

A Study on Wage & Salary Administration (With Special Reference to Nykaa.com, Mumbai.)

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Abstract:

In 2015, the company expanded from online-only to an omnichannel model and began selling fashion products. In October 2020, the company launched Nykaa Man, India's first multi-brand ecommerce store for men's grooming. The company expanded into fashion by launching Nykaa Design Studio, which was renamed to Nykaa Fashion. In 2020, Nykaa launched Nykaa PRO. It is a premium membership program that provides users special access to professional beauty products and offers via the Nykaa App. In Dec 2020, Nykaa Fashion launched its first store in Delhi, making the fashion business omnichannel.

Keyword: Nykaa, Beauty Products, Ecommerce, Falguni Nayar, etc.

Introduction:

Nykaa is an Indian e-commerce company, founded by Falguni Nayar in 2012 and headquartered in Mumbai. It sells beauty, wellness and fashion products across websites, mobile apps and 84 offline stores. In 2020, it became the first Indian unicorn startup headed by a woman. Nykaa sells products which are manufactured in India as well as internationally. In 2015, the company expanded from online-only to an omnichannel model and began selling products apart from beauty. As of 2020, it retails over 2,000 brands and 200,000 products across its platforms.

Falguni Nayar, a former managing director at Kotak Mahindra Capital Company, founded Nykaa in April 2012. It was launched as an ecommerce portal curetting a range of beauty and wellness products. The brand name Nykaa is derived from the Sanskrit word nayaka, meaning actress or "one in the spotlight". The website was first launched around Diwali 2012, and was available commercially in 2013.

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Profile:

Nykaa follows an inventory-based model with warehouses in Mumbai, New Delhi, Pune, Haryana, Kolkata and Bangalore. In 2020, in addition to its primary ecommerce

business, it has an offline presence via 76 brick-and-mortar stores across the country. It claims to have over 200,000 products across 2,000 brands.

It has three offline store formats called Nykaa Luxe, Nykaa on Trend and Nykaa beauty Kiosks. The Luxe format features international luxury beauty brands such as Huda Beauty, MAC, Dior, and Givenchy along with Nykaa Beauty, the in-house collection of beauty products. The Nykaa on Trend format has products curated by category basis their popularity. In India, Nykaa is the only retailer that sells international brands like e.g., Charlotte Tilbury, Tonymoly, Becca, Sigma, Limecrime, Dermalogica, and Murad.

Objectives of the study:

The present study has been conducted with the following objectives:

1. To study the fluctuations in wage and salary policies of Nykaa.com.management and employee satisfaction.
2. To compare the wage and salary administration practices between workers and officials of Nykaa.com.
4. To know the strategies adopted in the wage and salary administration practices of Nykaa.com. during the challenging situation faced by it and to come out of such situations.
5. To know the level satisfaction of the employees regarding the wage & salary administration in Nykaa.com.

Need for the Study:

- Many organizations today, in order to be competent enough to meet the challenges need to continuously change to develop wage and salary administration.
- Thus Company's are supposed to adopt well built wage and salary administration.
- Need for the study is that the performance of wage and salary administration is to be studied in order to make changes if any, in order to retain the employees and also to attract.
- The new employees to meet the challenges of the organization.
- The study also aims at evaluating the practical wage and salary administration undertaken by the organization in their work environment to improve their working skills.

House of brands:

Nykaa has a series of in-house brands within beauty and fashion. Some of them include: Nykaa House of Brands – Nykaa Naturals, Nykaa Cosmetics, Kay Beauty Nykaa Fashion – Nykd by Nykaa, 20 Dresses, RSVP, Mondano, Likha, Pipa Bella.

In 2015, Nykaa launched its collection of in-house beauty products via Nykaa Cosmetics and later expanded it across categories of Eyes, Nails, Face, Lips. The Nykaa Naturals portfolio is a collection of skincare and personal care products. In early 2019, the brand launched its Wanderlust Bath & Body collection, and later in the year introduced a beauty line with the iconic designer Masaba Gupta, Masaba by Nykaa.



The Success Story of Nykaa:

Although beauty lies in the eyes of the beholder, the global beauty industry has never happened to lose its charm. Alongside its steady growth the industry has also garnered a stream of loyal customers over generations. Which girl doesn't love using cosmetics? From practicing makeup tutorials, experimenting with different shades on idle days, beautifying ourselves prior to a wedding or a function or just putting on a quick light layer before work, cosmetics play an integral role in all our lives.

But we're long past the days when people were required to physically visit cosmetic stores. Why should brick and mortar stores be the only option when we now have online stores for cosmetics which allow customers to order items at anytime and anyplace. Despite the Indian economy having plunged to list new lows in the recent months owing to the lockdown induced by the COVID19 pandemic, there are still a number of platforms which have continued to stay steady amidst this lockdown.



Nykaa E-Commerce Ventures

One of these e-commerce platforms for beauty and wellness items is Nykaa, a platform which has become the foremost option for all cosmetic lovers in the Indian nation. Anyone out there who has the slightest interest in making use of beauty and wellness items would have heard of Nykaa at some point in their lives. This is an e-commerce company which specialises in beauty and cosmetic items. Established in 2012, this platform has played an intrinsic role in overcoming the myth that e-commerce and beauty retail fails to perform in India.

Nykaa has recently become the buzzword uttered across the nation after the launch of its IPO and the massive response it received which in turn has boosted its founder Falguni Nayar to emerge as a part of India's exclusive group of self-made billionaire women as her net worth rose to \$6.5 Bn following the record listing of Nykaa, according to Bloomberg Billionaires Index.

Wage and Salary Administration in Nykaa.Com:

Wages are the total earning a worker receives for the performance of services within a period of time. That they are equal to the product of an hourly rate, times the number of pieces plus houses, premiums and fringe benefits. Thus a rate of pay may be based on time output or guaranteed hourly rate plus a bonus ordinarily based on the amount of extra work put beyond the standard required. Rose (2008) also defined "wage as a stated sum per price, hour, day or any other unit or period". Salary on the other hand refers to the weekly or monthly rates to clerical, administrative and professional employees. Salary is mostly determined by mutual agreement between the individual and the employer (Odoh (2012). They are sometimes determined or fixed by the government. The two concepts could therefore be used interchangeably to mean the same thing. Wage or salary is usually based on an agreement between the laborers who offers to sell his services to the management who in turn accepts to pay money in return for the services of the labourer. The monetary value of the services rendered by the employee depends on the quality of services rendered and effort put into such services by the employee.

No. of Employees in Nykaa.com:

Nykaa is an Indian e-commerce company, founded by Falguni Nayar in 2012 and headquartered in Mumbai. It sells beauty, wellness and fashion products across websites, mobile apps and 84 offline stores.

Table No.1

Type of business	Public
Employees	2,000+ (2021)
Parent	FSN E-Commerce Ventures
URL	www.nykaa.com
Commercial	Yes

Share based payments:

Certain 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 Private 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 recognize a corresponding increase in equity as contribution from parent. 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 recognized, 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 recognized 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 recognized as at the beginning and end of that period and is recognized in employee benefits expense. Refer note 43 for first time Ind AS adjustment made as per requirement of Ind AS 101.

Retirement and other employee benefits:

1) Short term employee benefits:

All short term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

2) Retirement benefits:

1) Defined Contribution Plans:

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

2) Defined Benefit Plans:

Gratuity liability, a defined benefit obligation is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and-Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through 'Other comprehensive income' in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Table No. 2

Employee benefits expense	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, Wages and Bonus	1,446.78	30.06
Contribution to provident and other funds	27.71	0.51
Staff welfare expenses	10.71	0.63
Gratuity expenses (Refer Note 33)	22.13	-
Share based payment expenses (Refer Note	64.44	35.47
Total	1,571.77	66.67

(All amounts in Rs. lakhs, unless otherwise stated)

Conclusion:

India has an Internet user base of about 636.77 million as of May 2020, about 40% of the population. Despite being the second-largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54M, 81%), but is growing, adding around 6 million new entrants every month.^[2] The industry consensus is that growth is at an inflection point.

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A large, semi-transparent watermark logo for "IJCRTA" is centered on the page. The letters are bold and blocky, with "IJCRTA" stacked vertically. The logo is composed of several overlapping, semi-transparent colored shapes: a blue triangle at the top, followed by a red trapezoid, a green trapezoid, and a yellow trapezoid at the bottom.