

Issue Details

Issue Size	Rs. 5,157.20 Crore – Rs. 5,324.10 Crore	Price Band:	Rs.1,085 – Rs.1,125
IPO Date:	28 th Oct 2021 to 01 st Nov 2021	Offer Ratio:	QIB: 75%, NII: 15%, Retail: 10%
Employee Reservation	250,000 Equity Shares (Rs. 24.63 Cr – Rs. 25.63 Cr)	Employee Discount	Rs. 100 per Equity Share
Bid Lot:	12 Equity Shares and in multiples thereof		

Company Profile

FSN E-Commerce Ventures Limited is a digitally native consumer technology platform, delivering a content-led, lifestyle retail experience to consumers. Since the incorporation of company in 2012, they have invested both capital and creative energy towards designing a differentiated journey of brand discovery for their consumers. The company has a diverse portfolio of beauty, personal care and fashion products, including their owned brand products manufactured by them. In the Financial Year 2021, the company's GMV was ₹40,459.8 million, which grew 50.7% from the Financial Year 2020. The company's restated profit for the year in the Financial Year 2021 was ₹619.45 million, as compared to a restated loss of ₹163.40 million for the Financial Year 2020.

The company's beauty and personal care offering is extensive with 256,149 SKUs from 2,644 brands primarily across make-up, skincare, haircare, bath and body, fragrance, grooming appliances, personal care, and health and wellness categories as of August 31, 2021. The company has entered into manufacturing agreements with several manufacturers in India, for the manufacture of such products which are sold under their owned brands such as "Nykaa Cosmetics", "Nykaa Naturals" and "Kay Beauty". The company opened its first physical store in 2014, and have as of August 31, 2021, 80 physical stores across 40 cities.

The company launched Nykaa Fashion in 2018, as a curated and managed marketplace with an endeavor to inspire consumers to make fashion and lifestyle choices that best suit them. The company had a wide assortment of offerings, across price points, to cater to women, men and children of diverse demographics. As of August 31, 2021, Nykaa Fashion housed 1,434 brands and 2.8 million SKUs with fashion products across four consumer divisions: women, men, kids and home.



Competitive Strengths

- One of India's leading lifestyle focused consumer technology platform
- The company is the preferred destination for luxury and prestige products in India for consumers and brands
- Resilient, capital efficient business with a combination of strong growth and profitability
- The company's proprietary technology stack
- Founder-led company supported by a professional management team

Object of the Offer

(Rs. In Million)

Particulars	Amount
Investment in certain of the company's Subsidiaries, namely, FSN Brands and / or Nykaa Fashion for funding the set-up of new retail stores	420.00
Capital expenditure to be incurred by the Company and investment in certain of its Subsidiaries, namely, Nykaa E-Retail, FSN Brands and Nykaa Fashion for funding the set-up of new warehouses	420.00
Repayment or prepayment of outstanding borrowings availed by the Company and one of its Subsidiaries, namely, Nykaa E-Retail	1,560.00
Expenditure to acquire and retain customers by enhancing the visibility and awareness of the brands	2,340.00
General Corporate Purposes #	[●]
Total *	[●]

* To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the ROC

The amount to be utilised for general corporate purposes shall not exceed 25% of the Net Proceeds

Financials (Restated Consolidated)

Particulars (Rs. In Million)	As at June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Equity Share Capital	154.77	150.58	145.50	142.43
Other Equity	6,834.15	4,748.81	3,075.99	2,163.15
Net Worth	6,988.92	4,899.39	3,221.49	2,305.58
Total Borrowings	2,681.34	1,874.65	2,675.49	2,256.43
Revenue from Operations	8,169.91	24,408.96	17,675.33	11,113.94
EBITDA	269.37	1,614.26	810.55	205.10
Profit/Loss Before Tax	31.49	753.38	(124.30)	(317.20)
Net Profit/Loss for the year	35.22	619.45	(163.40)	(245.39)

Comparison with peers

There are no listed companies in India that engage in a business similar to that of the Company. Accordingly, it is not possible to provide an industry comparison in relation to the Company.

Key Risk Factors

- The company's business depends on the growth of online commerce industry in India and their ability to effectively respond to changing user behaviour on digital platforms.
- The company has incurred losses in the past, which may adversely impact the company's business and the value of the Equity Shares.
- There are pending litigations against the Company, Subsidiaries, and certain of their Directors. Any adverse decision in such proceedings may render the company or them liable to liabilities and penalties and may adversely affect their business, results of operations, cash flows and reputation.
- The company has certain contingent liabilities, which, if they materialize, may adversely affect their results of operations, financial condition and cash flows.
- The company derive a significant portion of its GMV from their top three categories, and business may be adversely affected if products in these categories do not perform as well as expected.

- Health epidemics, including the ongoing COVID-19 pandemic, have had, and could in the future have, an adverse effect on their business, operations and the markets and communities in which they and its consumers, suppliers, sellers and advertisers operate.
- The company rely on third-party couriers to provide reliable, timely and satisfactory delivery of orders for consumers.
- The company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price and grants of stock options under their employee stock option plan may result in a charge to its profit and loss account and, to that extent, reduce their profitability and financial condition.
- The company's Promoters and Promoter Group shall have certain rights post the listing of the Equity Shares.
- The company will not receive any proceeds from the Offer for Sale portion, and the Selling Shareholders shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.

(Please refer the entire list of risk factors given in section II (page 44 onwards) given in RHP)

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Registration details:

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Stock Broker - Registration No. - INZ000195834

Corporate Identity Number: U67120MH1998PLC115415

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