as at and for the year ended March 31, 2026
(Amounts in ₹ millions, unless stated otherwise)

Note 45
Ratios

SN.	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reasons for more than 25%
1	Current ratio	Current assets	Current liabilities	2.31	1.10	**110%**	Increase mainly due to improvement in current assets
2	Debt equity ratio	Total debt	Shareholder's equity	1.67	0.28	**504%**	Increase due to higher borrowings during the year
3	Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+ finance cost	Debt service = Interest & Lease Payments + Principal Repayments	1.03	(5.49)	**-119%**	Improvement in debt service ratio is due to better operating profitability and cash earnings compared to previous year.
4	Return on equity ratio	Net Profits/(loss) after taxes	Average Shareholder's Equity	-1%	-5%	**4%**	
5	Inventory turnover ratio	Cost of goods sold (COGS)	Average Inventory	15.07	4.04	**273%**	Increase due to higher sales levels and improved inventory management resulting in faster movement of inventory.
6	Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.79	1.88	**49%**	Improvement driven by better recovery from customers and higher sales volume
7	Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.13	0.50	**125%**	Increase mainly due to faster settlement of dues to suppliers and higher purchase activity during the year.
8	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	1.01	3.57	**-72%**	Decrease is majorly due to increase in working capital compared to growth in sales
9	Net profit ratio	Net Profit/(Loss)	Net sales = Total sales - sales return	-1%	-20%	**19%**	
10	Return on capital employed	Earnings before interest and taxes (EBIT)	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	3%	-3%	**6%**	

Note 46
During the year ended March 31, 2026, the Company reassessed recognition of deferred tax assets on carry forward losses. The Company recognised net deferred tax assets in respect of carry forward losses of ₹ 19.86 Mn as at March 31, 2026 (March 31, 2025: ₹ 21.83 Mn). In assessing the realisability of its deferred tax assets, the management has considered business projection for foreseeable future period and believes that such projections are reliable and represent convincing evidence which provides reasonable certainty that sufficient taxable profit will be available against which the carry forward losses and unabsorbed depreciation can be utilised.

Note 47
Audit Trail

1.During the year, the Company migrated from its existing ERP system ("legacy accounting software") to a new ERP system ("new accounting software") with effect from January 01, 2026.
a. In respect of the legacy accounting software, the audit trail facility was enabled for relevant transactions recorded in the software, except that the audit trail feature was not enabled at the database level and for master data fields.
b. In respect of the new accounting software implemented from January 01, 2026
i. the audit trail facility was enabled at the application layer for relevant transactions recorded in the software, but certain users had access to make direct changes that were not logged.
ii. For database layer, the Company has obtained the Service Organisation Controls ('SOC') report covering the period up to December 31, 2025 along with a bridge letter for the balance period during the year. However, this SOC report issued by ERP service provider to all its users does not explicitly mention if the audit trail controls were enabled or not at the database layer.
2.Also, the Company used a third party-operated software for processing payroll. Management obtained the report of the Service Organisation Controls (SOC) auditors engaged by such third party for the year, which mentions that the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software and whether there were any instances of the audit trail feature being tampered with.

Additionally, there are no instances of audit trail feature being tampered with and the Company preserved the audit trail records in accordance with the statutory requirements for record retention, to the extent such audit trail was available in the respective systems.

As per our report of even date
For V C Shah & Co
Chartered Accountants
ICAI Firm Registration No: 109818W

Viral J. Shah
Partner
Membership No: 110120

Place: Mumbai
Date: May 07, 2026

For and on behalf of Board of Directors of
FSN International Limited

P Ganesh
Director
DIN No. 07202923

Sujeet Jain
Director
DIN No. 03440936

Mrunal Brahmabhatt
Company Secretary
ACS M.No. A61278

Place: Mumbai
Date: May 07, 2026

Aayush Bansal
Chief Financial Officer

Place: Mumbai
Date: May 07, 2026