



February 09, 2024

To,
Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

To,
Listing Department
BSE LIMITED
P. J. Towers,
Dalal Street,
Mumbai – 400 001

Scrip Symbol: HONASA

Scrip Code: 544014

Subject: Monitoring Agency Report for the quarter ended December 31, 2023

Dear Sir / Madam,

Pursuant to Regulation 32(6) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find attached the Monitoring Agency Report for the quarter ended December 31, 2023, issued by ICRA Limited, Monitoring Agency, appointed to monitor the utilisation of proceeds of the Public Issue (IPO) of the Company, duly reviewed in the Audit Committee Meeting and the Board Meeting of the Company held on February 09, 2024.

Thanking you,

Yours faithfully,
For **HONASA CONSUMER LIMITED**

DHANRAJ DAGAR
COMPANY SECRETARY & COMPLIANCE OFFICER
Encl: a/a

Honasa Consumer Limited

Registered Office: Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi 110075

Corporate Office: 10th Floor, Capital Cyberscape, Ullahwas, Sector-59, Gurugram, Haryana - 122102

Email: info@mamaearth.in; Phone: 011 - 44123544 | Website: www.honasa.in

| CIN: U74999DL2016PLC306016 |

MONITORING AGENCY REPORT

Name of the Issuer: Honasa Consumer Limited

For quarter ended: December 31, 2023

Name of the Monitoring Agency: ICRA Limited

(a) Deviation from the objects of the issue:

No deviation – The utilization of the issuance proceeds is in line with the objects of the issue.

(b) Range of deviation:

Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title “Comments of the Board of Directors”, that shall be captured by the Issuer’s Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer’s Management/Board.

Signature:

Parul Goyal Narang
Vice President & Head-Process Excellence

Analyst: Adrita Sadhukhan/Dhwani Vinchhi
QA: Parul Narang

1. Issuer Details

Name of the Issuer: Honasa Consumer Limited

Name(s) of the promoters:

Promoters
Varun Alagh
Ghazal Alagh

Source: BSE

Industry/ sector to which it belongs: Personal Care

2. Issue Details

Issue Period: Opening date- October 31, 2023

Closing date- November 02, 2023

Type of Issue: Initial Public Offer

Type of specified securities: Equity shares

IPO Grading, if any: No credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the offer.

Issue Size (Rs. Crore): 1,701.440 Crore

With OFS portion: 1,701.44 Crore; Excluding OFS portion: INR 365.00 Crore.

Net proceeds: 350.492* (Excluding Issue Related Expenses)

**Actual amount transferred to Monitoring account stood at INR 369.063 Crore, which includes INR 18.571 Crore pertaining to issue related expenses. However, these funds are expected to be reimbursed to the entity for the issue related expenses already incurred by them in the past from their internal accruals in Q4FY24. Hence, ICRA will be monitoring the net proceeds as per the prospectus.*

3. Details of the arrangement made to ensure the monitoring of issue proceeds.

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	-Peer Reviewed CA-Certificate -Confirmation from management -Bank statement of the proceeds account	No deviation observed.	No Comments
Whether shareholder approval has been obtained in case of material deviations [#] from expenditures disclosed in the Offer Document?	No	As confirmed by the Issuer's management	No comments	No comments
Whether the means of finance for the disclosed objects of the issue has changed?	No	As confirmed by the Issuer's management	No deviation observed.	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	Not Applicable	No deviation observed.	No comments	No comments
Whether all Government/ statutory approvals related to the object(s) have been obtained?	Not Applicable	As confirmed by the Issuer's management	No comments	No comments
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	Not Applicable	As confirmed by the Issuer's management	No comments	No comments
Are there any favorable events improving the viability of these object(s)?	No	As confirmed by the Issuer's management	As understood from the Issuer's management	No comments
Are there any unfavorable events affecting the viability of the object(s)?	No	As confirmed by the Issuer's management	As understood from the Issuer's management	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	As confirmed by the Issuer's management	As understood from the Issuer's management	No comments

[#] Where material deviation is defined to mean:

- (a) Deviation in the objects or purposes for which the funds had been raised.
 (b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.

4. Details of the object(s) to be monitored.
(i) Cost of object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Advertisement expenses towards enhancing the awareness and visibility of our brands	Prospectus	182.000	Not Applicable	No comments	N.A.	N.A.	N.A.
2	Funding capital expenditure of our Company	Prospectus	20.6000	Not Applicable	No comments	N.A.	N.A.	N.A.
3	Investment in our Subsidiary	Prospectus	26.000	Not Applicable	No comments	N.A.	N.A.	N.A.
4	General Corporate Purpose	Prospectus	121.892	Not Applicable	No comments	N.A.	N.A.	N.A.
Total			350.492					

(ii) Progress in the object(s)

S.N.	Item Head*	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the offer document [Rs. Crore]	Amount utilized [Rs. Crore]			Total unutilized amount [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
				As at the beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Advertisement expenses towards enhancing the awareness and visibility of our brands	- Statutory Auditor Certificate -Bank statement of the proceeds account	182.000	-	-	-	182.000	No comments	No comments	No comments
2	Capital expenditure to be incurred by our Company for setting up new EBOs	Same as above	20.6000	-	-	-	20.6000	No comments	No comments	No comments
3	Investment in our Subsidiary, BBlunt for setting up new salons	Same as above	26.000	-	-	-	26.000	No comments	No comments	No comments
4	General corporate purposes and unidentified inorganic acquisition	Same as above	121.892	-	-	-	121.892	No comments	No comments	No comments
Total			350.492	-	-	-	350.492			

(iii) Deployment of unutilized proceeds

S.N.	Type of instrument and name of the entity invested in	Amount invested [Rs. Crore]	Maturity date	Earning [Rs. Crore]	Return on Investment [%]	Market Value as at the end of quarter* [Rs. Crore]
1	Fixed Deposit with HDFC Bank	45.000	5th February 2025	0.486	7.30%	45.486
2	Fixed Deposit with HDFC Bank	25.000	07th December 2024	0.270	7.30%	25.270
3	Fixed Deposit with HDFC Bank	25.000	05th February 2025	0.270	7.30%	25.270
4	Fixed Deposit with HDFC Bank	25.000	07th November 2024	0.270	7.30%	25.270
5	Fixed Deposit with HDFC Bank	25.000	08th November 2024	0.270	7.30%	25.270
6	Fixed Deposit with HDFC Bank	25.000	05th May 2024	0.250	6.75%	25.250
7	Fixed Deposit with HDFC Bank	25.000	08th August 2024	0.264	7.15%	25.264
8	Fixed Deposit with HDFC Bank	25.000	07th October 2024	0.264	7.15%	25.264
9	Fixed Deposit with HDFC Bank	15.000	05th February 2024	0.144	6.50%	15.144
10	Fixed Deposit with HDFC Bank	10.000	07th January 2024	0.089	6.00%	10.089
11	Fixed Deposit with HDFC Bank	50.000	09th November 2024	0.530	7.30%	50.530
12	Fixed Deposit with HDFC Bank	0.800	06th March 2024	0.002	4.50%	0.802
13	Fixed Deposit with HDFC Bank	10.000	07th March 2024	0.043	6.50%	10.043
14	Fixed Deposit with HDFC Bank	8.250	13th January 2024	0.021	5.50%	8.271
15	Fixed Deposit with HDFC Bank	10.000	20th January 2024	0.017	5.50%	10.017
16	Fixed Deposit with HDFC Bank	20.000	07th March 2024	0.085	6.50%	20.085
17	Fixed Deposit with Unity Small Finance Bank	25.000	31st March 2026	0.324	8.75%	25.324
18	Balance in Monitoring account- HDFC Bank	0.013	-	-	-	0.013
Total		369.063*		3.599		372.662

Source: As certified by S. R. Batliboi & Associates LLP

Note: * The total amount invested is higher than the net proceeds as it includes Rs.18.571 crores of Issue related expenses yet to be reimbursed to the entity, in Q4FY24.

(iv) Delay in the implementation of the object(s)

Object(s)	Completion date			Comments of the Issuer's Board of Directors	
	As per the offer document	Actual [^]	Delay [Number of days or months]	Reason for delay	Proposed course of action
Advertisement expenses towards enhancing the awareness and visibility of our brands	FY24 - FY27	On Schedule	N.A.	No Comments	No Comments
Capital expenditure to be incurred by our Company for setting up new EBOs	FY25 - FY27	On Schedule	N.A.	No Comments	No Comments
Investment in our Subsidiary, BBlunt for setting up new salons	FY25 - FY27	On Schedule	N.A.	No Comments	No Comments
General corporate purposes and unidentified inorganic acquisitions	FY24 - FY27	On Schedule	N.A.	No Comments	No Comments

Source: As confirmed by the Issuer's management

[^]Refers to the latest estimate of the completion date

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	General Corporate Purpose	Nil	N.A.	No Comments	No Comments