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 Nykaa Essentials Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Nykaa Essentials Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period March 10, 2025 to March 31, 2026, , and notes to 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 financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its loss, total comprehensive loss, its cash flows and changes in equity for the period March 10, 2025 to March 31, 2026.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.

Information Other than the 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 Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial



Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
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 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive loss, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements.

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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. 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 Companies Act 2013 is not applicable to the Company.

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 Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with

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the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified 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) Reporting under Clause (i) of Section 143(3) is not applicable pursuant to notification no G.S.R 583(E) dated June 13, 2017 read with corrigendum dated July 13,2017 on reporting on internal financial controls with reference to financials statements.

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

h) The Company is a Private Limited Company as per the Act. The requirement of payment of managerial remuneration as per section 197 read with Schedule V of the Act is not applicable.

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, 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, 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared nor paid any dividend during the year. Hence reporting the compliance with section 123 of the Act is not applicable.

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023.
Based on our examination, which included test checks, except for the matters described below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software as described in Note 18 to the financial statements.

a. In respect of the legacy accounting software used up to December 31, 2025 the audit trail feature was not enabled at the database level and for certain master data fields.

b. In respect of the new accounting software implemented with effect from January 01, 2026

(i). Although the audit trail facility was enabled at the application layer for relevant transactions, certain users had access to make direct changes which are not logged.

(ii). For database layer, the Company has provided the Service Organisation Controls (SOC) report covering the period upto December 31, 2025 along with a bridge letter for the balance period during the year. However, this SOC report does not explicitly mention if the audit trail controls were enabled or not at the database layer.

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





Viral J. Shah
Partner
Membership No: 110120
UDIN: 26110120OKWQYA4607
Place: Mumbai
Date: May 6, 2026

Nykaa Essentials Private Limited
(Amounts in ₹ Lakhs, unless stated otherwise)

Balance Sheet as at March 31, 2026

Particulars	Notes	As at March 31, 2026
Assets		
Current assets		
Financial assets		
Cash and cash equivalents	4	4.12
Other current assets	5	0.13
Total current assets		**4.25**
Total assets		**4.25**
Equity and liabilities		
Equity		
Equity share capital	6	5.00
Other equity	7	(1.33)
Total equity (A)		**3.67**
Liabilities		
Current liabilities:		
Financial Liabilities		
Other financial liabilities	8	0.50
Other Current Liabilities	9	0.08
Total current liabilities (B)		**0.58**
Total equity and liabilities (A+B)		**4.25**
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

per Viral J. Shah
Partner
Membership No. 110120

Place: Mumbai
Date: May 06, 2026

For and on behalf of the Board of Directors of
Nykaa Essentials Private Limited

P Ganesh
Director
DIN : 07202923

Place:Mumbai
Date:May 06, 2026

Vishal Gupta
Director
DIN : 10048743

Place:Mumbai
Date:May 06, 2026

Nykaa Essentials Private Limited
(Amounts in ₹ Lakhs,except per share data and unless stated otherwise)

Statement of Profit and Loss for the period March 10,2025 to March 31, 2026

Particulars	Notes	For the period March 10, 2025 to March 31, 2026
Income		-
Total Income		-
Expenses		
Other expenses	10	1.33
Total expenses		**1.33**
Loss before tax		**(1.33)**
Tax expense		
Current tax		-
Deferred Tax		-
Total tax expenses		-
Loss after tax		**(1.33)**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement gain/(loss) of defined benefit plan		-
Income tax effect on above		-
Other comprehensive (loss)/income for the period, net of tax		-
Total comprehensive loss for the period		**(1.33)**
Earnings per share of face value ₹ 10/- each		
Basic	11	(2.66)
Diluted	11	(2.66)

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

per Viral J. Shah
Partner
Membership No. 110120

Place: Mumbai
Date: May 06, 2026

V C SHAH & CO CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Nykaa Essentials Private Limited

P Ganesh
Director
DIN : 07202923

Place:Mumbai
Date:May 06, 2026

Vishal Gupta
Director
DIN : 10048743

Place:Mumbai
Date:May 06, 2026

NYKAA ESSENTIALS PRIVATE LIMITED

Nykaa Essentials Private Limited
(Amounts in ₹ Lakhs, unless stated otherwise)

Statement of Cash Flows for the period March 10,2025 to March 31, 2026

Particulars	For the period March 10, 2025 to March 31, 2026.
Cash Flow from operating activities	
Net loss before tax as per Statement of Profit & Loss	**(1.33)**
Adjustment to reconcile loss before tax to net cash flows	-
Operating loss before working capital changes	**(1.33)**
Working capital Adjustments:	
(Increase)/Decrease in other current assets	(0.13)
(Decrease)/Increase in other current liabilities	0.08
Increase/(Decrease) in other financial liabilities	0.50
Cash used in operations	**(0.88)**
Less:- Payment of Taxes	-
Net cash flows used in operating activities (A)	**(0.88)**
Cash flows from investing activities	-
Net cash flows from investing activities (B)	-
Cash flows from financing activities	
Proceeds from issue of equity shares	**5.00**
Net cash flows from financing activities (C)	**5.00**
Net increase in cash and cash equivalents (A+B+C)	**4.12**
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the period end	**4.12**

Note:
1. The above Statement of Cashflow 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 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

per Viral J. Shah
Partner
Membership No. 110120

Place: Mumbai
Date: May 06, 2026

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For and on behalf of the Board of Directors of
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Director
DIN : 07202923

Place:Mumbai
Date:May 06, 2026

Vishal Gupta
Director
DIN : 10048743

Place:Mumbai
Date:May 06, 2026

NYKAA ESSENTIALS PRIVATE LIMITED

Nykaa Essentials Private Limited
(Amounts in ₹ Lakhs, unless stated otherwise)

Statement of Changes in Equity for the period March 10,2025 to March 31, 2026

a. Equity Share Capital:

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

Particulars	No. of shares	Amount
Issued during the period	50,000	5,00,000
As at March 31, 2026	**50,000**	**5,00,000**

Particulars	Reserves & Surplus	Other Comprehensive Income (OCI)	Total other equity
	Retained Earnings		
Loss for the period	(1.33)	-	(1.33)
Other comprehensive loss	-	-	-
Total comprehensive loss	**(1.33)**	**-**	**(1.33)**
As at March 31, 2026	**(1.33)**	**-**	**(1.33)**

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

per Viral J. Shah
Partner
Membership No. 110120

Place: Mumbai
Date: May 06, 2026

V C SHAH & CO CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Nykaa Essentials Private Limited

P Ganesh
Director
DIN : 07202923

Place:Mumbai
Date:May 06, 2026

Vishal Gupta
Director
DIN : 10048743

Place:Mumbai
Date:May 06, 2026

NYKAA ESSENTIALS PRIVATE LIMITED

1. Corporate Information

Nykaa Essentials Private Limited (the 'Company') (CIN: U47912MH2025PTC442587) is a private Company incorporated on March 10, 2025, and domiciled in India. The Company is a subsidiary of FSN E-Commerce Ventures Limited. The registered office of the Company is located at 104, Vasan Udyog Bhavan, Lower Parel, Mumbai, Delisle Road, Mumbai - 400013, Maharashtra.

The Company is engaged in the business of selling beauty, wellness, personal care, health care, skin care, hair care and other related products.

The financial statements for the period from March 10,2025 to March 31,2026 were approved by the Board of Directors and approved for issue on May 06, 2026.

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

2. Material Accounting Policies

2A. Basis of preparation

a) Statement of compliance:

These financial statements comply in all material aspects with Indian Accounting Standards (referred to as "Ind AS"), as prescribed under Section 133 of the Companies Act, 2013 (the "Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

b) Historical cost convention:

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and liabilities.

c) 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) Financial Instruments

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

Initial recognition and measurement:

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

Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the 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.

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

The Company's 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.

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Financial Liabilities

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

All financial liabilities are recognised initially at fair value.

Subsequent measurement:

i. Financial assets

Financial assets are measured at amortised cost at the end of subsequent accounting periods.

ii. Financial Liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods.

The Company's financial liabilities include trade and other payables.

Derecognition

Financial Assets

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

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

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

Financial Liabilities

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

Impairment of financial assets:

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

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.

c) 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 rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

d) Fair value measurement

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

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

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

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

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

e) 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.

f) Segment reporting

The Company is engaged in the business of selling beauty, hygiene and wellness products. The Company's business activity falls within a single primary business segment, i.e. Beauty. 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.

g) Share Capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

3. Significant accounting judgements, estimates and assumptions

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

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

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

I. Estimates and assumptions:

a. 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.

V C SHAH & CO CHARTERED ACCOUNTANTS VCS & CO

NYKAA ESSENTIALS PRIVATE LIMITED

Nykaa Essentials Private Limited
(Amounts in ₹ Lakhs, unless stated otherwise)

Notes to Financial Statements for the year ended March 31, 2026

Note 4
Cash and Cash Equivalents

Particulars	As at March 31, 2026
(a) Cash and Cash Equivalent:	
Balances with banks in current accounts	4.12
Total	**4.12**

Note 5
Other Current Assets

Particulars	As at March 31, 2026
Balance with statutory / government authorities	0.13
Total	**0.13**

Note 6
Equity Share Capital

Particulars	Equity Shares	
	Numbers	Amount
(i) Authorised Share Capital		
As at March 31,2026 (face value of ₹ 10 each)	1,00,00,000	1,000

Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval.

(ii) Issued share capital
Equity shares of ₹ 10 each issued,subscribed and fully paid up

Particulars	Equity Shares	
	Numbers	Amount
As at March 31,2026	50,000	5.00

(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
FSN E-Commerce Ventures Limited (Holding Company) 50,000 equity shares of ₹ 10 each	5.00

(iv) Details of shareholders holding more than 5% Shares in the Company

Particulars	As at March 31, 2026	
	No of Shares	% holding
FSN E-Commerce Ventures Limited (including nominee shares)	50,000	100%

(v) Details of promoter shareholding

Name of the shareholder	As at March 31, 2026	
	No of Shares	% holding
FSN E-Commerce Ventures Limited	49,999	100%
Nykaa E-Retail Limited	1	0%

6.6 The Company has not issued any shares for consideration other than cash during the period of five year immediately preceding the reporting date.

Note 7
Other Equity

Particulars	As at March 31, 2026
Retained Earnings	
Opening Balance	-
Add: Loss during the period	(1.33)
Closing Balance	**(1.33)**

V C SHAH & CO CHARTERED ACCOUNTANTS VCS & Co

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Notes to Financial Statements for the year ended March 31, 2026
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Note 8
Other Financial Liabilities

Particulars	As at March 31, 2026
Provision for expenses	0.50
Total	**0.50**

Note 9
Other Current Liability

Particulars	As at March 31, 2026
Statutory Dues	0.08
Total	**0.08**

Note 10
Other expenses

Particulars	For the period March 10, 2025 to March 31, 2026
Legal and professional fees	0.75
Printing and stationery	0.08
Auditors remuneration	
-Audit fee	0.50
Total	**1.33**

Note 11
Basic & diluted earnings per share

Particulars	For the period March 10, 2025 to March 31, 2026
Nominal value of per equity share	10/-
Loss after tax(A)	(1.33)
Loss attributable to equity shareholders	(1.33)
Total number of shares outstanding during the period	50,000
Weighted average number of equity shares outstanding during the period (B)	50,000
Basic earnings per share = (A/B)	**(2.66)**
Weighted average number of diluted equity shares (C)	50,000
Diluted earnings per share (A/C)	**(2.66)**

Note 12
Related party transactions
A.Name of the related party

Relationship	Name of entity
Holding Company	FSN E-Commerce Ventures Limited
Fellow Subsidiary	Nykaa E-Retail Limited

B. Transactions with Related party

Name of Related Party	Nature of Transaction	Transaction for the period March 10, 2025 to March 31, 2026	Balance as at March 31, 2026
Holding Company	Equity share capital		
FSN E-Commerce Ventures Limited		5.00	5.00
Fellow Subsidiary			
Nykaa E-Retail Limited		0.00*	0.00*

*Numbers are below lakhs under the rounding off convention adopted by the Company and accordingly not reported.

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Notes to Financial Statements for the year ended March 31, 2026
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Note 13
Fair value of financial assets and financial liabilities

Below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments with carrying amounts that are reasonable approximations of fair values.

The following table provides the fair value measurement hierarchy for assets / liabilities as at March 31, 2026 as under :

Particulars	Carrying value of March 31, 2026
Financial Assets:	
Amortised cost	
Cash and cash equivalents	4.12
Total	**4.12**
Financial Liabilities:	
Amortised cost	
Other financial liabilities	0.50
Total	**0.50**

The carrying values of the financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and liabilities have not been disclosed separately.

Note 14
Financial Risk Management Objectives and Policies
The Company's principal financial liabilities comprise other financial liabilities. 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 that derive directly from its operations.

The Company is exposed to various financial risks i.e. liquidity risk. The Company's senior management team oversees the management of these risks.

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

The table below summarizes 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					
Other financial liabilities	0.50				**0.50**

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NYKAA ESSENTIALS PRIVATE LIMITED

Nykaa Essentials Private Limited
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Note 15
Ratios

SN.	Ratio	Numerator	Denominator	As at March 31, 2026
1	Current ratio	Current assets	Current liabilities	7.33
2	Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	-36%
3	Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	-36%

Note 16
Audit Trail

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 1, 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 certain users have access to make direct changes that were not logged at the application layer.
b. In respect of the new accounting software implemented from January 1, 2026:
i. The audit trail facility was enabled at the application layer for relevant transactions recorded in the software; however, certain users have access to make direct changes that were not logged.
ii. For the 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 the ERP service provider to all its users, does not explicitly mention if the audit trail controls were enabled or not at the database layer.

Additionally, the Company has preserved the audit trail records in accordance with the statutory requirements for record retention, to the extent such audit trails were available in the respective systems.

V C SHAH & CO VCS & CO CHARTERED ACCOUNTANTS

NYKAA ESSENTIALS PRIVATE LIMITED

Nykaa Essentials Private Limited
Notes to Financial Statements for the year ended March 31, 2026
(Amounts in ₹ Lakhs, unless stated otherwise)

Note 17
Statutory Information

1 The Company does not have any transactions with companies struck off.
2 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
3 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
4 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).
5 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.
6 No funds have been received by the Company from any person(s) or entity(ies), 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.
7 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.
8 The Company has not been declared wilful defaulter by any Bank, Financial Institution or government or any government authority.
9 The company does not have number of layers, hence there is no need to comply with number of layers prescribed under clause (87) of section 2 of the actread with the companies (Restriction on number of layers) Rules,2017 .
10 The company did not have any derivative
11 For the year ended March 31,2026, the company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of Companies Act, 2013

Note 18
Previous year's figures

The Company has been incorporated on March 10 , 2025 and accordingly these are the first financial statements of the company. Accordingly, the corresponding figures for immediately preceeding financial year are not available.

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

per Viral J. Shah
Partner
Membership No. 110120

Place: Mumbai
Date: May 06, 2026

V C SHAH & CO CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Nykaa Essentials Private Limited

P Ganesh
Director
DIN : 07202923

Place:Mumbai
Date:May 06, 2026

Vishal Gupta
Director
DIN : 10048743

Place:Mumbai
Date:May 06, 2026

NYKAA ESSENTIALS PRIVATE LIMITED