August 05, 2024

To,
Listing Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code - 544014

To,
Listing Department
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Symbol - HONASA

Sub.: Annual Report along with Notice of 8th Annual General Meeting of the Company for the Financial Year 2023-24

Dear Sir/Madam,

This is to inform that the 8th Annual General Meeting **("AGM")** of the Company is scheduled to be held on Thursday, 29th August, 2024 at 10:30 AM through Video Conferencing/Other Audio Visual Means in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

In compliance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report along with Notice convening the 8th AGM of the Company for the Financial Year 2023-24 which has been sent through electronic mode to the shareholders.

The relevant details in this regard are given hereunder:

Item No.	Particulars	Dates/ Remarks
1.	Day, Date & Time	Thursday, August 29, 2024 at 10:30 AM
2.	Date of dispatch of AGM Notice and Annual Report in Electronic Mode	Monday, August 05, 2024
3.	The date for reckoning Voting rights of the Members i.e. Cut-off date	Friday, August 23, 2024
4.	Date & time of Commencement of remote e-voting	Monday, August 26, 2024 at 09:00 AM
5.	Remote e-voting shall not be allowed beyond given Date & Time/End of remote e-voting	Wednesday, August 28, 2024 at 05:00 PM
6.	Book Closure period	Friday, August 23, 2024 to Thursday, August 29, 2024
7.	Contact Details, in case of any query/grievance related to remote e-voting or need assistance before or during the AGM	Central Depository Services (India) Ltd., A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 Toll Free no. 1800 22 55 33 E-mail: helpdesk.evoting@cdslindia.com

The Annual Report along with the Notice of AGM is also available at the website of the Company at https://honasa.in/cdn/shop/files/Annual_Report.pdf?v=1722837891 and on the website of CDSL at www.evotingindia.com.

You are requested to kindly take the same on your records.

Thanking you,
Yours Faithfully,

For **Honasa Consumer Limited**

DHANRAJ DAGAR Digitally signed by DHANRAJ DAGAR Date: 2024.08.05 15:56:31 +05'30'

Dhanraj Dagar
Company Secretary and Compliance Officer
(Membership No: A33308)
Encl: a/a

HONASA

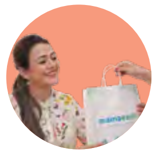
Innovate. Disrupt. Grow

Annual Report 2023-24

Contents

The Honasa Way

Focused Innovation. Technology Enabled.
Page 16



Born Digital. Growing Omnichannel.
Page 20

Deeper Engagement. Greater Brand Recall.
Page 24

Blitz-scaling Brands. With Repeatable Playbooks.
Page 26

Founder-led. Professionally Managed.
Page 28

Key Highlights of FY 23-24

Financial

₹1,920 Cr
Revenue from Operations
▲ 28.6% YoY

69.8%
Gross Margin

₹137 Cr
EBITDA

7.1%
EBITDA Margin###
▲ 562 bps YoY

₹111 Cr
Profit After Tax

5.8%
PAT Margin###

(13)
Negative Working Capital Days

Operational

1,88,377
FMCG Retail Outlets reached across India for Mamaearth*

41%
Underlying Volume Growth**

122
New Products Launched in CY 23

18%
Contribution of **New Products#** to Revenue

97%+
PIN codes Serviced***

2,940
Total Employees with 53%+ **Women Participation##**

Social

6,00,000+
Number of Trees Planted through the 'Plant Goodness' Initiative

20,000+
Students Empowered through "Young Scientists" programme

500+
Families Benefitted through'Fresh Water for All' Programme

10,000+
Women Upskilled in Hair Styling-related Salon Services through Shine Academy

* Source: NielsenIQ
** Underlying Volume Growth (UVG) is volume growth excluding the price impact for the period by computing the constant turnover on the base period realisation
*** Number of pin codes serviced through the online channel in FY 23-24
# Include products launched in CY 23
Includes on-roll and off-roll employees for the consolidated entity
Margin% computed on Revenue from Operations

Innovate. Disrupt. Grow

We are India's largest digital native, Pureplay Beauty and Personal Care (BPC) FMCG company, leveraging the power of nature and science to create products that address the unique needs of Indian consumers.

Drawing from our experience of making our flagship brand Mamaearth the fastest-growing BPC brand to reach an annual revenue of ₹1,000 Crores*, we have learnt that continuous customer-centric innovation, effective consumer engagement give a brand its disruptive power, enabling sustained business growth. We have replicated this formula for brand-building, achieving success multiple times.

Our unique technology and machine learning based platforms allow us to swiftly identify emerging trends, develop differentiated products and scale brands efficiently. This agile and consumer-centric approach ensures that we continuously innovate, disrupt the market, achieve sustainable growth, and repeat the cycle, maintaining our competitive edge.

* Source: RedSeer

House of Brands. Powerhouse of Innovation.

Honasa is focused on crafting high-quality beauty and personal care (BPC) products. We are creating a new generation of brands that are purpose-driven, powered by technology, and responsive to evolving customer needs.

Our brands offer a differentiated value proposition that appeals to diverse tastes, preferences, and habits. Either through nature-inspired products leveraging traditional knowledge or science-backed skincare, our brands keep in mind Indian skin types and climate requirements.

The Beginning

As new parents when our founders, Varun and Ghazal Alagh set out to find baby care products that met their standards of safety, and effectiveness, they returned disappointed. They decided to take matters into their hands and create their own solutions. Their quest began with a simple yet powerful idea – to create products that were as safe and nurturing as traditional Indian remedies but in a modern, convenient format.

Thus, Mamaearth came into being in 2016.

One of their first creations was the Hing Roll-On, inspired by an age-old Indian home remedy. Hing (asafoetida) is used for generations to soothe colic and digestive discomfort in infants. By incorporating this natural ingredient into an easy-to-use roll-on, they bridged the gap between tradition and modernity, ensuring that parents everywhere could offer their babies the best of both worlds. The product range grew, embracing a plethora of Indian DIY ingredients that had been part of the cultural fabric for centuries, and eventually, Mamaearth became one of India's most loved brands.

Vision

Honasa lives to provide **innovative, high-quality products** purposefully crafted specifically for the **needs** of **evolving Indians** across **BPC category**.

Innovative Products
We define this as products which can meet unmet demands, enhance convenience, reduce stress, increase effectiveness and improve efficiency.

High Quality Products
We define this as products which day in and out satisfy consumer needs, serve its purpose and exceed industry standards.

Consumer Needs
We understand that a consumer cannot be boxed into a type. Her needs change based on occasions and need states. As a company, we exist to serve her needs in the best way possible and not judge them.

Evolving Indians
The Indian consumer who with growing disposable income and an evolving conscious seeks brands that help her establish her upward movement in life. She is willing to pay a premium of 20-30% if that provides her both functional and emotional upgrade.

BPC Category
We define beauty and personal care as products and services which help fulfil consumer needs of taking care of self and family, desire of looking good and feeling more confident.

Mission

We execute our vision through our **aspirational** and **purposeful brands** which make our consumers feel better about themselves and their choices so that they choose us across all their **premiumisation** occasions. This can be further detailed below:

Aspirational Brands
We believe that consumers choose brands to not only meet their functional needs but also express their emotional desires. One of them is to celebrate moving up on the societal ladder. To express and celebrate this, we build aspirational brands which help our consumers fulfil her emotional desires.

Premiumisation
We define premiumisation as the process of helping the consumer celebrate their own success & evolution by choosing a more aspirational product.

Crafted for India
For the longest time, India has been treated as an adapt market for most products. We recognise that the evolving Indian middle class is looking for products which are crafted for them rather than adapted/imported for them. We deliver to this by understanding the Indian skin, hair, weather, environment and cultural nuances in deep detail and encapsulating them into our product concepts, formulae, communications & go-to-market strategies. We base this on our strong data orientation and understanding of consumer driven by different consumer facing technology products that we have built.

Purposeful Brands
Our brands will always serve a higher purpose in making the world a more beautiful place. We achieve this through community contributions, transparency and honest communications.

Values

Be Collaborative
We sink or swim as a team; be the player that everyone wants on their team.

Be Curious
Ask questions, challenge beliefs, and share ideas.

Be Accountable
If it is to be, it is up to me.

Be Good
In our heart, we know what's good and what's bad; so whenever there is a choice to be made, choose goodness.

Be Frugal
Spend company money like spending your own savings – thoughtful, measured & value-seeking.

Be Self Aware
Spend considerable time analysing the decisions you made, how you communicated, how you collaborated, and what you learned; it will go a long way.

Be Open
Open to listening, open to ideas, open to feedback, open to experiments, open to change and open to endless possibilities that the future has in store for us.

Be Decisive
Speed is our edge; we cannot afford to sit on decisions. With instinct and data together, take decisions and take them quickly.

Introduction | House of Brands

Purpose-led. Crafted for India.

We focus on building "why-based" brands (brands with purpose) instead of "what-based" brands (with purely functional benefits), emphasising sustainability, safety and efficacy. Crafted for Indian skincare needs and different consumer cohorts (for example, natural ingredients-based products for millennials and active ingredients-led products for Gen Z), this approach enables us to identify needs, innovate and scale fast, and cater to evolving preferences across customer segments.

House of Brands – Crafted with Care for the Indian Consumer

With the Indian consumers evolving, there is a growing preference for products that address their heightened awareness about beauty and personal care and help them feel good about their choice, either because they align with their values or their need for personalised products that match their skin types, tastes, habits, or social aspirations.

mamaearth®

Goodness of Nature

Mamaearth products, crafted using the finest natural ingredients, offer toxin-free care for the face, hair, body personal wash, colour cosmetics and baby care products. Ingredients like onion, ubtan, and multani mitti (Fuller's Earth), which have been part of the Indian cultural milieu for ages, became the cornerstones of the formulations. By tapping into the rich heritage of Indian natural remedies, Mamaearth created products that resonate with consumers seeking authentic, nature-inspired solutions. It holds the distinction of being the first Asian brand to have MADE SAFE™ certification. The products are completely free of toxins and harmful chemicals, ensuring maximum safety. In addition, Mamaearth is committed to being cruelty-free and plastic-positive, recycling more plastic than it consumes. Through its 'Plant Goodness' initiative, it has taken a step towards tackling deforestation and creating income opportunities for farmers.

Science-Backed Solutions Designed by Dermatologists

Founded in 2020, The Derma Co.'s mission is to empower consumers to embrace their beauty, unfiltered. The brand offers science-backed skincare solutions tailored to meet diverse skin needs. Its products are designed by dermatologists and formulated with high-efficacy active ingredients such as Salicylic Acid, Niacinamide, Vitamin C, and Kojic Acid, solving specific skin issues such as acne, pigmentation, dark spots, etc. It has a well-diversified portfolio, including sunscreens, serums, face washes, and moisturisers. The brand inspires trust and customer loyalty, disclosing the exact percentage of active ingredients in every product. Beyond skincare, the brand is committed to improving the quality of underprivileged children's lives by providing them with access to science education through its 'Young Scientists' initiative.

Hydrating Formulations for Indian Weather

Aqualogica was launched in 2021 to address the core skincare needs for the Indian tropical climate, which does not need heavy, oily creams, it offers hydration delivered through lightweight textures. Each product has a unique blend of fruits and actives to cater to the needs of beauty consumers. Its unique Water Lock Technology™ and powerful combination of natural fruit extracts and actives help trap moisture for deep hydration. The brand is present in various skincare categories such as face wash, sunscreen, moisturiser, and serum. The products are vegan, cruelty-free, and free from harmful substances such as parabens, sulfates, phthalates, and mineral oil. With its 'Fresh Water for All' initiative, the brand aims to make clean, safe drinking water accessible to rural households.

Salon-like Hair at Home

Acquired in 2022, BBLUNT offers the promise of salon-like hair at home. The brand is committed to delivering the most cutting-edge hair care and hair styling products, enabling consumers to achieve salon-quality results from the comfort of their homes. The products cater to different needs in hair care such as damage-repair, hydration, hair fall, dandruff, shine, etc. through hair products like shampoos and conditioners, hair masks, hair serums, hair sprays, hair colour, hair styling and hair tools. BBLUNT Salon strengthens brand equity by delivering a personalised experience at these salons with recommendations from trained stylists. Through the BBLUNT Shine Academy, the brand is committed to providing hair stylist certification to underprivileged women so they can become financially independent.

Botanicals + Actives-led Skincare

Acquired in 2022 and developed by three generations of cosmetologists with 90 years of expertise, Dr. Sheth's has a rich history of creating products specially designed for Indian skin types. Its formulations are a unique blend of potent actives and nurturing botanicals, delivering balanced skincare. It is present in key categories, including face wash, sunscreen, moisturiser, and serum. In association with Doctors for You, Dr. Sheth's launched the 'Healthy India, Healthy You' initiative. With every purchase, it pledges to provide comprehensive medical care, consultations, and essential medicines to marginalised communities.

Introduction | House of Brands

AYUGA

Power of Potent Natural Herbs for Indian Millennials

Ayuga is a natural skincare brand bringing the golden generation of skin rituals back in easy-to-use, power-packed forms for the modern consumer. It harnesses the power of potent natural herbs available across India. It offers face care products, including face wash, face mask, face oil, moisturiser, and sunscreen.

NEW LAUNCH

STAZE

High-Performance, Long-Lasting Makeup

Staze presents a pioneering range of high-performance, long-lasting makeup, driven by advanced C-Lock Technology™. Each product has been carefully crafted with the functional expertise of 40+ beauty experts to deliver studio-finish makeup that suits all Indian skin tones and types. It operates in the colour cosmetics categories of eyes, lips, face, and tools and accessories.

CASE STUDY

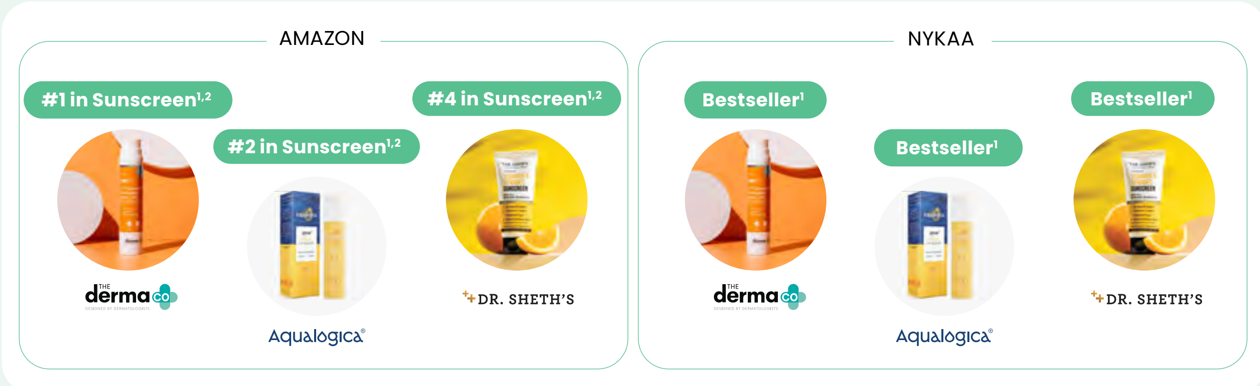
House of Brands

Most of the sunscreens from the legacy companies available in India utilise their international library of formulations, which typically have a heavy texture, to create products for the Indian consumers. Such products are more suited for the colder climates. Having identified sunscreen as a category highly relevant for Indian consumers and ripe for disruption, we came up with suncare products that are lighter and hydrating for the Indian skin. The category was approached with our 'House of Brands', offering distinct propositions like

- **Mamaearth:** MADE SAFE™ sunscreens with Natural ingredients.
- **The Derma Co.:** Infused with Science-backed Active ingredients.
- **Aqualogica:** Sunscreens offering skin hydration with Water Lock technology™.
- **Dr. Sheth's:** Sunscreens with a balance of botanical and active ingredients.

Such a diverse proposition allowed us to connect with different consumer cohorts, helping us scale this category in the online channel. This led us to command 30%+ market share on online channels as per internal estimates.

This dominance is demonstrated through leading bestsellers on key e-commerce platforms.



[1] As on May 23, 2024.   [2] Bestsellers ranks in Sunscreen derived basis the ranks in skincare.

Building High-quality Beauty and Personal Care Products for Indian Consumers

Ghazal and Varun Alagh

Dear Shareholders,

It brings us great pleasure to present our maiden Annual Report following our initial public offering (IPO) in November 2023, which garnered strong interests across investor segments. The successful listing on the Indian bourses is a testament to our robust business model, strong fundamentals, and future growth potential.

Despite industry headwinds, Honasa reported 28.6% YoY revenue growth in FY 23-24, driven by increased volumes. Efficiencies through various levers resulted in EBITDA margin expansion by 562 bps YoY to 7.1%, generating a PAT of ₹111 Crores. We remain committed to driving growth and improving our profitability while staying capital-efficient as we scale our brands through innovation, brand recognition, and distribution network expansion.

Mamaearth's consistent appeal to our consumers has been a critical driver of our sustained success, propelling us to become the fastest-growing BPC brand to reach an annual revenue of ₹1,000 Crores* and the sixth-largest multi-category brand with plays across face, hair, and body in India#. With our second brand, The Derma Co., we have demonstrated the power of repeatable brand-building playbooks, achieving an annual net revenue run-rate of ₹500 Crores+ within the first four years of launch, showcasing our ability to build and grow next-generation beauty brands. We strongly believe that the other young brands in our portfolio will also hit such milestones soon.

We believe in delivering results with an emphasis on goodness, and our first Impact Assessment Report demonstrates this fact by enumerating our significant contributions to the environment, economic value creation, student knowledge enhancement, community service, and women-focused initiatives implemented across all brands.

28.6%
YoY Revenue Growth in FY 23-24

7.1%
FY 23-24 EBITDA Margin
▲ 562 bps YoY

Innovate.

FY 23-24 once again demonstrated the power of our customer-centric innovation approach, informed by our data-driven insights gleaned from social listening across multiple platforms through our proprietary ML-based tools. These language learning models help us identify consumer-need gaps and thus launch and scale products with great success. Our in-house innovation team, leveraging these insights, runs the entire process of new product launches, from initial ideation and development of product briefs and concepts to finalising formulations and packaging, enabling us to come up with winning product mixes. Our recent launch of the Rosemary range under Mamaearth is a testament to our ability to utilise such insights and scale products. Even our other younger brands, such as Aqualogica, Dr. Sheth's, and BBLUNT, continue to differentiate themselves with new products that cater to emerging preferences.

Some other outstanding innovations during the year include Mamaearth Multani Mitti Face Wash, The Derma Co. Hyaluronic Sunscreen Stick, Aqualogica Glow+ Dewy Sunscreen, Dr. Sheth's Gulab & Glycolic Acid Serum, and BBlunt Intense Moisture Heat Hair Spa Mask.

These data-driven product innovations have played an important part in driving growth, with new product development (NPD) contributing to 18% of our FY 23-24 revenues. The launch of STAZE in FY 23-24, an aspirational colour cosmetic brand aimed at GenZ consumers, also leveraged our expertise in data-driven innovation.

Disrupt.

One of our core strengths is our 'House of Brands' architecture, which has resulted in unique brand-building playbooks that have enabled us to scale up faster and more efficiently.

These playbooks are guided by our consumer-centric approach, which pervades our innovation and influences our distribution and marketing strategies. This customer-centric approach has led to increased consumer involvement, trust, and loyalty, ultimately enhancing profitability.

Through our comprehensive marketing strategy, we aim to target users across the full marketing funnel, right from creating awareness to driving consideration and conversion for our brands. We have established a strong influencer community across social media channels, employing in-house tools to engage with thousands of

* Source: Redseer
# Source: Euromonitor

We expect The Derma Co. to enter the ₹1,000 Crores ARR[1] club, Aqualogica and Dr. Sheth's to enter the ₹500 Crores ARR[1] club, and BBLUNT to enter the ₹250 Crores ARR[1] club in the next 3-5 years.

influencers and raise brand awareness. Across various platforms, we generate customised, engaging content, leveraging our in-house studio and influencer network to target nano-marketing funnels and micro-cohorts, to deliver a more personalised user experience based on consumer-specific needs and preferences.

This has enabled Mamaearth to reinforce its position in customers' hearts, growing 3x faster than its competitors[2]. Its ability to connect with varied consumer segments has made it possible for Mamaearth to increase its household penetration[3] across India, particularly in the face wash and shampoo categories – by 290 bps and 110 bps, respectively – and to increase value market share[4] – by 120 bps and 40 bps, respectively, in these two categories in the offline channel.

The others brands in our 'House of Brands' portfolio hold enormous potential as well. In the next three to five years, we expect The Derma Co. to enter the ₹1,000 Crores ARR[1] club, Aqualogica and Dr. Sheth's to enter the ₹500 Crores ARR[1] club, and BBLUNT to enter the ₹250 Crores ARR[1] club.

Each brand has its distinctive value proposition: while Mamaearth offers safe, toxin-free products; The Derma Co. provides active ingredients-based skincare; Aqualogica offers hydration through lightweight textured formulations; BBlunt products offer salon-like hair at home; and Dr. Sheth's offers a combination of botanical ingredients with potent actives. With their distinctive value proposition, each brand is capable of capturing the fast-growing BPC categories. For instance, we have gained more than 30% market share[5] through offerings in multiple brands in the sunscreen category across key e-commerce platforms and our D2C platforms, as evident from the presence of our brands among the bestsellers on these platforms.

Grow.

The Indian BPC market is on the cusp of enormous change with the growth of the middle class, growing urbanisation, and increasing participation of women in the workforce. Honasa is at the forefront of this revolution, leveraging technology to understand the customer, enriching the customer journey, and delivering unparalleled customer experiences. With the BPC industry pegged to grow to $33 Billion[6] – one of the fastest growing categories in retail – this is an exciting place to be. I am proud to say that we have excelled with our digital-first approach, consumer-focused innovations, understanding of Indian skincare needs, and the rich cultural heritage that we have tapped into and made relevant to the present-day customer.

With e-commerce disrupting distribution, it has broken geographical boundaries, allowing us to serve our customers across the length and breadth of the country. We have been able to recognise and add different channels for distribution at the right time, and thus meet consumer demands through the channel of their choice. Through our websites and key e-commerce platforms, we have coverage of over 97% PIN codes in India. Additionally, we have strengthened our offline presence, reaching 1,88,377 FMCG retail outlets[4] in India, an increase of 34% YoY.

All this indicates our tremendous growth potential. In fact, FY 23-24 saw us achieve LFL[7] growth of 31.6%. But even as we scaled our brands, we remained capital-efficient, with a negative working capital cycle of minus 13 days contributing to the generation of free cash of ₹224 Crores this year. This consistent outperformance has been backed by our commitment to customer-centric innovation, enhanced brand awareness, and strategic market expansion, which have reinforced our dominant position in operational categories. We continue to focus on the growth drivers of the business in the future including expanding our distribution and increasing brand awareness, incubating or acquiring new engines of growth, and further strengthening our business efficiency drivers.

1,88,377
FMCG Retail Outlets[4] reached in India

Mamaearth has Planted
6 Lakhs+
Trees on 3,800 Acres of Land

Shaping a Better Tomorrow

We believe that Beauty is Doing Good, not just looking Good, and this belief drives us to deliver every product and service with goodness. As I mentioned earlier, our first Impact Assessment Report demonstrates our unwavering dedication to Environmental, Social, and Governance (ESG) principles. It exemplifies our aim to spark, guide, and sustain conversations about beauty beyond commerce. Our purpose-driven projects have made a tremendous impact on the ground.

Mamaearth has planted over 6 Lakhs trees on 3,800 acres of land to date, including fruit trees in collaboration with farmers, enabling them to produce close to 12,000 tonnes of fruits and earn approximately ₹20 Crores per year, spurring the local economy. Notably, the trees are expected to release approximately 5 Lakhs tonnes of oxygen into the atmosphere over the next twenty years. The Derma Co.'s Young Scientist programme has inspired more than 20,000 students to improve their scientific knowledge by 42%. Aqualogica is helping implement freshwater facilities in communities with inadequate water access. We have deployed water facilitation plants in four villages, providing more than 500 households access to water, saving women from the hardship and hours spent travelling for clean drinking water. As part of our aim to empower women, BBLUNT Shine Academy has trained over 10,000 women in salon and styling courses across 11 states. Dr. Sheth's brand purpose, 'Healthy India, Healthy You', not only reflects our dedication to meaningful societal engagement, but also extends our reach to India's remote corners, promoting health and well-being.

By embracing beauty as a force for good, Honasa remains committed to bringing positive change and paving the way towards a healthier, more inclusive tomorrow for everyone.

Robust Corporate Governance Standards

We remain committed to upholding the best governance practices. We have highly capable Independent Board members who are guiding us in the right direction, quality auditors, both statutory and internal, who act as pillars in matters of compliance, accountability, and transparency, and robust systems and processes in place for a resilient corporate governance framework.

Increased digitalisation and usage of emerging technologies are sharpening our processes and enabling better decision-making. Improved workplace diversity and inclusivity, evident from the over 53%* female representation in the workforce, is making our workplace more vibrant and more open to innovation and collaboration. We have been certified as a 'Great Place to Work' for the fourth year in a row. We will continue to offer our employees, communities, and other stakeholders pathways to continuous growth, creating for them enduring value.

Moving forward, we will continue to provide innovative, high-quality products, purposefully crafted for the needs of Indians across the BPC category. We will do this through our aspirational, purposeful brands, which make our consumers feel better about themselves and their choices, making us their go-to brand for all needs. We will work to solidify our position in the market through our 'House of Brands' approach, brand-building strategy, and emphasis on R&D and innovation.

In conclusion, we want to express our gratitude to our shareholders, customers, brand partners, and stakeholders for believing in us and supporting us wholeheartedly. We thank the august Board, our colleagues, partners, and associates for their consistent efforts in propelling Honasa to the next chapter of its unfolding growth story. Most importantly, we would like to thank the Indian consumer for trusting us, and educating us about their evolving preferences. We hope we continue to keep our ears close to the ground so that we can serve their beauty and personal care needs in the best way possible.

Warm regards,

Ghazal and Varun Alagh
Founders, Honasa Consumer Limited

[1] Refers to Net Annual Revenue Run-Rate
[2] Source: Euromonitor
[3] Source: Kantar
[4] Source: NielsenIQ
[5] As per internal estimates
[6] Source: Redseer
[7] Represents Like for Like comparison excluding revenue from operations for Just4Kids (Momspresso) which was impaired in FY 22-23.

* Based on on-roll and off-roll employees on consolidated basis.

Visionary Leadership. Proven Foresight.

Among our strengths is a distinctive blend of forward-thinking leadership provided by our founders and the guidance of industry experts through a reputed Board. Under their oversight, a team of professionals helps translate our ambitious goals into action.

Board of Directors

Varun Alagh
Whole-time Director, Co-founder, Chairman, and Chief Executive Officer

Previous Work Experience
Hindustan Unilever, Diageo, Coca-Cola Company

Ghazal Alagh
Whole-time Director, Co-founder and Chief Innovation Officer

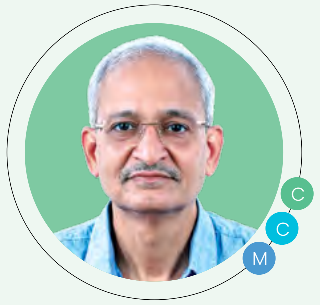
Previous Work Experience
NIIT, Artist and Tech Entrepreneur

Ishaan Mittal
Non-Executive Nominee Director

Previous Work Experience
BCG, Sequoia Capital

Vivek Gambhir
Independent Director

Previous Work Experience
Bain & Company, Godrej Consumer Products



Subramaniam Somasundaram
Independent Director

Previous Work Experience
Titan, BPL Mobile, ITC

Namita Gupta
Independent Director

Previous Work Experience
Microsoft, Facebook, Zomato

50%
Independent Directors

33%
Women on the Board

40%
Committees Chaired by Women

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholders Relationship Committee

Ⓒ Chairperson Ⓜ Member

Senior Management

Raman Preet Sohi
Chief Financial Officer

Previous Work Experience
Epigamia, Sumeru, Dabur

Zairus Master
Chief Business Officer

Previous Work Experience
Shine.com, Bharti Airtel, Hindustan Unilever

Anuja Mishra
Chief Marketing Officer

Previous Work Experience
Godrej Consumer Products, PepsiCo, Nestle

Jayant Chauhan
Chief Product and Technology Officer

Previous Work Experience
PolicyBazaar, Airtel, Zomato

Introduction | The Honasa Way

Focused Innovation. Technology Enabled.

The customer is at the heart of our business. We have effectively taken advantage of the evolving preferences of young Indian consumers in the BPC market to strategically introduce new products and brands. We ensure that our products resonate with our consumers. For this, we carefully listen to them and keep track of emerging trends globally.

Our ability to garner an increasing share in the BPC market is backed by our efforts to develop multiple tools and capabilities that enable us to identify trends faster than our competition. Leveraging data-driven insights obtained from both online and offline channels, we design innovations based on growing consumer trends and preferences, capitalising on the interest generated even before these become mainstream opportunities.

Through User Conversational Research (UCR), our digital engagement platform, we directly engage with consumers during different stages of product development. This, and our in-house market research platforms detailed below also provide invaluable insights into growing BPC sub-categories, ingredients, and value propositions. This, for example, enabled us to launch The Derma Co.'s unique portfolio of science-backed active-based products for Indian skin types.

Our Ways of Listening in

Prophet
Social Listening

In-house platform to proactively capture consumer sentiments and identify emerging trends based on customer inquisitiveness from conversations across social media platforms.

Hunt
Online Competitive Intelligence

In-house platform to track market share movements on e-commerce to help identify growing BPC sub-categories, ingredients, propositions, and price points.

User Conversational Research
Digital Engagement Platform

Two-way consumer engagement digital platform to directly converse with users and conduct iterative research across all phases of new product development.

Innovations Based on Consumer Insights

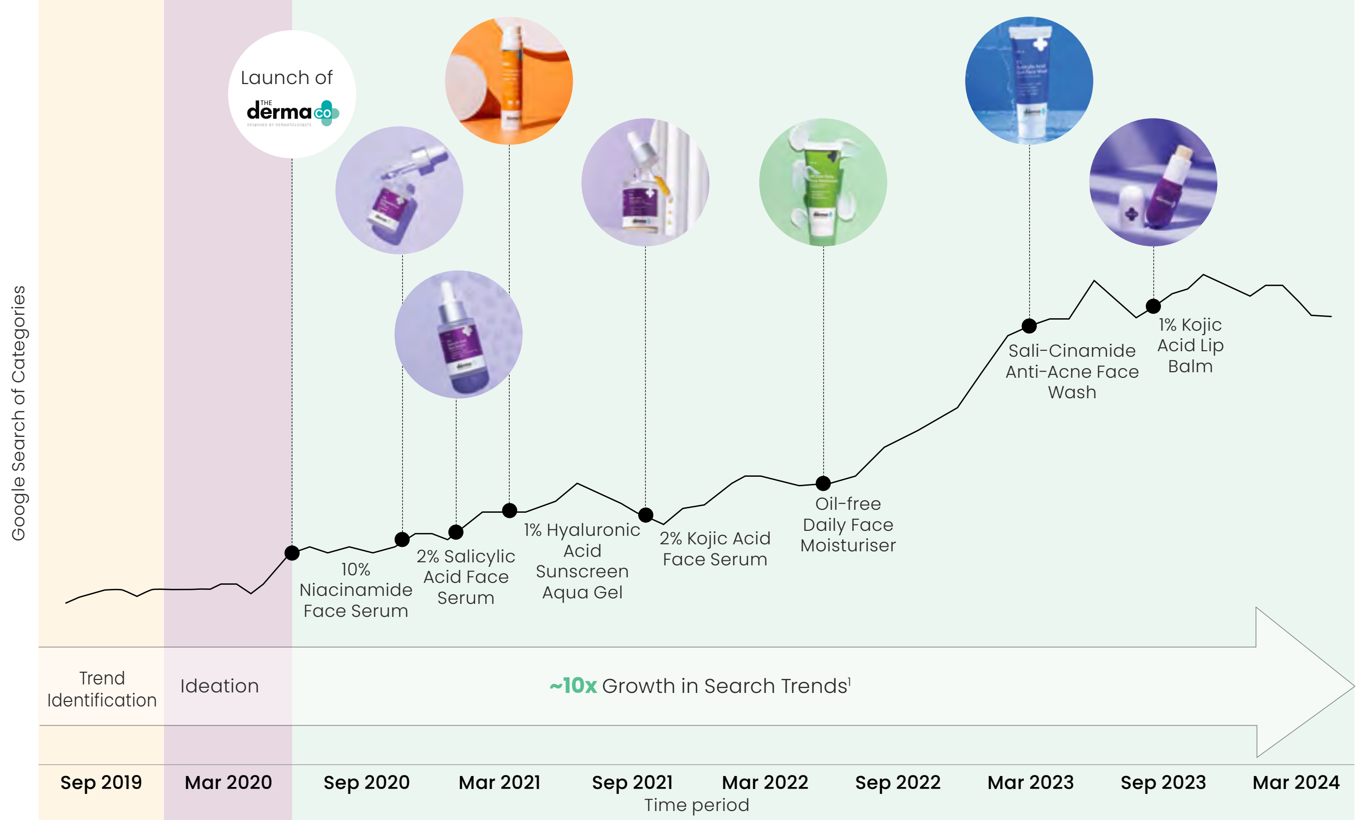
A proactive approach to listening to the consumer has resulted in pioneering products containing natural and science-backed active ingredient-based products in modern and handy formats across brands, targeting consumers looking out for different propositions.

We demonstrated our focused innovation strength by establishing our leadership in Mamaearth's onion and ubtan-based beauty range, offering traditional DIY beauty ingredients for Indian consumers.

Again, the rapid growth of The Derma Co. in the active ingredients category was driven by the recognition of a particular trend – Indian consumers' search for science-backed products tailored for Indian skin types. Since The Derma Co's launch in March 2020, the category has seen a 10x increase in Google searches. The brand has spearheaded the skincare category by launching and scaling products with key active ingredients such as Niacinamide, Hyaluronic Acid, Kojic Acid, and combinations like Sali-Cinamide under the 'Power of 2' proposition across multiple categories.

In addition, we have harnessed our innovation strength across brands, launching products and scaling them from ideation, based on careful listening to consumers and subsequently identifying need gaps to further scale brands and products across categories.

Leading Category Development in Active Space



1st **Mover** Advantage through Data-led Insights

[1] Based on the Google Adwords trends for major active ingredients.

Introduction | The Honasa Way

Innovative Product Catalogue

mamaearth

THE derma co
DESIGNED BY DERMATOLOGISTS

Aqualogica

DR. SHETH'S

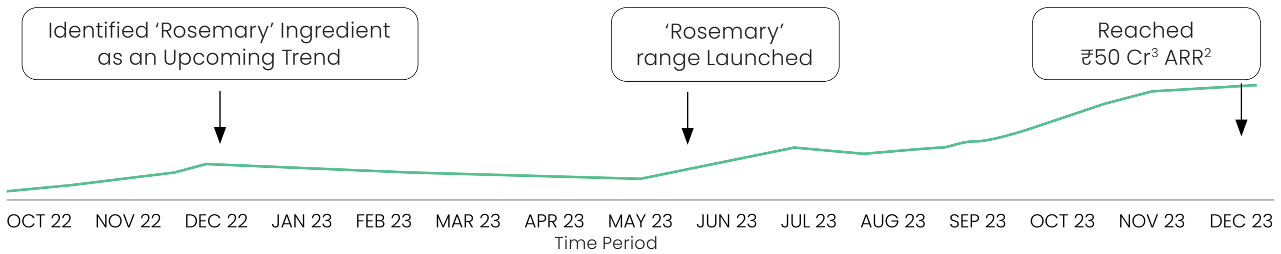
BBLUNT

CASE STUDY

Product prioritising consumer needs

Leveraging our proprietary consumer listening tools like Prophet, we understood the consumer curiosity around rosemary as an ingredient which was evident through the visible uptick in its Google search trends and social media discussions. We identified the trend in October 2022 and realising the relevance for the Indian consumers, we began developing a new range harnessing its potential. In May 2023, Mamaearth successfully launched the Rosemary Range, with the proposition of reduced hair loss and breakage, across online channels. The Rosemary Anti-Hair Fall Shampoo & Conditioner is clinically proven to give up to 94% stronger hair, up to 93% less hair fall, up to 97% softer hair and up to 92% shinier hair*. Additionally, the Rosemary Hair Growth Oil grows new hair in 12 weeks**. The response was exceptional, with the Rosemary Range achieving an ARR[2] of ₹50 Crores by December 2023.

Indexed Rosemary[1] Search Trends



'Mamaearth Rosemary' related searches based on Google Adwords grew by **14.2x** in the last one year

* Post three washes of Mamaearth Rosemary Anti-Hair Fall Shampoo & Conditioner vs Non-Conditioning Shampoo, based on clinical studies done in an independent facility in 2023 (Hair Fall due to breakage).

** Based on clinical study conducted with 36 generally healthy volunteers having mild-moderate hair fall, by an Independent Clinical Research Organisation in 2023. Individual results may vary.

[1] 'Rosemary' related searches based on Google Adwords. [2] Refers to Net Annual Revenue Run-Rate. [3] As in Dec'23.

Product Development Cycle

Our in-house team, under the leadership of our Chief Innovation Officer, spearheads product development at dedicated innovation centres. The team works end-to-end on new product launches, from ideation and concept development to formulation, clinical trials, stability and batch level testing, quality assurance, packaging, pricing, and positioning. As needed, the team taps into the research and development resources of large third-party ingredient suppliers to consistently produce unique products based on deep customer data. Our asset-light contract manufacturing model ensures scalability and efficiency in production, allowing for rapid adaptation to changing market dynamics while benefiting from economies of scale.

18%
Revenue from New Products[1] in FY 23-24

122
New Products Launched in CY 23

56
Innovation and R&D Team Strength

Quality Assurance

At Honasa, we adhere to a meticulous and thorough process to uphold our rigorous quality standards. This encompasses comprehensive audits of our contract manufacturers' facilities, production capabilities, batch-level testing, and stability testing. We have conducted more than 20,000 tests last year, checking our products on various parameters, including colour, odour, texture, etc. Our manufacturing partners receive guidance on procedures to ensure compliance with specific formulations and packaging guidelines. Stringent quality control methods are enforced throughout, with frequent inspections and testing procedures undertaken across all manufacturing plants and warehouses. Additionally, our innovation team conducts periodic visits of the third party manufacturing to ensure highest standards of quality are maintained. Furthermore, we use independent third-party quality laboratories to conduct routine inspections, ensuring uniform quality across all our products.

[1] Based on products launched in CY23.

Introduction | The Honasa Way

Born Digital. Growing Omnichannel.

Our omnichannel network ensures that we reach consumers at all touchpoints. We have been able to recognise and add different channels for distribution at the right time, enabling us to meet our consumers through the channel of their choice.

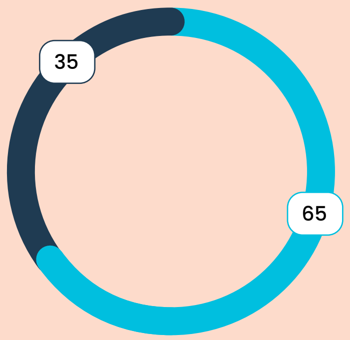
Online

Our online channels, including D2C websites, mobile apps, and e-commerce platforms, help us incubate new products and ingredient ranges, enabling us to generate trials amongst early adopters and onboard new users for our younger brands.

Offline

We are also present across offline channels through general trade outlets, modern trade chains, and our exclusive brand outlets (EBOs). These channels are pivotal in introducing relatively mature brands and products that have achieved traction, especially those that have already achieved a product-market fit on online channels. This helps drive overall household penetration by building consumer loyalty. Our EBOs also play an important role in driving trust and curating a richer brand experience for our consumers. Our offline channel contribution has grown from ~9% in FY 19-20 to ~35% in FY 23-24.

Break-up of Channel Contribution (%) to Net Sales for FY 23-24



Online Sales   Offline Sales

Offline Category Share

120 bps
YoY Improvement in Value Market Share[1] in the **Face Wash** Category as of Mar'24

40 bps
YoY Improvement in Value Market Share[1] in the **Shampoo** Category as of Mar'24

1,88,377
FMCG Retail Outlets Reached across India for Mamaearth[1] as of Mar'24

34%
YoY growth in Offline Distribution for Mamaearth[1] as of Mar'24

111
Exclusive Brand Outlets

8,000+
Stores across 30+ Modern Trade chains

8.73 Mn
Unique Transacting D2C Users across Brands in the Last Two Years

[1] Source: NielsenIQ

Omnichannel, Data-driven Distribution Network

We use advanced machine learning tools for demand forecasting, replenishment, and inventory management, which allow us to respond quickly to market changes. Our online sales data showcases emerging demand hotspots for building products and ingredient ranges using data-driven marketing and content across platforms. Our Enterprise Resource Planning and Order Management System helps streamline operations, from procurement to delivery. We service our offline channel through a network of 600+ distributors, super-distributors and sub-stockists.

We have also deployed Distributor Management System (DMS) and Sales Force Automation (SFA) across our offline distribution chain to enhance control and in-market execution. With 11 warehouses, our distribution network provides on-time delivery to customers, direct distributors, super-distributors, and sub-stockists.

We are transitioning to direct distributorship in the top 50 cities for enhanced retailer connect, better in-store execution and realise cost efficiencies. We are forging long-term partnerships with Tier I distributors[1] and focusing on leveraging coverage and distribution infrastructure in their respective markets. Also, we have established a well-distributed regional demand profile.

719
Districts Served[2]

97%+
PIN Code Coverage[2]

56%+
Volumes from Tier-2+ Cities and Towns[2]

[1] Working with mature FMCG/BPC players.
[2] For the period FY 23-24.

CASE STUDY

Omnichannel Distribution

With our differentiated brand-building and scale-up model, we first launch all our products and brands in the online channel. This channel allows us to gather feedback from the consumers and build affinity for our brands and products. Once the product market fit is established, the product or the proposition has scaled significantly in the online channel and there is an inherent pull from the consumers (indicated through inbound queries for product availability by consumer). The products/brands are strategically launched offline in a targeted manner.

This strategy helped us to identify the right geographies that led us to quickly scale offline to ₹600 Cr+ channel. Additionally, the inherent pull also helped us drive strong indirect distribution.

Introduction | The Honasa Way

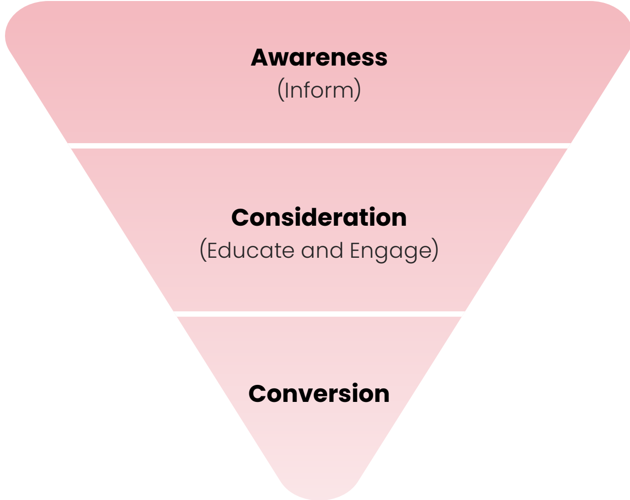
Deeper Engagement. Greater Brand Recall.

We have embraced a forward-looking market strategy to drive greater resonance in the market. We build brands for the evolving and aspirational Indian consumer, supported by relevant, contextualised, data-informed marketing that helps us connect with consumers at every stage of their product discovery.

Our brands are distinctive in their communication. While Mamaearth's campaigns promote the idea, 'Goodness makes you beautiful', The Derma Co. uses expert/dermatologist-led scientific communication. Aqualogica's vibrant communication appeals to a younger audience; Dr. Sheth's balances actives and botanicals while BBLUNT approaches its consumers with the proposition of salon-like hair at home and recommended by hair professionals.; Ayuga harnesses the power of potent natural herbs available across India.

Data-driven Marketing

We combine digital and conventional approaches to create a unified brand narrative. As our brands are born digital, we have taken an 'always-on' marketing approach, striving for constant engagement with our consumers across platforms and formats. Targeting the users across the full marketing funnel, right from creating awareness to driving conversion, we have a data-driven approach to target micro-cohorts through nano-marketing funnels to deliver a more personalised user experience based on consumers' specific needs and preferences. We have been able to bring in efficiencies in our A&P spends reducing it by over 700 bps over last three years to 34.4% in FY 23-24.



34.4%
Consolidated A&P Spends across Brands in FY 23-24

2,700+
Influencers Collaborated with Honasa in FY 23-24

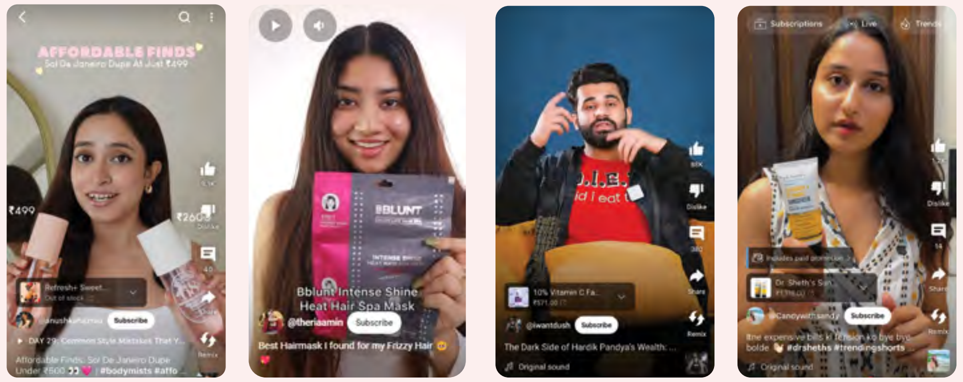
290 bps
Growth in Household Penetration* in the Last Two Years in **Face Wash** Category

110 bps
Growth in Household Penetration* in the Last Two Years in **Shampoo** Category

* Source: Kantar

Online Community Building

We have established a strong influencer community across social media channels, employing in-house tools to raise brand awareness. Across platforms, we generate customised, engaging content, leveraging our in-house studio and influencer network. Understanding millennials' penchant for meaningful information, our in-house information and Creative Excellence (CCE) team creates relevant messaging for our consumers.



Blitz-scaling Brands. With Repeatable Playbooks.

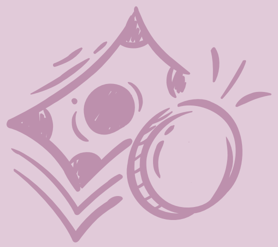
With our customer-centric innovation drive, digital-first omnichannel strategy, and data-driven marketing, we are well-positioned to capture a sizeable market share in India's potential $33 Billion BPC* product market. We are uniquely advantaged by our experience in positioning Mamaearth, our flagship brand, which has led to a brand-building playbook that can be replicated endlessly and seamlessly to scale up other brands in a competitive market.

* Source: Redseer

We draw on our experience in crafting Mamaearth's success in a highly competitive market. The insights gained have led us to brand-building playbooks that act as strategic guides for identifying market trends and consumer preferences, which lead us to ideate, create products under distinct brands, and then develop, strengthen, and gain greater market salience for them. This approach has not only helped us scale brands and categories (we command 30%+ market share in online channels in sunscreens[1]) but has also enabled us to gain category entry (For example, entry into colour cosmetics and personal wash).

A dedicated in-house team, 'Brand Factory' is responsible for end-to-end ideation, incubation, and execution of new brands. This team functions like a start-up within a start-up overseeing the 0-1 journey of the brands. Such differentiated organisation structure enables execution of the playbooks developed through scaling of the other brands. With five of our brands incubated in-house while two being acquired and scaled significantly since acquisition, the team actively identifies opportunities to optimise operations for the new brands by capitalising on synergies from our 'House of Brands' architecture.

Key Revenue Highlights



mamaearth

₹1,000 Cr+

Revenue of **Mamaearth** within 6 Years of Launch

The derma co

₹500 Cr+

Net ARR[2] of **The Derma Co.** within 50 Months of Launch

Aqualogica

₹180 Cr+

Net ARR[2] of **Aqualogica** within 19 Months of Launch

DR. SHETH'S

₹150 Cr+

Net ARR[2] of **Dr. Sheth's** Scaling 30x+ in 25 Months Since Acquisition

[1] As per internal estimates

[2] Refers to Annual revenue run-rate

Founder-led. Professionally Managed.

What has spurred our remarkable growth within a short time is the strategic direction provided by our founders, complemented by the leadership from a group of seasoned professionals skilled in diverse fields. They enrich the organisation with their collective experience and expertise in consumer goods, e-commerce, and direct-to-consumer sectors, ensuring a well-rounded approach that drives business success.

Our management, led by founders and supported by experienced management, guided by a distinguished Board, provides a solid foundation for our future growth. Our founders and leadership team, who have served prestigious companies, bring to the table a wealth of knowledge in consumer-packaged goods and BPC products in India across established and new age/digital-led players and a combined experience of over 100 years in setting and scaling up technology and distribution. The organisation has been made future-ready by strengthening the next tier of functional leaders.

Honasa has immensely benefited from the leadership's long-term vision, values, and deep understanding of the business landscape. This has fostered innovation, agility, and a long-term strategic outlook. The foresight, energy, and forward-thinking approach exemplified by the leadership have translated into a vibrant work environment, leading Honasa to earn recognition as a Great Place to Work for four years in a row.

Our emphasis on ethical governance has helped us establish clear frameworks for decision-making, risk management, and transparent operational processes and practices, leading to greater accountability to our stakeholders, including shareholders, employees, customers, and the community. Multiple Board committees, reputed statutory auditors, and a top-tier internal auditor ensure strong oversight of compliance. Together with these best practices, the leadership's emphasis on sustainability is helping drive home Honasa's inherent association with propriety, integrity, and environmental and social responsibility.

Consolidating Category Leadership. Sustaining Growth.

Our future growth hinges on our ability to bring more differentiated offerings, make more informed decisions on how to capitalise on opportunities, scale brands, and appeal to distinctive preferences. Expanding the distribution network, driving greater brand recognition, exploring new growth engines, and promoting more efficiency will remain our focus areas.

STRATEGY 1

Expand Distribution and Brand Awareness

- Continue to expand offline footprint to reach a larger customer base
- Continue to improve brand awareness amongst target consumers

STRATEGY 2

Incubate or Acquire New Engines of Growth

- Identify white spaces and address them through product innovations across existing brands or if the proposition or positioning so demands through new brands

STRATEGY 3

Strengthen Business Efficiency Drivers

- Optimise channel mix for mature brands
- Drive scale benefits from core business
- Strengthen our tech and data capabilities to drive business efficiencies

STRATEGY 1

Expand Distribution and Brand Awareness

We aim to retain the loyalty of the significant consumer base we have grown in the past seven years and attract new users. This entails investing in innovative brand-building and marketing strategies to raise awareness, stimulate product trials, and improve consumer penetration. We have adopted a holistic approach to engage with the consumer through different media including digital and traditional. While we drive meaningful engagement through our marketing and consumer engagement framework, we carefully use different media including digital and traditional to assist our offline expansion objectives to reach a larger consumer base. Our offline channel has grown significantly, and we want to capitalise on the learnings from Mamaearth's growth momentum by strategically extending our presence in general trade and modern trade retail channels.

We also aim to develop new channels and strengthen our omnichannel strategy to enhance consumer engagement and brand experience, including expanding Mamaearth exclusive brand outlets (EBOs) and tapping into our professional salon channel through BBLUNT.

1,88,377
FMCG Retail Outlets Reached across India for Mamaearth as of Mar'24*

34%
YoY Increase in Offline Distribution for Mamaearth in FY 23-24*

* Source: NielsenIQ

STRATEGY 2

Incubate or Acquire New Engines of Growth

We focus on launching or acquiring new brands that offer unique value propositions and cater to diverse price points, leveraging our 'House of Brands' architecture and repeatable playbooks to synergise revenue streams and optimise costs. We explore the whitespace opportunities across three axes of price, proposition and category and develop new-age brands and propositions, anticipating future consumer needs and capitalising on emerging trends. While India remains our primary focus market, we are looking to expand into identified priority markets such as the United Arab Emirates, Nepal, and Bangladesh, both organically and through strategic acquisitions, guided by market potential, brand resonance, and successful brand-building strategies.

₹500 Cr
Net ARR[1] of **The Derma Co.** within 50 Months of Launch

₹150 Cr+
Net ARR[1] of **Dr. Sheth's** Scaling 30x+ in 25 Months Since Acquisition

[1] Refers to Annual Revenue Run-Rate

STRATEGY 3

Strengthen Business Efficiency Drivers

Our focus on business efficiency drivers aims to optimise operations and drive scale benefits. As demonstrated last year, we continue to unlock efficiencies in different levers of the P&L, including advertising and other expenses. Also, we plan to further optimise the channel mix by strategically expanding Mamaearth's presence in the offline channel, while also launching other brands like The Derma Co. and Aqualogica in offline. We aim to capitalise on the already profitable offline sales, thus improving our overall margin profile.

Additionally, we aim to leverage scale benefits across all functions of our business including logistics, warehousing and customer relationship management, which has already started reflecting in our improved margins. Further, we are strengthening our technology and data capabilities, which enable us enhance consumer engagement, strengthen cross-brand synergies and refine our personalisation engine to deliver tailored experiences.

₹137 Cr
FY 23-24 EBITDA

7.1%
FY 23-24 EBITDA Margin
▲562 bps YoY

Measuring Growth. Driving Success.

Despite our exponential growth, we have demonstrated gross margin stability, operational profitability, and consistently high returns on capital spent. Our efficient marketing strategies bring in economies of scale, helping us lower our cost of acquisition and A&P spending. Being profitable at the EBITDA level for the last three years, we have been able to bring efficiencies across various levers of the P&L.

Operational

Working Capital Days of Sale
(Days)

FY 21-22	(14)
FY 22-23	(1)
FY 23-24	(13)

Invested Capital in Business
(₹ in million)

FY 21-22	(812.05)
FY 22-23	551.92
FY 23-24	(230.02)

Contribution of Sales from New SKUs
(%)

FY 21-22	21.35
FY 22-23	19.60
FY 23-24	18.43

Financial

Number of Brands
(Number)

FY 21-22	5
FY 22-23	6
FY 23-24	7

Revenue from Operations
(₹ in million)

FY 21-22	9,434.65
FY 22-23	14,927.48
FY 23-24	19,199.04

Revenue Growth
(%)

FY 21-22	105.11
FY 22-23	58.22
FY 23-24	28.62

Gross Profit
(₹ in million)

FY 21-22	6,600.26
FY 22-23	10,460.15
FY 23-24	13,391.76

Gross Profit Margin
(%)

FY 21-22	69.96
FY 22-23	70.07
FY 23-24	69.75

EBITDA
(₹ in million)

FY 21-22	114.59
FY 22-23	227.64
FY 23-24	1,370.87

EBITDA Margin
(%)

FY 21-22	1.21
FY 22-23	1.52
FY 23-24	7.14

Adjusted EBITDA
(₹ in million)

FY 21-22	302.49
FY 22-23	509.14
FY 23-24	1,516.57

Adjusted EBITDA Margin
(%)

FY 21-22	3.21
FY 22-23	3.41
FY 23-24	7.90

Restated Profit/ (Loss) Before Tax
(₹ in million)

FY 21-22	224.39
FY 22-23	(1,410.40)
FY 23-24	1,471.30

Restated Profit/ (Loss) After Tax
(₹ in million)

FY 21-22	144.43
FY 22-23	(1,509.66)
FY 23-24	1,105.29

For more details, please refer to the Management and Discussion Analysis on page 66.

Value Creation | Awards and Achievements

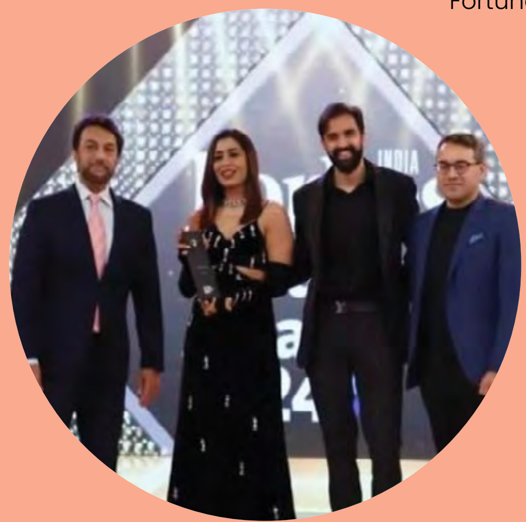
Consistently Delivering Excellence

Honasa has earned widespread industry recognition for its breakthrough innovations, exemplary leadership, and inspiring work environment, solidifying its position as India's most promising BPC company.

Leadership

Founders of the Year by Entrepreneur India

Ghazal Alagh Listed among Fortune Most Powerful Women in Business in 2023



Startup Value Creator Award/ Forbes Leadership Awards

Brand and Business

ET Retail D2C Brand of the Year for 2023

Mamaearth was amongst the Top 5 Cosmetics Brands in the Makeup Category as per Brand Excel

Work Culture

Great Place To Work Certified FEB 2024-FEB 2025 INDIA

Great Place To Work Jan 2024-Jan 2025

Best Workplaces™ in Health and Wellness Great Place To Work. INDIA 2023

India's Best Workplaces™ in Health & Wellness 2023

Shareholder Value

MSCI

Addition into MSCI India Domestic Small Cap Index

Nifty Smallcap100

Addition into Nifty Smallcap 100 Index

Driven by Purpose. Inspire by Goodness.

We are dedicated to creating a brighter tomorrow through our environmental and social initiatives, that complement our brands' core values. Care for the environment is integral to our unique value proposition and guides every step of our product. Our promotion of nature-inspired beauty products not only furthers personal well-being but also fosters a positive impact on the planet and society.

SDGs Covered

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

15 LIFE ON LAND

Environmental Initiatives

Implementation Partner

SankalpTaru

Plant Goodness

Mamaearth, India's fastest-growing beauty and personal brand, caters to the young, aspirational, and informed consumer. Its products are devoid of toxins, inspired by natural goodness and ancient DIY knowledge, and certified as cruelty-free. Its plastic recycling and afforestation projects are helping to heal the world, one flower at a time. Mamaearth, in association with the Sankalptaru Foundation's 'Plant Goodness' initiative, has been promoting afforestation and farmer livelihoods, thereby fostering long-term coexistence with nature.

Project Outcome

6 Lakhs+
Trees Planted

12,000 tonnes+
Fruit Production

250 kt
Carbon Dioxide Sequestration Potential

₹20 Cr+
Economic Value Potential per Year

3,800
Acres Greened

500 kt
Oxygen Production Potential

CASE STUDY

These Fruit Trees are My Life and My Livelihood

A production engineer by profession, I inherited my grandfather's agricultural spirit, yet I was keen to chart my course in the corporate world. But when COVID-19 struck, I lost my job, along with many others. As luck would have it, I learned about the Plant Goodness initiative and became interested in organic farming. Under the initiative, a total of 1,400 guava trees – Taiwan Pink and Hisar Safeda – were planted on my farm. I was also educated about how to make the best use of my resources. I gained valuable insight from sessions on drip irrigation and vermicomposting. Using drip irrigation, I can now save a lot of water, and vermicomposting helps in maintaining soil productivity. We plan to make vermicompost for our use and for selling to other farmers as well! Making the farm 100% organic will take time and effort. But the rewards in terms of quality and income will be sweet."

Navneet Mandothi,
Rohtak, Haryana

CASE STUDY

Gaining More than Money from the Sale of Fruits

When I retired from the army, I was on the lookout for the next opportunity in life. I used to grow grains like wheat and bajra on the farm, but when I came to know about the Plant Goodness initiative of Mamaearth, I took the opportunity of fruit farming. Nurturing trees felt like raising children – challenging, yet deeply rewarding. I faced hurdles like pests and lack of proper knowledge, but timely guidance and the wisdom of organic farming brought my orchard to life. Today, my trees bear 15-30 kg of fruits each season, translating into a sweet harvest of ₹6 Lakhs in one season alone! Now my farm not only supports my family but also attracts YouTubers eager to capture my journey. I actively share my expertise with fellow farmers, aiming to empower them in their agricultural pursuits. With Mother Nature's blessings and a heart brimming with joy, this second career has blossomed into a life of purpose, and the journey continues."

Inderjeet Singh Shaharpur,
Mahendragarh district, Haryana

Promoting Circular Economy

As a plastic-positive company, we have been partnering with GEM Enviro, a waste management firm, since 2018 to address the plastic problem. Mamaearth recycles more plastic than its businesses consume.

9,000 tonnes+
Plastic Recycled to Date

Sustainability at Honasa | Communities

Breaking Barriers. Empowering Futures.

At Honasa, beauty and doing good go hand in hand. By enabling and uplifting people, taking care of the environment, and being ethical in our conduct, we aim to create a lasting positive impact on our communities and our organisation. We undertake focused initiatives to promote quality education, provide safe drinking water, and develop skills to create opportunities for change.

SDGs Covered

CASE STUDY

Redefining Beauty

Mamaearth and Femina's 'Beautiful Indians 2024' campaign recognises individuals' good deeds while embodying the spirit of kindness and honouring inherent goodness. The goal is to recognise celebrities and unheralded individuals, whose acts of compassion have improved the lives of people around them. The project honours the beauty of people from all walks of life, whose charisma and competence have supported and inspired constructive change.

Community Initiatives

Young Scientist Programme

Implementation Partner

We empower rural children in India through The Derma Co.'s 'Young Scientist' initiative, which gives them access to science education from a young age. We want to inspire young minds and foster a love for science in overlooked communities. Every skincare purchase on the website supports disadvantaged children's science education, enabling school children from underserved communities to dream big and reach their aspirations. The project was implemented in Bengaluru and Chennai with the support of Bhumi.

Project Outcomes

20,000+
Children Enrolled in the Young Scientists Programme

76
Schools Reached in Bengaluru and Chennai

42%+
Knowledge Improvement Recorded

CASE STUDY

Empowering Children to Tackle Climate Change

"It's been a year since I shifted to Chennai from West Bengal to teach. And I can already feel the change in climate after the change of cities – every fourth day there is unpredictable rain. Through the Young Scientists programme, I too learned the scientific perspective of climate change. This programme is the first practical programme conducted at this school. The impact of the programme was felt when I saw students displaying curiosity and eagerness to act. The students in my class came up with the idea of segregating biodegradable and non-biodegradable waste because they understood the importance of waste segregation. Awareness around climate change is the need of the hour, and what's better than the practical hands-on experience? The curiosity generated among students is what excited me the most. I felt happy to see students engage in the sessions. My wish is for many more such interventions for the bright, young minds in school.

Swagata,
Teacher, Chennai

Sustainability at Honasa | Communities

CASE STUDY

Practical Learning Leads to Impactful Change

My heart has forever changed after teaching students through the Young Scientist Programme. I went to a school where we had to ask our teachers for permission before using the science lab. I was overjoyed when the children were given a chance to learn about such an important topic through practical exposure. The course aims to cover climate change, the Greenhouse Effect, the food chain, etc. with the help of real-life experiments that have tremendously impacted students. Through this programme, I have also learned the importance of saving the planet. Although I am taking small steps – for instance, I make sure to use my bicycle whenever I need to travel locally – I remember a few children coming up to me after the sessions to hug me. They enjoyed it so much that they hugged me, and at that moment, I realised the importance of teaching. I feel grateful for this opportunity that is given to me by this programme.

Vignesh Mariappan,
Volunteer, Bhumi NGO

Fresh Water for All

Implementation Partner

Aqualogica's 'Fresh Water for All' initiative seeks to deliver clean and safe drinking water to rural areas across India. The programme addresses the critical need for potable water while also promoting the well-being of disadvantaged communities throughout India. Each purchase of Aqualogica products provides clean and safe drinking water to rural communities, offering new hope, one drop at a time. The programme covered three villages in the Mandla and Dhar districts of Madhya Pradesh and one village in the Korea district of Chhattisgarh.

Project Outcomes

500+
Households Provided with Potable Water

400+ hours
Saved Daily

100%
Women-focused Intervention

CASE STUDY

From 100 Minutes to 100 Steps

We are a family of eight. The responsibility of all household work falls on the women. Water is indispensable for our daily chores, and it is needed first thing in the morning. Our routine used to involve a laborious one-hour journey to fetch water, regardless of the weather; be it pouring rain or scorching summer. The long water-fetching trips used to make our children late for school and took a toll on our health. No one had thought of providing a solution to the water problem – not the panchayat or the villagers, not even us women ourselves. Now, with a water tank installed by Aqualogica just 100 steps away, I can take care of the children, prepare their meals, and ensure they're off to school on time. This has brought immense relief to our lives. There have also been economic benefits, as I can now contribute more time to farming, and take on additional work through MGNREGA. We see God's blessings in this initiative.

Urmila Devi Thanamgaon,
Mandla District, Madhya Pradesh

CASE STUDY

Jal Hai to Jeevan Hai

Water accessibility was a major issue for the women of the village. They would have to carry water on their heads and walk for over a kilometre every day. The 'Fresh Water for All' initiative has brought fresh water supply closer to villagers' homes. To manage the project smoothly, we formed a Village Development Committee, which had representatives from various socio-economic sections of the village. The mohalla with the direst need was selected. Villagers' help was sought to inculcate a sense of joint ownership. The project helped in building community engagement as villagers contributed time and labour to the cause. The benefits of a water tank are felt deeply, especially by women. Other than the obvious benefits of reduced distance, a noteworthy improvement has been the ease of managing the water requirements of cattle. The time saved by women is utilised in earning additional income, so the water tank has benefited the villagers economically too.

Dharmendra Kurram,
Village Development Council Member,
Thanamgaon, Madhya Pradesh

Shine Academy Implementation Partner

Our 'Shine Academy' initiative under BBLUNT aims to empower women by developing skills in hair styling and salon services. Under this project, we equip women with the skills they require in the beauty industry, allowing them to become financially independent and thus enhance their professional prospects. Shine Academy's mission is to empower women from disadvantaged communities by providing hairdressing lessons, opening the path to financial independence, and improving their futures. It is more than simply hair care; it is a force for change.

Project Outcomes

10,000+
Women Certified

11
States Enrolled

CASE STUDY

Becoming Financially Independent at 19

I'm 19 years old, and I live in Hisar. I'm currently pursuing F.Y.B.A. and working at a salon. My mother is a housewife, and my father is a small shop owner. Being the oldest child in a family of simple means had a profound impact on me. I know the importance of financial independence. Some of my friends told me about the Foundation Course in Hair Styling being offered by BBlunt Shine Academy. Before doing the course, I had not thought about a career in the beauty industry. But I learned so much during the course that I feel I can make my career in this business, and maybe even open my salon one day. I learned about hairstyling, including how hair chemicals work, various haircuts, and various hairstyles. Despite not having any prior experience, I found a job at a salon within a month of the course's completion. I feel incredibly proud to say that I paid my college fees from my first salary! I have gained financial independence, which helps me take care of my expenses and support my parents.

Himani,
Hisar, Haryana

CASE STUDY

Gaining a Grip over Hairstyling Techniques

I come from a family of seven. My father is the sole breadwinner, making a living repairing chairs. Recently, I passed my 12th standard exam, and I aspire to become a beautician one day. My choice to pursue a career as a beautician is driven by the practical experience and training, I received. I attended the sessions of the Shine Academy in person and found them highly insightful. I had the chance to work with different hair types and learned to create stunning looks that suit individual preferences and personalities. The guidance and mentorship from experienced instructors at BBlunt were the highlight of the course. They provided invaluable knowledge, fostering in me the belief that I have the potential to excel in this field. I am now working at a salon. Directly engaging with clients and creating hairstyles for them brings me joy. My sole focus is currently on honing my craft and cultivating the necessary skills required to be successful in this industry.

Rashmi,
Hisar, Haryana

Great People Build Great Workplaces

We prioritise the interests of our employees, and are aware that their well-being and sense of fulfilment power our overall performance. Our commitment to promoting a diverse, inclusive, and pleasant workplace culture encourages the continual growth and development of our employees. We will continue building a collaborative and engaged employee culture with an accelerated learning curve, driving growth for our employees along with the business.

Diversity

We are an equal opportunity employer, with diversity and inclusivity embedded into our organisational DNA, and a commitment to fostering a work environment where everyone gets a level playing field to succeed. Women account for more than 50% of our workforce, and we strive to create a better experience for them through a host of initiatives like a period support policy, pregnancy and childcare support, zero tolerance for Code of Conduct and PoSH violations, etc. We also partnered with Leap. Club to give our women employees external inspiration, guidance, and mentorship.

53%+*
Women Employees

Positive Workplace Culture

At Honasa, we believe teamwork and fun go hand in hand. The more employees get to enjoy themselves together, the stronger their bonds become. Over the years, we have established multiple interest-led clubs, annual and monthly activities, sports tournaments, challenges, contests, and forums for employees to come together from different functions and participate as per their interest areas. Initiatives like the People's Choice Award, Honasa's Got Talent, Fun Fridays, milestone celebrations on employees' personal and professional achievements, etc. foster a culture of openness and positivity.

* Includes on-roll and off-roll employees for the consolidated entity.

Learning and Development

We strive to provide meaningful professional opportunities for all employees by providing them with the best tools and training programmes adapted to their needs: interpersonal, practical, or managerial. We strive to help our colleagues thrive and attain their full potential by investing continuously in their personal and professional development. We devise learning strategies for the year, which include programmes and initiatives like behavioural/functional/role-based learning programmes, micro-learning content, leadership development programmes, etc.

We also partner with digital learning platforms like LinkedIn Learning and Udemy Business to enable our employees to learn advanced tools and skills in Digital Marketing, Performance Marketing, Data Engineering, Data Analytics, Content Strategy, Generative AI, Social Media Marketing, Business Fundamentals, and much more. Also, an organisation wide problem-solving platform called Colosseum gives an opportunity to the employees to brainstorm on the relevant problems faced by the business. Additionally, programmes like Young Ninja, a 2-year graduate trainee programme, help us develop leaders of the future.

Awards and Recognition

Recognising and rewarding behaviours and performances that contribute to our culture and business progress has been a tradition since inception at Honasa. Internal awards such as Honasa Heroes – award for individual achievement, Avengers – award for high performing team, Goodness O' Clock, Ring the Bell, Journey Awards, Value Champions, and Learning Champions guarantee that employees are rewarded not only for their job but also for upholding the organisation's core values.

Great Place To Work Certified FEB 2024-FEB 2025 INDIA

'Great Place to Work'
Certified for the Fourth Year in a Row

Management Discussion and Analysis

Introduction

Honasa Consumer Limited (Honasa) is India's largest digital-first beauty and personal care company, with a diversified portfolio of brands offering differentiated propositions to cater to distinct consumer needs. Over the years, the Company has built a 'House of Brands' architecture with a portfolio of seven brands. With the success of Mamaearth, the Company has developed repeatable brand-building playbooks that have enabled it to scale newer brands at a fast pace. These playbooks are powered by a consumer-centric approach across various aspects of the business model, including innovation engine, digital-first omnichannel distribution, and technology- and data-driven marketing and consumer engagement.

Indian Economy

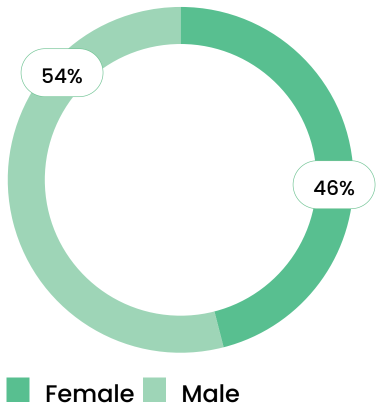
During FY 23-24, the Indian economy demonstrated robust growth, expanding by 8.2%. Across various sectors, encouraging indicators highlighted resilience and optimism, supported by quantitative data. Consumer confidence, gauged through the RBI's household survey surged, reflecting increasing positivity among households. Enterprises echoed this sentiment, reporting favourable business conditions, heightened production levels, enhanced capacity utilisation, and improved employment outlooks.

The workforce dynamics in India are also shifting significantly. The State of Working India Report 2023 highlights that younger, more educated women are entering the workforce in greater numbers, reducing gender disparities in employment. The rise in salaried employment among women and the decline in informal wage work are narrowing the gender gap in earnings.

India currently has 820 Million+ active internet users. More than half of them (442 Million) originate from rural areas of the country.

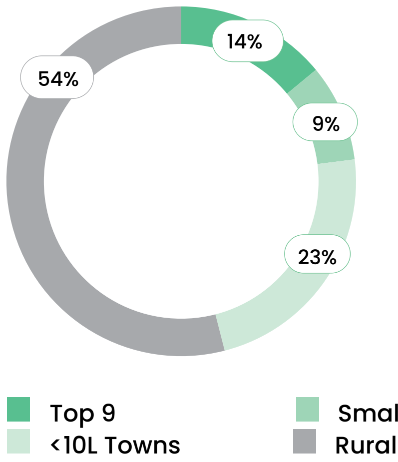
Gender Divide among Internet Users has Narrowed Over the Years

(%)



More than Half of Internet Users Live in Rural India

(%)



Source: Economic Times

Management Discussion and Analysis

The widespread availability of affordable internet access has significantly contributed to India's GDP growth by connecting more Indians to the digital world and fostering digital literacy and entrepreneurship. As the digital economy is projected to reach $1 Trillion by 2025, sectors such as e-commerce, fintech, and digital entertainment are driving this expansion. Increased smartphone adoption, improved internet connectivity, and supportive government initiatives promoting digital services propel growth in these sectors.

$1 Tn

Estimated Size of India's Digital Economy by 2025

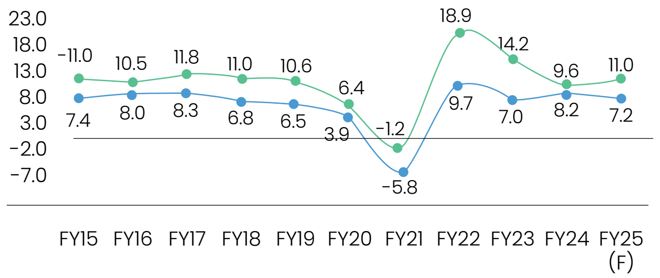
The rise of digital payments, mobile wallets, and the Unified Payments Interface (UPI) has revolutionised financial transactions in India, promoting financial inclusion and innovation. This digital transformation has enabled more people to participate in the formal economy, increased transaction efficiency, and reduced financial service costs. Increased internet penetration and the thriving digital economy have created substantial opportunities for economic growth across various sectors. E-commerce platforms provide businesses with access to a larger customer base; fintech innovations offer better financial solutions; ed-tech enhances educational opportunities; and health-tech improves healthcare delivery. Digital entertainment has also emerged as a significant contributor to the economy, attracting investments and creating jobs. Overall, the digital revolution in India is enhancing productivity and efficiency, creating new markets and opportunities, and playing a crucial role in boosting the country's GDP growth.

Outlook

The Reserve Bank has maintained its GDP growth forecast at 7.2% for FY 24-25, indicating continued robust economic performance. Looking ahead, India shows the potential to become the world's third-largest economy by 2030. Several transformative factors are contributing to this optimistic outlook. Rapid urbanisation is reshaping the country's landscape, driving infrastructure development, and increasing the demand for goods and services. The expanding aspirational middle class further propels consumption and investment across various sectors. Additionally, the rising participation of women in the workforce is enhancing productivity and economic diversity. The proliferation of smartphones and internet connectivity is accelerating digital inclusion and literacy, creating new growth opportunities. E-commerce platforms and digital payment systems are facilitating convenient shopping experiences and stimulating consumer spending. Furthermore, the increased availability of credit facilities is empowering individuals and businesses to invest, innovate, and expand. Together, these dynamics are fostering a vibrant economic environment, positioning India as a key player in the global economy.

India's Real and Nominal GDP Growth FY15-FY25

(%, YoY)

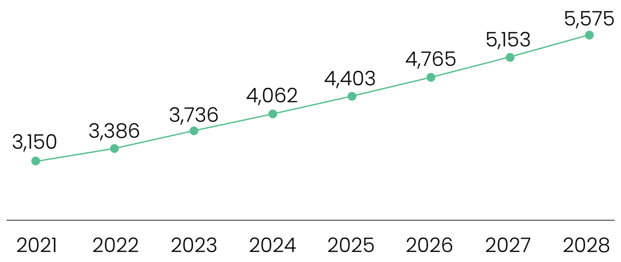


Source: MoSPI, RBI

The size of the Indian economy will cross $4 Trillion in 2024-25, and the per capita nominal GDP will also cross $2,800, according to an estimate undertaken by the industry organisation, PHD Chamber of Commerce and Industry.

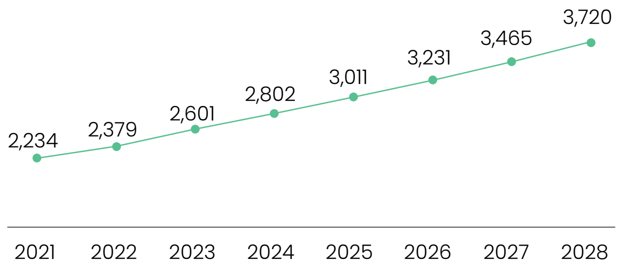
Size of the Economy

(US $ Bn)



Per Capita Nominal GDP

(US $)



Source: PHD Research Bureau, compiled from IMF, World Economic Outlook 2023

Size of Indian Market

2022

$891 Bn

Source: Redseer

2023

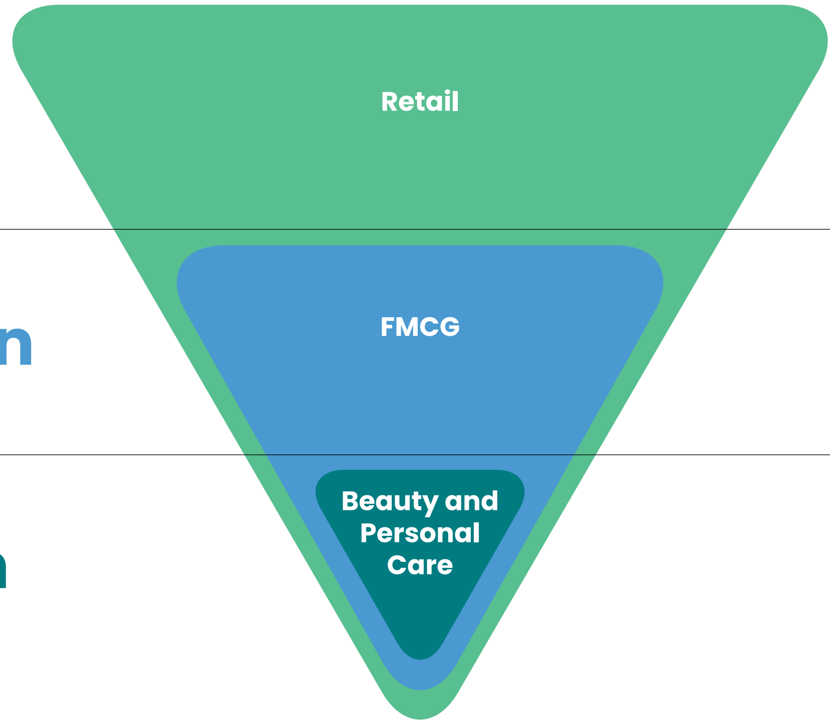
$121.8 Bn

Source: Markets Research Futures Study

2022

~$20 Bn

Source: Redseer



CAGR

2022-2027

10%

Source: Redseer

2024-2032

~8%

Source: Markets Research Futures Study

2022-2027

11%

Source: Redseer

Indian Retail Market

India is a large and fast-rising retail market. According to Redseer, the Indian Retail market is expected to increase at 10% between 2022 and 2027, rising from $891 Billion in 2022 to more than $1.4 Trillion in 2027. This growth was driven by several key sectors within the industry including favourable demographics, rising incomes, changes in customer choices and preferences, etc.

$1.4 Tn

Size of Indian Retail Industry by 2027*

By retail formats, the modern trade segment, including hypermarkets, supermarkets, and convenience stores, secured a 7% market share while traditional trade, represented by Kirana stores and small independent retailers, retained a substantial 18% market share**, emphasising the enduring significance of these traditional retail formats in India. Overall, the Indian retail industry's robust growth across diverse sectors underscores the nation's evolving consumer landscape, driven by changing lifestyles, rising incomes, and technological advancements.

Indian FMCG Market

The fast-moving consumer goods (FMCG) business is India's fourth-largest sector and has been growing at a steady rate over the years due to rising disposable income, a growing young population, lifestyle changes, increased awareness, and growth in e-commerce platforms. As per Markets Research Futures Study, the FMCG industry is expected to increase from $121.8 Billion in 2023 to $230.6 Billion by 2032, with a CAGR of 8.3% from 2024-2032. It is divided into three major segments including household and personal care (50%), healthcare (31%) and food and beverages (19%).

Indian BPC Market

A report by Redseer predicts that India's BPC market will experience one of the fastest growth rates of 11% CAGR between 2022 and 2027 in the industry, reaching $33 Billion (₹2.5 Lakh Crores) by 2027. The number of online BPC users will grow from 67 Million in 2022 to 150 million+ in 2027, marking over a 2x rise.

$33 Bn

Indian BPC Market by 2027

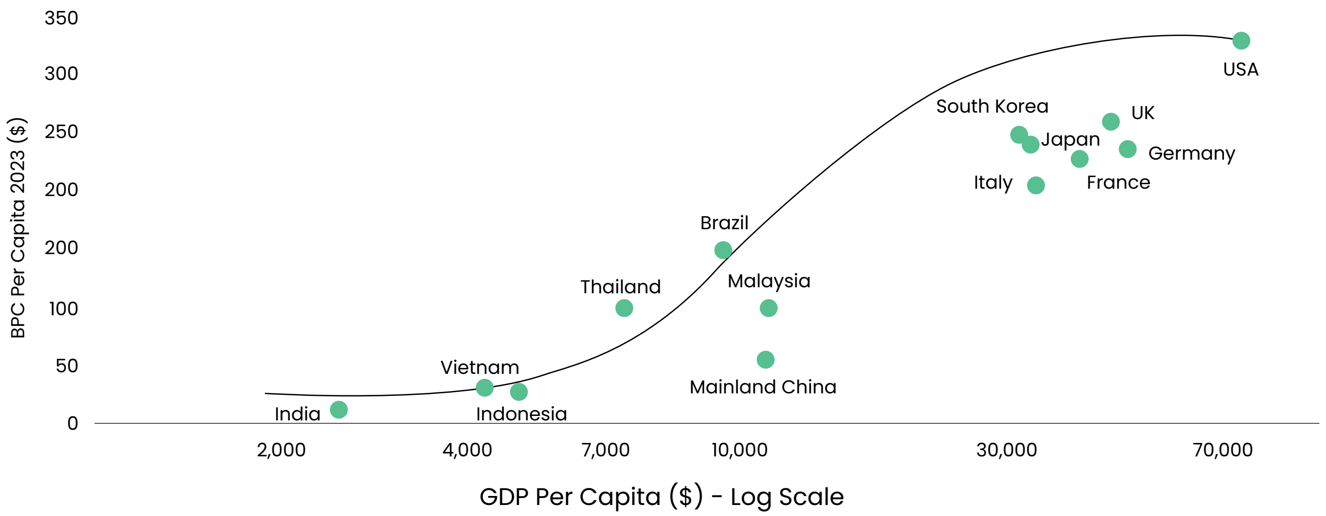
In this category, India has seen a significant surge in consumer spending and market growth, as indicated by data from Kantar Worldpanel and Redseer. An average Indian spends ₹1,214 on beauty and personal care (BPC) products over six months, with working women spending ₹1,942. This expenditure is significantly lower compared to China's ₹3,172 and Indonesia's ₹2,436 for the same period.

₹1,214

Average Spending on BPC Products in India Over 6 Months

The BPC market in India is undergoing a major transformation due to the convergence of technology, demographic dividends, and growing consumer aspirations. It is expected to grow at one of the fastest rates amongst the FMCG categories. With incomes rising, the BPC industry is expected to follow an S-curve denoting that the industry in India is at a critical inflection point as observed in other emerging markets as well.

BPC Per Capita Spending Follows a Typical S-Curve, Linked to the Rise in Income Levels#

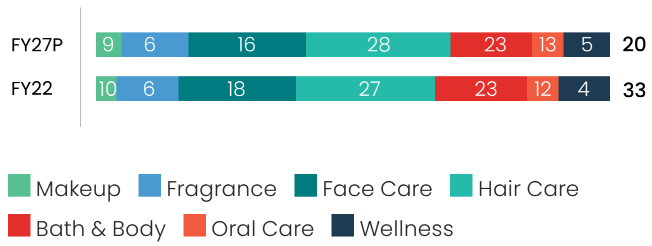


* Source: Redseer
** Source: The Financial Express
# Source: HSBC Global Research

The diversity within the BPC market is vast, encompassing various sub-segments such as hair care, oral care, bath & shower, skincare, makeup & cosmetics, and fragrance, catering to men, women, and children. This diversification has fuelled a significant increase in the number of BPC brands. The category mix has been evolving with growth to be led by categories such as face care and makeup, expected to contribute 18% and 10% of the market by 2027.

Sub-Segment Category Mix

(%)



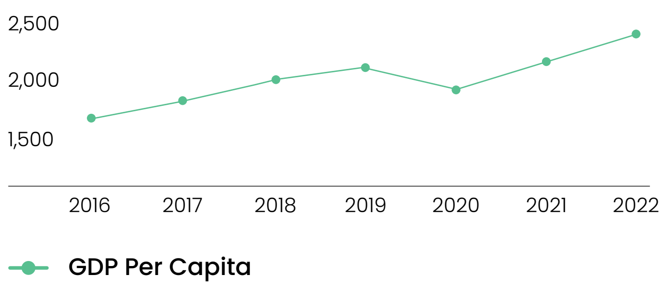
Source: Redseer

Factors Impacting the Growth of India's BPC Market

Rising Incomes: As disposable incomes increase across urban and rural areas; consumers are spending more towards beauty and skincare products. This demographic transition is not only broadening the consumer base but also increasing demand for driving demand for premium and specialised beauty products.

GNI Per Capita – India

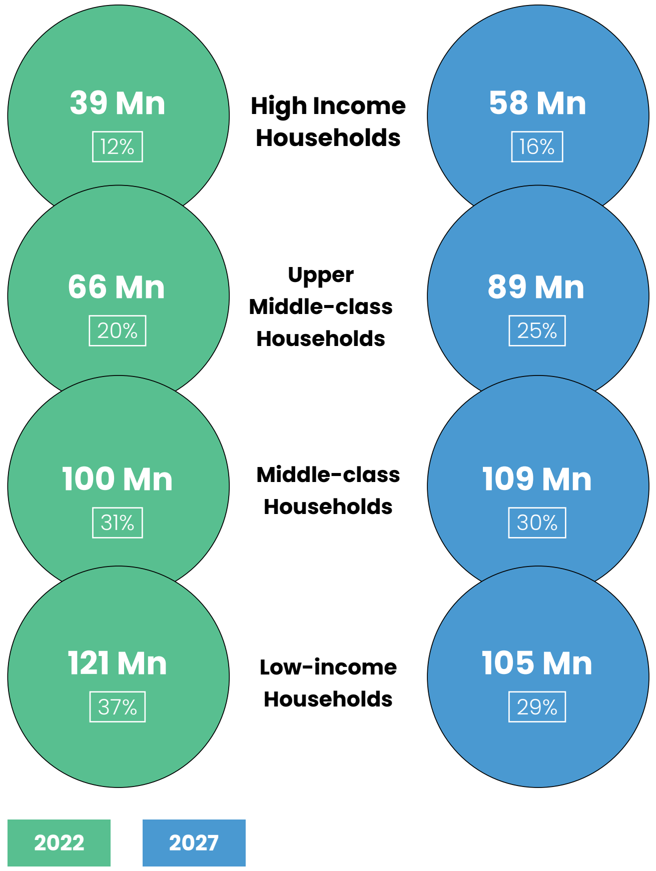
(US$, 2016-22)



Source: Redseer

Rapidly Rising Middle Class: As incomes rise, there is notable upward mobility, with lower-income households increasingly transitioning to the middle class. As per Redseer, middle-class households have a per capita consumption expenditure more than 3x that of low-income households. Their consumption patterns are more inclined towards branded products and organised channels compared to lower-income households. While the middle class constitutes the largest segment of the population, high and upper middle-class households are expected to grow the fastest at an annual rate of 14% from 2022 to 2027. By 2027, middle-class and high-income households are projected to account for over 90% of private consumption as per Redseer, leading to expanded addressable markets for branded players.

Indian Population (Households) Segmented by Income 2022, 2027



Source: Redseer
Note: The above % figures in each circle denote contribution of each segment to Indian Population (Households)

Management Discussion and Analysis

Urbanisation: Because the urban population frequently has higher discretionary resources and is more exposed to global beauty trends, there is a growing demand for a varied range of beauty and personal care products that cater to different preferences and demands.

36%

Urbanisation as a % of Population (2022)

Women's Increasing Participation in the Workforce: As more women enter professional spheres, there is a growing emphasis on personal grooming and self-care. This demographic shift has spurred demand for skincare, hair care, and cosmetics tailored to busy lifestyles and professional settings. Further growth potential is to be unlocked with the increased participation of women in the labour force, particularly in services.

Consumer Trends in the BPC Market

Early 2000s

- **Lack of Awareness about Ingredients:** Consumers were largely unaware of the widespread impact of ingredients used in beauty and personal care products
- **Exposure Largely Limited to General-use Products:** Consumers typically used shampoos, face washes, and other products without expecting them to address their specific personal needs or to be tailored specifically for them
- **Influenced by Mainstream Celebrities:** Makeup trends were predominantly shaped by the mainstream pop culture and the most popular celebrities of those times

2010 Onwards

- **Awareness Driven by Social Media and Influencer Marketing:** Platforms like Instagram and YouTube have become pivotal in shaping consumer preferences, with influencers playing a key role in educating and engaging audiences. These digital influencers offer reviews, tutorials, and personal stories, making beauty trends more accessible and relatable
- **Strong Demand for Sustainable and Clean Products:** Increasing awareness of health and environmental concerns has led consumers to seek natural, organic, and ethically produced alternatives, reflecting a growing preference for sustainability and cruelty-free practices
- **Beauty Perceptions Changing with Consumers Caring about Inclusive Beauty:** Consumers are increasingly valuing diversity and representation in the BPC industry, advocating products and campaigns that cater to all skin tones and skin types
- **Openness to New Regimes, Beauty Practices, and Ingredients:** Consumers are increasingly exploring innovative skincare routines, holistic wellness approaches, and novel ingredients, blending traditional wisdom with modern science
- **GenZ Influence:** GenZ is exerting a profound influence on the BPC landscape in India, driving trends with their unique preferences and being digital-savvy. This generation values authenticity, inclusivity, and sustainability, pushing brands to align with these ideals
- **Gender-neutral Brands:** Brands reflect a shift towards inclusivity and breaking traditional gender norms. They cater to all genders, offering products emphasising on individuality and self-expression over conventional gender-based marketing
- **Premiumisation:** With the rising disposable incomes and demand for personalised, high-quality items, there has been increasing focus on expanding masstige and premium product lines
- **Evolving Category Mix:** Brands are investing in educating consumers about comprehensive skincare routines and the categories like face care and makeup are leasing the growth of the industry
- **Emergence of New Need Spaces/Propositions:** There is an increasing need felt by brands to introduce targeted, need-based products (e.g., paraben-free, sulfate-free) vs generic products responding quickly to evolving consumer preferences
- **Increasing Contribution from Beyond Metros:** Brands need to cater to rising aspirational spending in Tier 2+ cities and towns and educate these consumers in non-metro cities about BPC products. There is also the focus on expanding distribution through modern retail and e-commerce channels

Source: Redseer

Evolved Consumer Behaviour

Seeking 'Made For Them' Products

Consumers prefer clean ingredients, thus appreciating brands that are environmentally safe and cruelty-free. They appreciate inclusive offerings and seek products tailored to their specific skin types that do not cause any side effects.

Exploring Various Shopping Avenues

While consumers become aware of products by talking to friends, family, beauticians, etc., or by coming across online or offline advertisements, they use online sources to understand more, eventually making their purchase either online or offline.

Willing to Pay Premium for What Works

In India, masstige is growing twice as fast as the mass market, while premium is expected to grow at a CAGR of 12%, higher than in the United States or China.

Management Discussion and Analysis

Players exclusively focused on BPC can adapt more effectively to changing consumer needs and are poised to succeed in the market.

Pureplay BPC Players
Players focus only on beauty and personal care categories. Typically, have been at the forefront of capturing evolving BPC trends and needs.

FMCG-led BPC Players
Players operating in multiple FMCG categories, including beauty and personal care. Typically, have operated with mass-distribution-based popular propositions.

Why are Pureplay BPC Players Better Placed to Address these Changing Consumer Needs

- Sharper value propositions
- Faster executions
- Higher pricing power for specialised and effective products
- Efficiency in reaching consumers through multiple channels
- Superior online engagement and brand salience
- Intent focus on educating consumers through the right mediums
- Higher marketing spending leveraging higher gross margins

Compared to FMCG-led BPC Players, Pureplay BPC Players have

5x
Growth

2x+
Awareness Spends

3x
Average Number of Products

Comparable
EBT

1.6x
Higher Gross Margins

Source – Redseer

Honasa is at the Forefront of Capturing Fast-evolving Consumer Imagination

Born in 2016, Honasa has emerged as a trailblazing digitally native pure-play beauty and personal care (BPC) company, focusing on the needs of Indian consumers through its differentiated brand-building model. Over the years, the Company has strategically invested to craft a distinct journey of brand discovery and experience, resulting in a formidable House of Brands.

'House of Brands': With a diversified portfolio of seven brands spanning various segments, including face care, body care and personal wash, hair care, suncare, colour cosmetics, fragrances, and baby care, Honasa has been able to build a 'House of Brands.' The success of their flagship brand, Mamaearth, has enabled the development of repeatable brand-building playbooks, allowing them to curate, launch, and scale newer brands. These playbooks are driven by a consumer-centric approach, encompassing innovation, digital-first omnichannel distribution, data-driven marketing, and technology-led consumer engagement.

Innovation: Product innovation continues to be one of the moats for the Company. It has developed multiple tools and capabilities to quickly identify emerging consumer needs and address them effectively through innovative products, formats, ingredients, and brand propositions. An in-house innovation team, led by co-founder and Chief Innovation Officer Ghazal Alagh, spearheads the development of new products. This team works end-to-end on new product launches, from ideation and concept development to formulation, clinical trials, stability and sample testing, quality assurance, packaging, pricing, and positioning. The team operates from dedicated innovation centres in Gurugram and Thane, formulating products focused on Indian consumers. As needed, the team taps into the research and development resources of large third-party ingredient suppliers to consistently produce unique products based on deep consumer insights.

Omnichannel Distribution: Honasa's route-to-market strategy works towards ensuring that the Company is available wherever the consumers choose to shop, and thus, consumers are reached through both online and offline touchpoints with the omnichannel network. This has enabled Honasa to scale its presence in both online and offline channels, making it distinct from other operators in the industry.

Purpose-led Brand-building: The Company believes in building 'Why-based brands' (brands with a purpose) versus only 'What-based brands' (brands focusing on purely functional benefits). Honasa brands, with their association with environmental and social causes, foster trust, brand resonance, and affinity with consumers. This integrated approach ensures that Honasa remains at the forefront of the BPC industry, consistently delivering value to consumers.

House of Brands

mamaearth
Clean and toxin-free beauty products made with natural ingredients

The derma co
Science backed expert products powered with active ingredients

Aqualogica
Hydrating skincare designed for Indian skin types

BBLUNT
Professional hair care and styling products enabling salon like hair at home

DR. SHETH'S -for indian skin-
Bio-actives based skincare developed by three generations of skin specialists

AYUGA
Potent natural herbs available across India brought to Indian millennials in modern formats

STAZE
An aspirational color cosmetics brand for GenZ

Each brand in the portfolio has a differentiated value proposition enabling the company to acquire new users with distinct needs and preferences and increase share of wallet from existing consumers

mamaearth

Mamaearth – By tapping into the rich heritage of Indian natural remedies, Mamaearth creates products that resonate with consumers seeking authentic, nature-inspired solutions. During the year, a host of innovative products were launched in multiple categories and ranges under the brand Mamaearth, including Mutani Mitti face care range with face wash and face pack, Beetroot face care range including face wash and sunscreen, Rosemary and Hibiscus Hair Care Range including shampoo, conditioner and hair oil, reiterating the importance of innovation as one of the engines of growth for the Company.

Mamaearth continued to expand its offline footprint. As per Nielsen's Retail Measurement System, the brand retailed its products through 1,88,377 FMCG retail outlets in India as of Mar'24, improving its distribution by 34% YoY. The value market share across key categories like face wash and shampoo witnessed a YoY improvement of 120 bps and 40 bps, respectively. The brand also strengthened the counter-share at the retailers signified by improving Share Amongst Handlers, witnessing an uptick of 148 bps and 65 bps YoY in the face wash and shampoo categories, respectively.

The brand struck a chord with the customers with ad campaigns rooted in the concept of 'Goodness Makes You Beautiful'. It witnessed growing household penetration of +290 bps and +110 bps in the face wash and shampoo categories as per Kantar Household Moving Annual Total % penetration as of December 2023 vs. December 2021, thus suggesting a stronger connection between the brand and the consumers. According to Redseer, as of the FY 22-23, Mamaearth emerged as the fastest-growing BPC brand in India to reach an annual revenue of ₹10 Billion (in the preceding 12 months) within six years of launch. Also, the brand quickly rose to prominence, becoming one of the top 15 beauty and personal care (BPC) brands in 2022 in terms of retail spending, according to Euromonitor. It continued this streak, growing 3x faster than the other top 14 BPC brands in terms of GMV in CY 23.

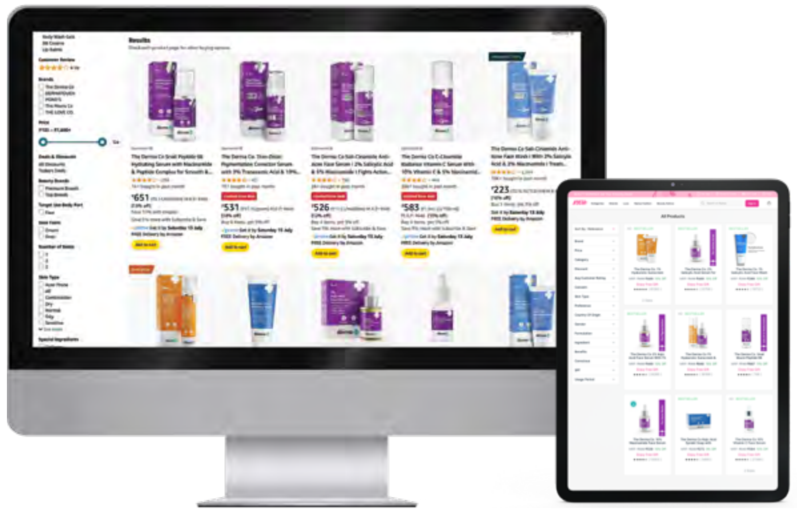
Intending to tackle deforestation and bring income opportunities, under the 'Plant Goodness' initiative, Mamaearth planted more than 6,00,000+ trees since inception with every order. The initiative expects a yield of 12,000+ tonnes of fruit per season giving a revenue potential of ₹20 Crores per annum for the farmers.

THE derma co

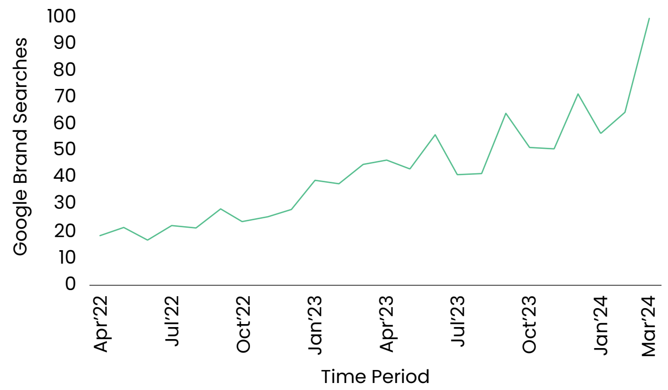
DESIGNED BY DERMATOLOGISTS

The Derma Co. – Identifying the relevance of active ingredients for Indian consumers at a very nascent stage, The Derma Co. was launched in 2020 to provide science-backed skincare through a range of potent active ingredients. Being one of the first brands in the space of active ingredients-led beauty, and harnessing data-led insights, it developed categories like sun care, face cleansers, moisturisers and face serums through active ingredients. The brand pioneered ingredients like Kojic acid, Niacinamide, Hyaluronic acid, Salicylic acid through its offerings while also launching products with a combination of two ingredients under its 'Power of 2' campaign. The brand also launched breakthrough innovations in formats like sunscreen sticks and mineral powder sunscreen.

So far, the brand has been built primarily online, with its products becoming bestsellers on key e-commerce platforms. Offline expansion provides further opportunities for growing the brand. The Derma Co. reached an Net Annual Revenue Run-rate (ARR) of ₹500 Crores+ while being profitable throughout the year. Expert/dermatologist-led scientific communication has enabled the brand to gain prominence amongst millennial users, as such content proves informative and contextualised to their needs and preferences. This can be demonstrated through its growing brand searches on online platforms.



Google Indexed Search Trends Representing Growth of the Brand Searches in Last Two Years



Under the 'Young Scientists' programme, the brand supports science education for underprivileged students, bridging the gap between theory and practical application. This initiative empowered 20,000+ children from underserved communities in 76 schools in Bengaluru and Chennai leading to a 42% increase in assessment scores post-intervention.

Aqualogica®

Aqualogica – Leveraging the science of hydration, Aqualogica continued to scale, becoming the fastest, amongst Honasa brands, to scale an ₹180 Crores Net Revenue Run-rate (ARR) in 18 months. With hydration delivered through lightweight textured products for the Indian tropical climate and products like glow+ dewy sunscreen, detan+ dewy sunscreen, illuminate+ oil-free moisturiser, and plump+ pouty lip gloss gaining traction, the brand is very well placed in fast-growing categories like sunscreen across all major e-commerce platforms.

Currently, the distribution of the brand is predominantly online, with the products being retailed through its website as well as leading e-commerce platforms.

With its vibrant and encaptivating content, Aqualogica strikes a chord with its GenZ consumers, amassing notable engagement for its social media content, leading to a 2.5X increase in Google searches between March 2023 and March 2024 as per Google Adwords. The 'Aqualogica sunscreen' became one of the most searched-for branded keywords on Google in the sunscreen category during the year.

Aqualogica's commitment to providing access to potable water through its 'Fresh Water for All' initiative has ensured clean and safe drinking water reaches remote parts of India, impacting 500+ households in Chhattisgarh and Madhya Pradesh and saving 400+ hours for women daily, allowing them to use that time for earning income, childcare, and household work.

Management Discussion and Analysis

BBLUNT

BBLUNT – In 2022, Honasa acquired BBLUNT, making its foray into hair colour and hair styling. With its hair-care portfolio focusing on the 'shine' proposition and styling portfolio performing well during the year, the brand exhibited a strong growth trajectory, with the product business scaling up over 3x since its acquisition. Innovative products like Intense Moisture Heat Hair Spa Mask and Hot Shot Hold Spray achieved substantial traction during the year.

As a digital-first brand targeting millennials, the Company has established a robust presence on leading marketplaces and D2C websites. Leveraging the network of 15 salons to strengthen brand equity, the brand has delivered disruptive growth. With effective campaigns like 'Be Bold, BBLUNT', brand searches surged during the year. In the styling category, BBLUNT became one of the market leaders in online channels.

Through the 'Shine Academy', BBLUNT has been able to empower 10,000+ women from underprivileged communities across 11 states.

AYUGA

Ayuga – The brand is based on the proposition of powerful and effective ingredients that give faster results. Each natural ingredient is carefully sourced from places where it grows in its most potent form.

With the Kashmiri Saffron and Jasmine range launched in December 2023, the brand currently operates primarily in sub-categories like moisturiser, sunscreen, face wash, face mask, and face oil.

STAZE

Staze – An aspirational colour cosmetics brand for GenZ, Staze, is a pioneering range of high-performance, long-lasting makeup, driven by advanced C-Lock Technology™.

Each product has been carefully crafted with the functional expertise of 40+ beauty experts, spanning beauty product specialists, dermatologists, influencers, and makeup artists, to deliver studio-finish makeup that suits all Indian skin tones and skin types. Within a few months of launch, the brand is being built online on its D2C and key e-commerce platforms.

DR. SHETH'S
– for indian skin –

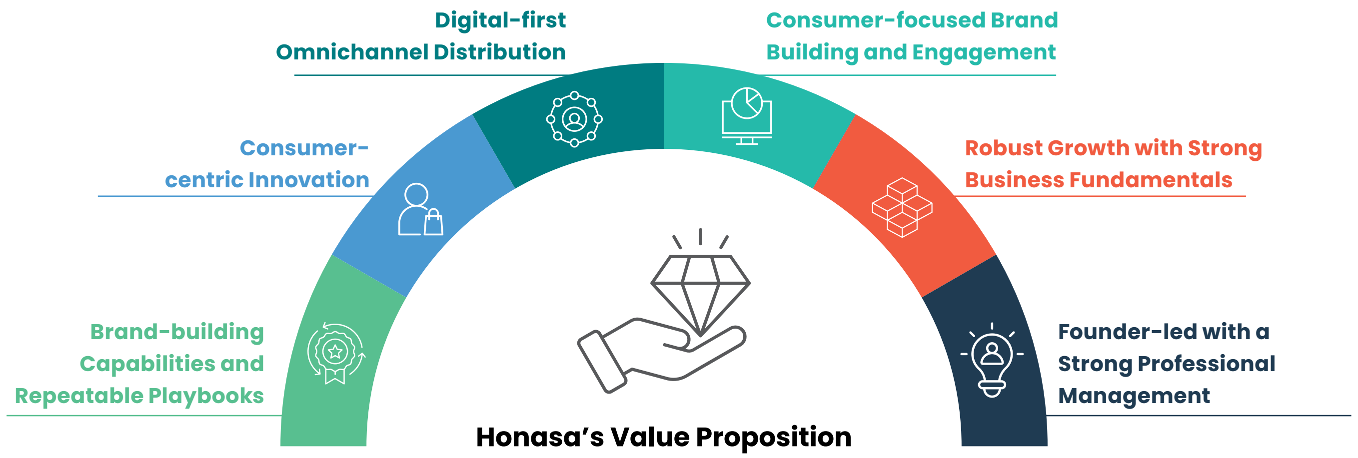
Dr. Sheth's – With unique formulations to suit Indian skincare needs and blending potent active ingredients backed by science with the goodness of natural botanical ingredients, Dr. Sheth's has scaled over 30x since its acquisition, achieving an Net Annual Revenue Run-rate (ARR) of ₹150 Crores. Ranges with Natural and active ingredient combinations including Ceramide & Vitamin C, Haldi & Hyaluronic have been instrumental in the brand's scaleup. Newer ranges like Gulab & Glycolic and Kesar & Kojic have also made a substantial contribution to the brand's outstanding performance in FY 23-24.

With bestsellers in categories like sunscreen and moisturiser, the brand witnessed a 241% increase in Google searches (March 2023 vs. March 2024), thus experiencing strong success online.

Aimed at fostering a positive change in the rural healthcare landscape, Dr. Sheth's 'Healthy India Initiative', in partnership with Doctors for You (DFY) is providing a clinic on wheels facilitating doctor consultation and medicines to various villages starting with Bihar.

Competitive Strengths and Key Differentiators

While building Mamaearth and scaling other brands, the Company has built key strengths to solve consumer needs better and support the brand-building model.



mamaearth | The derma co | AYUGA | Aqualogica | BBLUNT | STAZE | DR. SHETH'S – for indian skin –

Consumer-centric Product Innovation

Innovation is at the heart of Honasa, focusing on creating innovative products that meet the needs of Indian consumers. Therefore, the ability to innovate and launch products, when there exists a consumer need, has become a key differentiator for the Company.

The Company launched 122 new products in CY 23, contributing 18% to the overall revenue from operations in the period FY 23-24.

122
New Products Launched in CY23

18%
Revenue Contribution in FY 23-24

The Company has created a suite of tools and capabilities that allow it to engage with consumers and gain insights into new and emerging beauty trends in India. The consumer insights-driven product innovation engine is a core competence, that enables the Company to conceptualise and develop new brand concepts, products, and ingredient ranges.

A specialised in-house innovation team comprising 56 members as of March 31, 2024, is tasked with overseeing the entire process from ideation to the launch of new products.

The Company also strengthened its R&D and product development expertise by acquiring Cosmogenesis Labs. The acquisition, through its founder, brings in a wealth of experience of crafting 5,000+ formulations, which will bolster its R&D capabilities.

Key Innovations for the Year

Mamaearth

1. Mamaearth Rosemary Range

Crafted with the natural goodness of rosemary, a proven ingredient to stimulate hair growth

2. Mamaearth Multani Face Wash

Brings age-old skincare remedy for acne & oil control

3. Mamaearth Hibiscus Shampoo

Helps tackle multiple signs of hair damage

4. Beetroot Hydraful Sunscreen

Enriched with beetroot extract providing sun protection along with skin hydration

5. Mamaearth Forayed into Newer Categories

a. Entered into Personal washes segment launching MADE SAFE™ Certified Moisturising Lotion Soaps

b. Colour Cosmetics - a portfolio of MADE SAFE™ everyday makeup in Mamaearth

The Derma Co.

1. 1% Hyaluronic Long-lasting Sunscreen

Longer sun protection with Hyaluronic powered skin hydration

2. Sali-Cinamide Anti-Acne Serum

Combines the power of 2 ingredients, Salicylic acid and Niacinamide to provide clear skin

3. Sunscreen Stick

Convenient format for easier reapplication for sun protection with skin hydration

Aqualogica

1. Glow+ Dewy Sunscreen

Hydrating, lightweight, and Non-sticky sunscreen with added protection for blue light

2. Detan+ Smoothie Face Wash

With the combination of Cherry Tomato & Glycolic Acid, this face wash fights tan for bright & glowing skin

3. Illuminate+ Oil-free Moisturiser

With the goodness of Wild Berries & Alpha Arbutin, it nourishes deeply and provides luminous glow

Dr. Sheth's

1. Haldi & Hyaluronic Acid Sunscreen

Offers one step routine for hydrated skin

2. Kesar & Kojic Daily Pigmentation Correction Cream

Daily use anti-pigmentation cream for even skin tone

3. Kesar and Kojic Acid Oil-Free Moisturiser

A dual-action formula that effectively fades pigmentation & dark spots while delivering instant hydration

BBLUNT

1. Intense Shine Shampoo and Conditioner

It smoothens and softens hair and add shine to the hair

2. Intense Moisture Heat Hair Spa Mask

Offers salon like hair spa

3. Intense Shine Hair Mask

Crafted for Indian hair, offers shiny hair with nourishment

Digital-first Omnichannel Distribution

The products of the Company are available across online and offline consumer touchpoints through its omnichannel distribution network, ensuring presence wherever the consumers prefer to shop, enhancing their convenience and accessibility.

8.7 Mn
Unique Transacting Users*

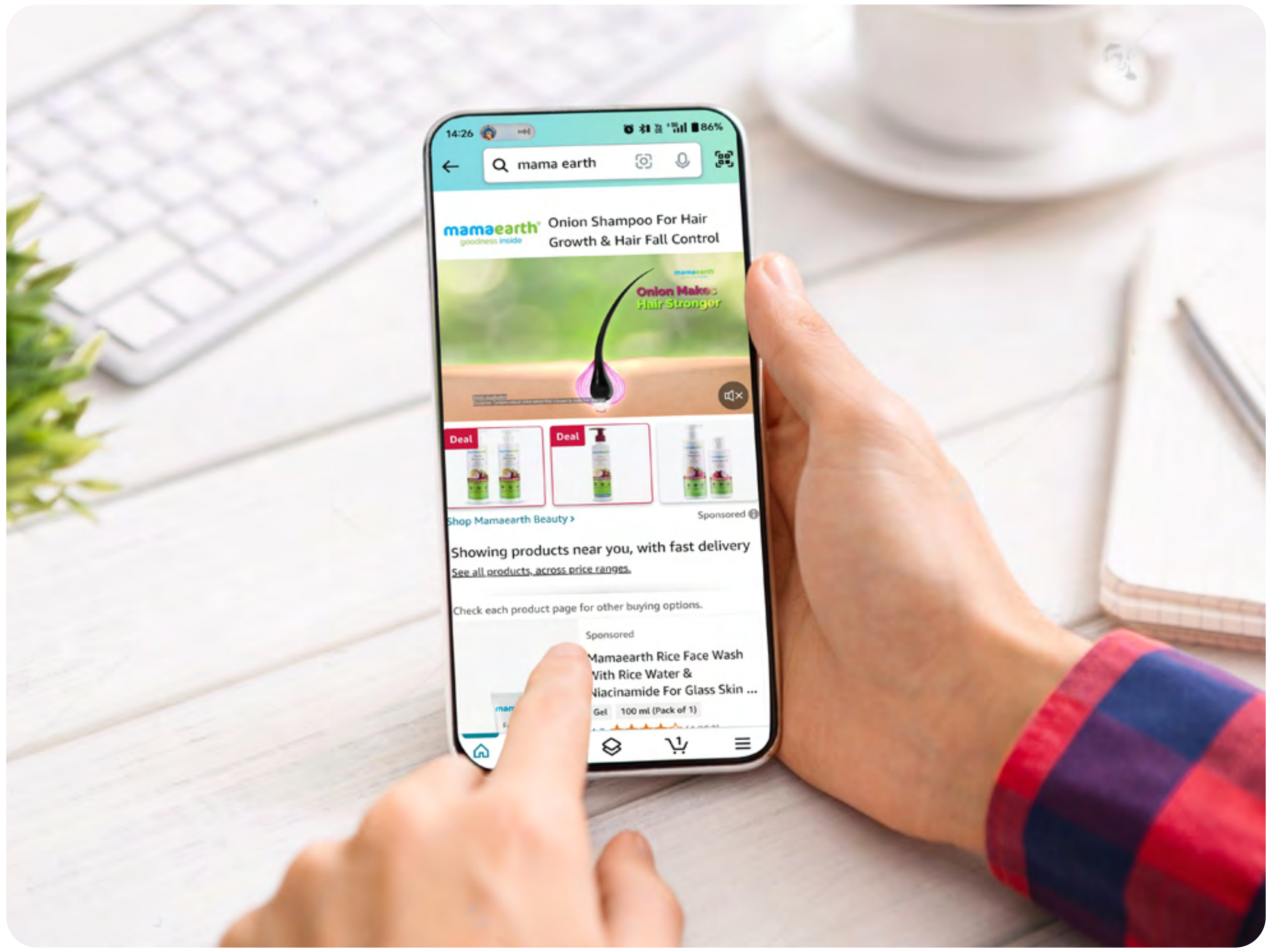
Online Channel

The Company's online channel includes direct-to-consumer (D2C) platforms (encompassing brand-specific websites, mobile sites, and mobile applications) and major e-commerce market-places, including vertical BPC-focused market-places, horizontal, multi-category market-places, and emerging platforms like Quick Commerce. Through its online channel, the Company catered to 97%+ of overall pin codes during FY 23-24. Over 56% of units purchased were from Tier-2 or below cities, aided by some e-commerce platforms that have higher penetration in these markets.

The Company used its D2C platforms to drive trials among early adopters for all new product launches and early-stage brands.

With its 'House of Brands' offering distinct propositions in fast-evolving categories, Honasa continued to disrupt especially in the online channel. For e.g., in sunscreens, by internal estimates, the Company's brands command 30%+ market share on online channels.

In FY 23-24, the company strengthened its position on e-commerce platforms. This performance was further aided by enhancing presence on platforms with stronger presence in lower pop-strata towns. Additionally, rapid growth was seen in emerging channels, with Quick Commerce emerging as one of the fastest-growing channels.



* Includes unique D2C users across all brands in the last two years

Management Discussion and Analysis

Offline Channel

The Company has created a scaled-up offline presence driven through both General Trade and Modern Trade, enhancing consumer access and broadening reach. The growth is evident with increasing value market share gains across key categories.

Mamaearth's offline presence continues to grow with presence across 1,88,377 FMCG retail* outlets across general trade and modern trade formats as of March 2024, this marks a significant increase in distribution penetration of 34% YoY. The brand also witnessed increasing counter-share at retail outlets marked by increasing Share Amongst Handlers* by 148 bps and 65 bps over last year for shampoo and face wash respectively. The Brand's modern trade outlet penetration grew to 8,000+ stores present across 30+ modern trade chains including 5,000+ stores of Apollo Pharmacy and 1,000+ stores of Reliance Retail's Smart Bazaar. As of March 2024, the brand has 111 Exclusive Brand Outlets (EBOs) which help strengthen equity for all brands in a retail environment by enabling a more personalised customer experience. A network of 600+ distributors, super distributors, and sub-stockists continues to be instrumental in serving the offline outlets.

1,88,377

FMCG Retail Outlets in India as of March 2024*

↑ 34% YoY[3]

Face Wash

+148 bps

YoY Improvement as of March 2024*

Shampoo

+65 bps

YoY Improvement as of March 2024*

Share Amongst Handlers denoting increasing share on retailers' shelves

Expansion in EBOs

100th

Mamaearth Store Opened in Mumbai

Growing Modern Trade Channel

Presence in

8,000+

Stores across

31

Modern Trade Chains

600+

Distributors + Super-Distributors + Sub-Stockists

850+

Beauty Advisors

* Source: Nielsen IQ

To further strengthen and make general trade channel more efficient and future ready, it is being transitioned to a stronger direct distribution model. This helps the brand to forge long-term partnerships with better quality distributors and bring cost efficiencies. As part of the process, the brand is also Implementing DMS-SFA across the value chain for enhanced controls and strong in-market execution

Distribution Transition

From Super-distributors Acting as Bulk Breakers for Larger Towns

I. To start business, worked with Tier-2 distributors of allied categories like baby products.

II. Data Capture: Focus on secondary sales capture

III. Distribution Structure

Company → Super Distributors → Sub Distributors → Retailers

To Direct Distribution in Top Towns Aided by Automation

I. Focusing on appointment of 'Tier -1' distributors*

II. Data Capture: Fully automated penetration of DMS-SFA with control on inventory schemes and claims and strong execution at retailers

III. Top-50 cities serviced through Direct Distributors: Distribution Structure:

Company → Direct Distributors → Retailers

IV. Rest of India Distribution Structure:

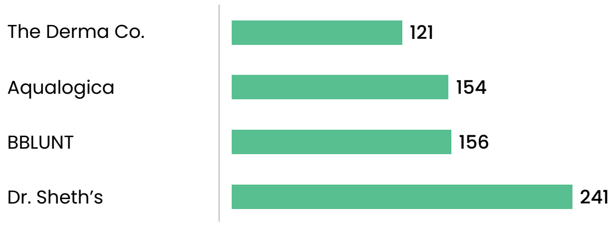
Company → Super Distributors → Sub Distributors → Retailers For Rest of India

Consumer-focused Brand-building and Engagement

The Company's brand-building activates consumer engagement initiatives across various media platforms and channels. By employing digital and traditional marketing, the Company conveys a cohesive narrative about its brands and offerings across all relevant customer touchpoints. This is evident from increasing online search volumes across brands and strengthening household penetration across key categories.

FY 23-24 vs FY 22-23 Google Search Trends Growth for Brands

(%)



* Tier-1 Distributors: Working with mature FMCG/BPC Players

Household Penetration

290 bps

Our growth in the Last 2 years in **Face Wash** Category*

110 bps

Our growth in the Last 2 years in **Shampoo** Category*

Goodness Makes You Beautiful: The campaign explores the concept that good deeds through little acts of kindness define beauty.

Honasa's comprehensive marketing strategy engages with users throughout the entire marketing funnel, from creating awareness to driving consideration and conversion for the brands. The Company has built a robust influencer community on social media, using in-house tools to engage thousands of influencers and enhance brand awareness. By producing customised, engaging content through its in-house studio and influencer network, Honasa addresses nano-marketing funnels and micro-cohorts, delivering a personalised user experience tailored to consumers' specific needs and preferences.

The Company aims to create purpose-driven brands that serve appropriate communities, as well as provide content that is relevant to its consumers.

Purpose-led Brand-building

Central to the Company's marketing strategy is purpose-driven brand building. Honasa prioritises creating brands that deeply resonate with consumers, highlighting values like sustainability, safety, and efficacy.

Additionally, the Company communicates the impact of these environmental or social impact initiatives. Please refer to the ESG section to glance through the purpose associated with each brand.

Beautiful Indians: Moving into the 3rd season, Beautiful Indians celebrate individuals from various walks of life who contribute to the world through their kindness.

Aao Banaye Diwali Beautiful: The campaign portrays instances where individuals spread joy through acts of kindness during Diwali.

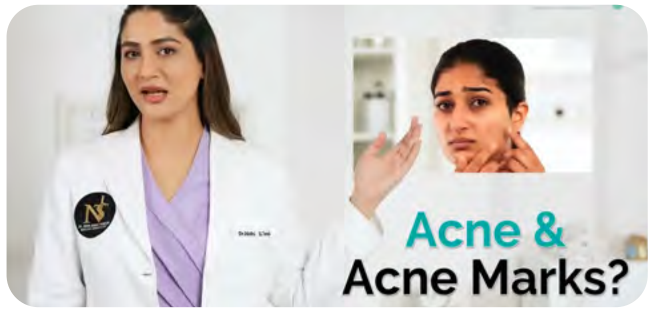
* Source: Kantar

Content-focused

Recognising millennials' preference for meaningful content, the Company crafts informative messaging using extensive consumer insights to create compelling and relevant content that resonates with its audience.

Mamaearth Shadi Wala Glow Ubtan Campaign: Picking up from the age old tradition of the goodness of Ubtan that is applied during the haldi ceremony at weddings, the campaign talks about a similar glow through Ubtan face wash.

Mamaearth Onion shampoo Campaign: This campaign emphasises that onion shampoo is India's No. 1 shampoo and reduces hair fall by up to 90%.



The Derma Co. Sali-Cinamide – Power of Two Serums Campaign: This 2-in-1 range tackles both acne & acne marks without the need of multiple products.

Aqualogica Glow+ Sunscreen Campaign: Demonstrating that suncare should be fun, this campaign emphasises about it being one stop solution for sun protection while giving a beautiful glow.

Dr. Sheth's Ceramide & Vitamin C Sunscreen Campaign: A one step solution for Sun protected brighter skin, that fades tan and reduces dark spots.

BBLUNT Hairfall Control Campaign: The campaign talks about Bblunt Hair Fall Control Shampoo reducing hair fall by 93%.

Community

The Company has established a strong influencer community across various social media platforms to enhance brand awareness.

2,700+

Influencers Engaged across Brands in FY 23-24

This extensive network enables the Company to broaden its reach, promoting trust and authenticity amongst consumers.

Review of Consolidated Financial Statements

Particulars	FY 23-24 (₹ Mn)	FY 22-23 (₹ Mn)	YoY Growth (%)
Revenue from Operations	19,199.04	14,927.48	28.6%
Sale of Products	18,815.24	14,255.12	33.0%
Sale of Services	383.8	672.36	(42.9%)
Cost of Goods Sold	5,807.28	4,467.32	
GROSS PROFIT	13,391.76	10,460.15	28.03%
GROSS PROFIT Margin %	69.8%	70.1%	
Employee Benefit Expense	1,705.63	1,648.80	3.5%
% of Revenue	8.9%	11.00%	
Advertisement Expense	6,612.80	5,302.78	24.7%
% of Revenue	34.4%	35.50%	
Other Expense	3,702.46	3,280.93	12.8%
% of Revenue	19.3%	22.00%	
EBITDA	1,370.87	227.64	502.2%
EBITDA Margin %	7.1%	1.50%	
Depreciation and Amortisation	306.17	249.64	
Finance Costs	90.41	66.63	
Other Income	497.01	225.20	120.7%
PROFIT BEFORE EXCEPTIONAL ITEMS	1,471.30	136.57	
Impairment Loss		(1,546.97)	
Profit Before Tax	1,471.30	(1,410.40)	
PBT Margin %	7.7%	(9.4%)	
Tax Expenses	366.02	99.26	
Current Tax	368.01	171.78	
Deferred Tax (credit)	(1.99)	(72.52)	
Profit After Tax	1,105.28	(1,509.66)	
PAT Margin %	5.8%	(10.1%)	

Revenue from Operations

Revenue from operations increased by 28.62% to ₹19,199.04 Million in FY 23-24 from ₹14,927.48 Million in FY 22-23.

The increase is primarily due to an increase in the sale of products by 31.99% to ₹18,815.24 Million in FY 23-24 from ₹14,255.12 Million in FY 22-23. Honasa delivered an underlying volume growth of 41% in FY 23-24, marking a volume-led growth.

The increase was due to an increase in demand and sales of products across the brand portfolio. While Mamaearth, the flagship brand, contributed most of the Company's revenue from operations, the scaling up of newer brands also contributed substantial growth during FY 23-24 led by The Derma Co. While the online channel contributed 65% of revenue, offline channel contributed 35% of the revenue for FY 23-24.

Also, in FY 23-24, Honasa introduced 122 new products (across all the brands) in the BPC market in India, contributing 18% in revenue from operations during FY 23-24.

The service business which includes BBLUNT Salon business and Just4kids service business, decreased to ₹383.80 million in FY 23-24 from ₹672.36 million in FY 22-23 due to scaling down of Just4kids business, which was impaired in FY 22-23.

Cost of Goods Sold and Gross Profit

Cost of goods sold increased to ₹5,807.28 Million in FY 23-24 from ₹4,467.33 Million in FY 22-23, the increase was in line with the increase in sales of products during FY 23-24.

The Company's Gross Profit stood at 69.8% in FY 23-24 as compared to 70.1% in FY 22-23.

Excluding the impact of the Just4kids business in the base year, which was scaled down and impaired in FY 22-23, the Gross Profit margin improved by 37 bps due to efficiencies in procurement and higher contributions from offline channels to overall business.

Employee Benefits Expense

Honasa's employee benefits expense increased by 3.45% in absolute terms to ₹1,705.63 Million (8.9% of revenue) in FY 23-24 from ₹1,648.80 Million (11% of revenue) in FY 22-23, an improvement of 220 bps in employee benefit expenses as a % of revenue YoY. Excluding the impact of the scaled-down and impaired business of Just4kids in the base year, which was primarily a service-led business with payroll contributing to most expenses, the employee benefit expenses increased by 25.6% YoY.

The absolute increase is primarily due to an annual increase in salaries, wages, and bonuses in FY 23-24 in line with the business plan, including further strengthening the organisation's capabilities across key functions and hiring resources for strengthening the offline organisation. During the year the Company also enhanced its front-line salesforce for offline operations as well as the exclusive brand outlets (EBO) team as they opened new stores during the year.

Advertisement Expense

The Company's advertisement expenses increased by 24.7% in absolute terms to ₹6,612.80 Million (34.4% of revenue) in FY 23-24, as compared to ₹5,302.78 Million (35.5% of revenue) for the FY 22-23, as it focuses on investing and increasing awareness for all its brands to gain market share and increase household penetration across key categories.

The Company saw an improvement of 108 basis points in its advertisement expenses YoY, as a % of revenue, as it continues to focus on improving efficiencies across its marketing investments while scaling brands.

Management Discussion and Analysis

Other Expenses

Honasa's other expenses increased by 12.8% in absolute terms to ₹3,702.46 Million (19.3% of revenue) in FY 23-24 from ₹3,280.93 Million (22.0% of revenue) in FY 22-23, an improvement of 270 basis points as a % of revenue YoY. This improvement is due to building leverage across supply chain costs and other overheads and scaling down of business of Just4kids which was impaired in FY 22-23.

EBITDA

EBITDA for FY 23-24 stood at ₹1,370.87 Million (7.1% of revenue) as compared to ₹227.64 Million (1.5% of revenue), showcasing a margin improvement of 562 basis points (bps). Excluding the impact of the scaled-down and impaired business of Just4kids in the base year, the EBITDA margins for FY 23-24 stood at 7.2% vs for FY 22-23 at 3.1% (an improvement of 419 basis points) led by higher scale and improving efficiencies and operating leverage across key P&L levers.

Depreciation and Amortisation Expense

Our depreciation and amortisation expenses increased by 22.64% in absolute terms to ₹306.17 Million in FY 23-24 from ₹249.64 Million in FY 22-23. The increase in the depreciation of right-of-use-assets was mainly on account of new leases for EBOs and the new corporate office, partially offset by the decrease in the amortisation of intangible assets, which was primarily on account of impairment of the carrying value of trademark and software related to Just4kids during the FY 22-23.

Finance Costs

Finance costs increased by 35.69% to ₹90.41 Million in FY 23-24 from ₹66.63 Million in FY 23-24, primarily due to an increase in interest on lease liabilities to ₹82.51 Million in FY 23-24 from ₹55.65 Million in FY 22-23. The increase in interest on lease liabilities was mainly on account of new leases for EBOs and the new corporate office.

Other Income

Other income increased by 120.70% to ₹497.01 Million in FY 23-24 from ₹225.20 Million in FY 22-23, primarily due to an increase in interest income on account of increased investments from cash generated from business (increased profit and reduced working capital) along with proceeds from the issuance of shares.

Exceptional Items

Impairment loss on goodwill and other intangible assets decreased to Nil in FY 23-24 from ₹1,546.97 Million in FY 22-23, primarily due to scaling down the business of Just4kids (Momspresso) in FY 22-23. Impairment loss on goodwill and other intangible assets in FY 22-23 was on account of an impairment loss on goodwill of ₹1,360.63 Million, an impairment loss on software of ₹19.14 Million; and an impairment loss on trademarks of ₹167.20 Million.

Tax Expenses

Total Tax expenses increased by 268.75% to ₹366.02 Million for FY 23-24 from ₹99.26 Million for FY 22-23, primarily due to an increase in current tax for FY 23-24 and decrease in deferred tax credit on account of termination of deferred tax liabilities in FY 22-23 related to software and brands impaired for Just4kids business.

Profit for the year was at ₹1,105.28 Million versus a loss of ₹1,509.66 Million in FY 22-23.

(b) Consolidated Balance Sheet

Equity and Liabilities	As on March 31, 2024 (₹ Mn)	As on March 31, 2023 (₹ Mn)	YoY Growth (%)
Assets			
PPE Including CWIP	204.23	134.25	52.1%
Goodwill	527.75	527.75	0.0%
Other Intangible Assets	1,017.51	1,036.72	(1.9%)
Right-of-Use Assets	1,242.61	825.91	50.5%
Other Financial Assets	2,008.29	790	154.2%
Other Non-Current Assets	36.66	45.14	(18.8%)
Inventories	1,228.36	1,109.77	10.7%
Investments	2,917.69	2,600.38	12.2%
Trade receivables	1,593.76	1,307.79	21.9%
Cash and Bank Balances	4,856.51	680.57	613.6%
Other Current Assets	687.07	707.58	(2.9%)
TOTAL ASSETS	**16,320.44**	**9,765.86**	**67.1%**
Equity	10,952.71	6,059.02	80.8%
Lease Liabilities	1,309.69	885.81	47.9%
Other Non-Current Liabilities	104.04	74.71	39.3%
Other Current Liabilities	1,012.93	779.61	29.9%
Trade Payables	2,941.07	1,966.73	49.5%
Total Liabilities	**5,367.73**	**3,706.86**	**44.8%**
TOTAL EQUITY AND LIABILITIES	**16,320.44**	**9,765.88**	**67.1%**

Assets

Total assets increased by 67.1% to ₹16,320.44 Million as of March 31, 2024, from ₹9,765.86 Million as of March 31, 2023. The increase is primarily attributed to the following:

(i) Increase in Other financial assets, cash and bank balances, and Investments mainly on account of increased investments through profits generated from business and proceeds from the issuance of shares during FY 23-24.

(ii) Increase in Right-of-use assets is on account of leases taken for new EBOs opened and new corporate offices taken during FY 23-24.

(iii) Increase in trade receivables is on account of the expansion of offline business and is in line with an increase in business volumes.

(iv) Increase in Inventories is in line with an increase in business volumes and the addition of new brands during FY 23-24.

Equity

Equity increased on account of issuance of shares for Initial Public Offering (IPO), and ESOP allotment.

Increase in retained earnings on account of profit generated during the FY 23-24.

Liabilities

Total liabilities increased by 44.8% to ₹5,367.73 Million as of March 31, 2024, from ₹3,706.86 Million as of March 31, 2023. The major contributors to this increase are:

(i) Increase in other current liabilities on account of increased TDS liability for ESOP exercised towards the end of the financial year.

(ii) Increase in trade payables in line with increase in business volumes.

(iii) Increase in lease liabilities is on account of leases taken for new EBOs opened and new corporate offices taken during FY 23-24.

(iv) Decrease in other financial liabilities is on account of the settlement of NCI liability during FY 23-24.

Management Discussion and Analysis

(c) Working Capital Days of Sale

The Company continues to have negative working capital, improving its working capital efficiencies by 11 days as it continued to efficiently improve key levers. This is primarily attributable to improvement in trade payables by 8 days, trade receivables by 2 days and inventory by 4 days.

Particulars	As of 31 March, 2024 (₹ Mn)	As of 31 March, 2023 (₹ Mn)
Current Assets		
Receivables (A)	1,593.76	1,307.79
Inventory (B)	1,228.36	1,109.77
Other Current Assets (C)	294.13	371.77
Total Current Assets	3,116.26	2,789.33
Current Liabilities		
Payables (D)	2,941.07	1,966.73
Provisions (E)	61.84	40.34
Income Tax Payable (F)	51.01	39.38
Current Lease Liabilities (H)	185.19	146.43
Other Financial Liabilities (I)	226.51	373.33
Other Current Liabilities (J)*	352.11	290.47
Total Current Liabilities	**3,817.73**	**2,856.69**
Net Working Capital (K = A + B + C - D - E - F - G - H - I - J)	(701.47)	(67.36)
Revenue from Operations (L)	19,199.04	14,927.48
Number of Days in Period/Year (M) (Days)	366	365
Working Capital Days (N=K/(L/M)) (Days)	(13)	(2)

* Excluding ₹321.46 Million of TDS payable on ESOP allotment during March 2024.

(d) Cash Flows

Particulars	Year Ended 31 March, 2024 (₹ Mn)	Year Ended 31 March, 2023 (₹ Mn)
Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	1,471.30	(1,410.40)
Depreciation of Property, Plant and Equipment ('PPE')	55.62	25.72
Depreciation of Right-of-Use-Assets	231.02	152.38
Interest Income	(254.32)	(110.02)
Finance Costs	90.41	66.63
Other Non-Cash Adjustments	58.85	1,932.90
Movement in Working Capital	1,024.90	(1,048.10)
Cash Flow Generated from/(Used in) Operating Activities	**2,677.78**	**(390.89)**
Income Tax Paid	(324.40)	(124.65)
Net Cash Flow Generated from/(Used in) Operating Activities [A]	**2,353.38**	**(515.54)**
Cash Flow from Investing Activities		
Capex	(117.68)	(117.19)
Sale/(Purchase) of Investments & Bank Deposits	(4,481.66)	929.17
Others	(98.88)	(383.35)
Net Cash Flow Generated (Used in)/from Investing Activities [B]	**(4,698.22)**	**428.63**
Cash Flow from Financing Activities		
Proceeds from Issuance of Equity Shares (net)	3,633.25	49.01
Repayment & Interest on Lease Liabilities	(256.76)	(153.88)
Others	(7.9)	(65.64)
Net Cash Flows (Used in)/Generated from Financing Activities [C]	**3,368.59**	**(170.51)**
Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]	**1,023.75**	**(257.42)**
Cash and Cash Equivalents at the Beginning of the Period	46.46	303.88
Cash and Cash Equivalents at the End of the Period	1,070.24	46.46

Net Cash Flows from/(Used in) Operating Activities

Net cash flow generated from operating activities was ₹2,353.38 Million in FY 23-24 as compared to net cash flow used of ₹515.54 Million in FY 22-23, primarily as a result of profit before tax of ₹1,471.30 Million for FY 23-24 as compared to loss before tax of ₹1,410.40 Million for FY 22-23, Depreciation, and other non-cash adjustments of ₹181.58 Million in FY 23-24 vs ₹520.64 million in FY 22-23 and impairment loss on goodwill and other intangible assets of ₹1,546.97 Million In FY 22-23. There is a further cash generation through working capital of ₹1,024.90 Million in FY 23-24 vs further cash used in working capital of ₹390.89 Million in FY 22-23, partially offset by income tax paid of ₹324.40 Million in FY 23-24 vs ₹124.65 million in FY 22-23.

Net Cash Flows from/(Used in) Investing Activities

Net cash used in investing activities was ₹4,698.22 Million in FY 23-24 vs net cash flow generated from investing activities was ₹428.63 Million in FY 22-23, primarily due to net Purchase of Investments & Bank deposits of ₹4,481.66 Million and settlement of NCI liability of ₹230.08 Million in FY 23-24. There was a net sale/withdrawal of Investments & Bank deposits of ₹929.17 Million partially offset by the acquisition of subsidiaries and a further acquisition of NCI aggregating ₹459.70 Million in FY 22-23.

Net Cash Flows from/(Used in) Financing Activities

Net cash generated from financing activities was ₹3,368.59 Million in FY 23-24 vs Net cash used in financing activities was ₹170.50 Million in FY 22-23, primarily consisting of proceeds from the issuance of equity shares (net of share issue expenses) of ₹3,633.25 Million in FY 23-24 vs ₹49.01 Million in FY 23. This was partially offset by principal and interest repayment of lease liabilities of ₹256.76 Million in FY 23-24 vs ₹153.88 Million in FY 22-23.

Consequently, the closing cash and cash equivalents as of March 31, 2024, is ₹1,070.21 Million vis-à-vis ₹46.46 Million as of March 31, 2023, showing a net increase of ₹1,023.75 Million.

(e) Key Financial Ratios

Particulars	FY 24	FY 23
Revenue from Operations (₹ Million)	19,199.04	14,927.48
Revenue Growth (%)	28.6%	58.2%
Gross Profit (₹ Million)	13,391.76	10,460.15
Gross Profit Margin (%)	69.7%	70.1%
EBITDA (₹ Million)	1,370.87	227.64
EBITDA Margin (%)	7.1%	1.5%
Net Profit (₹ Million)	1,105.28	(1,509.66)
Net Profit margin (%)	5.8%	(10.1%)
Basic EPS (After Exceptional Items) (₹)	3.57	(4.66)
Return on Capital Employed (%)	14.3%	(22.2%)
Working Capital Days of Sale	(13)	(2)
Invested Capital in Business	(230.02)	551.92
Inventory Turnover Ratio	16.42	16.92
Trade Receivable Turnover Ratio	13.23	15.47
Trade payables Turnover Ratio	2.42	2.74
Current Ratio	2.73	2.21
Debt- Equity Ratio	NA	NA
Interest Coverage Ratio	NA	NA
FCFF (₹ Million)	2,235.39	632.73

Return on Net Worth (RONW)

Return on Net Worth is a measure of profitability of a company expressed in percentage. It is calculated by dividing the net profit after tax attributable to equity holders of the Group by the net worth of equity shareholders of the Group.

Return on Capital Employed

Return on Capital Employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders. It measures a company's profitability and the efficiency with which its capital is used. It is calculated by dividing profit before Other Income, interest, and tax by capital employed. Capital employed is the total equity attributable to equity holders of the parent + long term debt.

Basic EPS

Earnings Per Share (EPS) is the portion of a company's profit allocated to each share. It serves as an indicator of a company's profitability. Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the period/years.

Gross Profit Margin
Gross Profit refers to revenue from operations less purchase of traded goods less increase in inventories of traded goods. Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by revenue from operations.

EBITDA and EBITDA Margin
EBITDA is calculated as restated profit /(loss) for the period/year plus tax expense, finance cost, depreciation, amortisation expenses, and exceptional items (impairment loss on goodwill and other intangible assets) less other income. EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Net Profit Margin
The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing net profit by turnover.

Working Capital Days of Sale
Working Capital Days of Sale is calculated as Net Working Capital divided by revenue calculated daily.

Inventory Days of Sale
Inventory Days of Sale are calculated as closing inventory divided by revenue calculated daily.

Trade Receivables Days of Sale
Trade receivables Days of Sale are calculated as closing trade receivables divided by revenue calculated daily.

Trade Payables Days of Sale
Trade payables Days of Sale are calculated as closing trade payables divided by revenue calculated daily.

Free Cash Flow to the Firm (FCFF)
FCFF is a measurement of a company's profitability after all expenses and reinvestments. FCFF is calculated by deducting the capital expenditure from net cash flow generated/ (used in) from operating activities.

Supply Chain and Logistics

The integrated supply chain, extending across six cities in India, is a cornerstone of the Company's operational efficiency. Comprising 11 warehouses managed both internally and through third-party partners, the distribution network ensures timely delivery to consumers, modern trade accounts, distributors, and super-stockists. Leveraging data and technology, the supply chain operates with precision and agility. Pin-code-level data informs strategic decisions on warehouse placement and capacity planning, while the Enterprise Resource Planning and Order Management System streamlines operations from procurement to distribution.

End-to-end inventory visibility, facilitated by the data analytics team, enables algorithm-driven inventory allocation, optimising efficiency across the network. Moreover, machine learning tools drive demand forecasting and replenishment, empowering the Company to respond nimbly to market and channel dynamics. This tech-driven approach extends to a digital-first strategy, where distinct product catalogues cater to online and offline channels, ensuring a seamless customer experience.

Technology

Technology serves as the cornerstone of Honasa's business strategy, enabling seamless integration across all brands, channels, and supply chain operations. The comprehensive technology stack encompasses five key components, each geared towards enhancing efficiency and driving growth. The shopping stack supports direct-to-consumer channels, encompassing consumer-facing applications, backend functionalities, and third-party integrations to optimise demand forecasting, inventory management, and logistics. With a dedicated in-house tech team, the Company continuously enhances its platform capabilities, ensuring scalability and adaptability.

Data Warehouse and Consumer 360° View

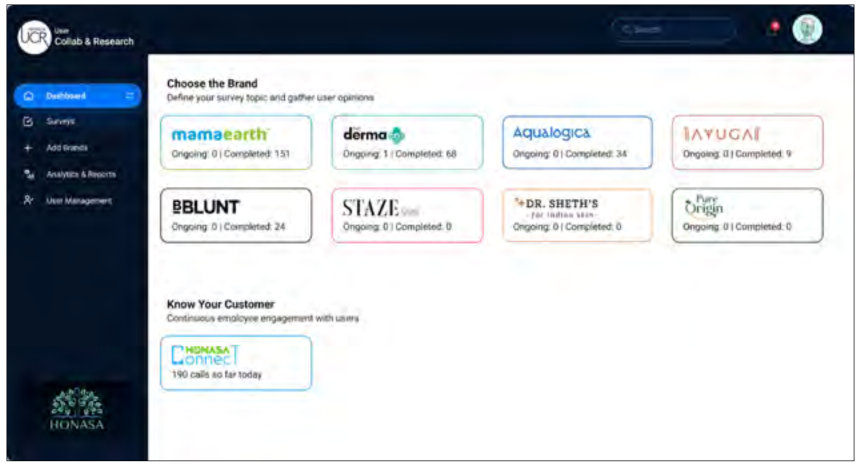
Shopping Stack

Customer Facing Applications
- Website
- App
- Mobile Website

Backend Applications
- Product Cataloguing
- Demand Forecasting
- Search Optimisation
- Inventory Management
- Promotions Optimisation
- Warehouse Management
- Loyalty Programme Management
- Order Management
- Seamless Checkout Management
- Payments Management
- Customer Support Services
- Supply Chain and Logistics Management

Organisational Product Suite
- Innovation
- Marketing
- Supply Chain
- UCR
- Online Competitive Intelligence
- Keyword Search
- Social Listening
- Influencer Marketing

Business Efficiency Drivers
- IT and Operations Support Infrastructure
- SAP and ERP Systems
- Sales Force Automation
- Distributor Management System
- Demand Planning
- Order Management System



The robust data warehouse and consumer 360° views empower Honasa with real-time insights, enabling personalised consumer experiences, enhanced customer share of wallet, and optimised channel strategies. Through an organisational product suite, including proprietary tools like User Conversational Research and Online Competitive Intelligence, the Company innovates products faster, optimises marketing strategies, and captures emerging trends.

Business efficiency drivers, such as ERP, OMS, and Demand Planning, streamline operations, facilitating data-driven decisions and agile responses to market dynamics. Moreover, the focus on information security and data privacy underscores Honasa's commitment to safeguarding customer data and preventing breaches.

Management Discussion and Analysis

People and Culture

As of FY 23-24, the Company employed 842 permanent full-time staff on a standalone basis across a variety of business functions. In addition, the Company also engaged the services of contractors and consultants during this fiscal year to support its operations.

The workforce at Honasa is characterised by diversity, with women comprising over 53%* of the employees.

Number of On-roll Employees for the Standalone Entity by Departments as on March 31, 2024

Department	Number of Employees
Management	6
Revenue	442
Marketing	91
Finance	48
Innovation	56
Supply Chain and Operations	53
Human Resources	24
Brand Factory	25
Tech, Product and Data	72
Corporate Communication	3
Legal and Regulatory	6
Strategy	16
Total	**842**

ESG

Environmental, Social, and Governance (ESG) principles are deeply ingrained in the organisational ethos, driving Honasa's commitment to sustainability, societal welfare, and ethical governance. The Company's purpose-driven approach extends across all brands, products, processes, and operations, reflecting ongoing dedication to these three pillars.

In terms of environmental sustainability, initiatives like 'Plant Goodness' demonstrate Honasa's commitment to reducing carbon footprints and enhancing environmental quality through tree planting. Geo-tagging each tree ensures transparency and accountability. Furthermore, as a plastic-positive organisation, the Company has actively contributed to plastic recycling, surpassing the amount of plastic used in all products.

On the social front, initiatives like 'Redefining Beauty' under the Mamaearth brand and initiatives undertaken through The Derma Co., Aqualogica, and BBlunt reflect the dedication to giving back to society. From recognising acts of goodness to providing education, clean drinking water, and upskilling opportunities, the Company strives to make a positive impact on communities.

* Based on the on-roll and off-roll employees of the consolidated entity

Mamaearth | PLANT GOODNESS

- **6,00,000+ Trees Planted:** Supporting environmental sustainability through extensive tree planting initiatives
- **3,800 Acres of Land Greened:** Contributing to the restoration and preservation of natural habitats
- **12,000+ Tonnes of Fruit Production:** Promoting agricultural productivity and rural livelihoods
- **500k Tonnes of Oxygen to be Generated:** Contributing to cleaner air and a healthier environment

The Derma Co. | YOUNG SCIENTISTS

- **20,000+ Students Engaged:** Inspiring and educating future generations in Bengaluru and Chennai
- **76 Schools in Bengaluru and Chennai:** Partnering with educational institutions to enhance learning experiences
- **42%+ Knowledge Improved:** Empowering students with valuable scientific knowledge and skills

Aqualogica | FRESH WATER FOR ALL

- **500+ Households have Access to Potable Water:** Ensuring clean and safe drinking water for communities
- **400+ Hours Saved Daily:** Enhancing productivity and quality of life
- **100% Women-Focused Interventions:** Supporting gender equality and women's empowerment

BBLUNT | SHINE ACADEMY

- **10,000+ Women Certified:** Empowering women with skills and certifications in hair care and styling
- **11 States:** Promoting education and professional development across diverse regions

Ethical governance is at the core of the Company's operations, upheld by a distinguished board and supported by independent directors who ensure adherence to high corporate governance standards. Multiple committees, including those for audit, risk management, and corporate social responsibility, bolster oversight and governance across key functions, fostering trust and transparency. Additionally, Honasa works with one of the Big 4 for statutory audits and a top-tier internal auditor to strengthen the corporate governance framework. The workplace diversity, with more than half of the workforce comprising females supported by strong systems and processes, further buttresses the framework.

Information Security and Data Privacy

Honasa's information security and data privacy framework contain guidelines for protection against security threats to technology and information systems, specifies procedures to protect customer data, and contains guidelines on the usage of customer data. Under the policy guidelines, the Company does not transmit any customer data to external third parties, including third-party databases. To prevent any data breaches, the Company has implemented various measures such as firewall protection, virtual private network access (VPN), and 2-factor authentication systems to restrict unauthorised access to the systems and servers. Regular malware scanning is conducted to detect and prevent data breaches. During the year, the Company engaged one of the Big 4s and is now ISO 27001 compliant and ready.

Management Discussion and Analysis

Risk Management

The Board has established a Risk Management Committee (RMC) to develop, implement, and oversee the Company's risk management framework. The RMC plays a critical role in monitoring and reviewing these procedures to ensure their ongoing effectiveness. In addition, the Audit Committee provides supplementary oversight, focusing specifically on financial risks and controls.

Strategic risks that impact the Company are identified through a robust Enterprise Risk Management exercise. This process involves identifying risk owners and implementing mitigation measures. Progress on these strategic risks is closely monitored and reported to the RMC periodically.

The Governance, Risk and Compliance team drives the Company's risk management initiatives. They conduct regular assessments to identify, prioritise, and mitigate operational, financial, strategic, and regulatory risks. These efforts are coordinated across the Company to ensure comprehensive risk management. Furthermore, a detailed risk register is maintained and updated regularly to track identified risks and ensure they are effectively mitigated. This structured approach underscores the Company's commitment to proactive risk management and transparency, reflecting its efforts to safeguard the Company's interests and enhance long-term sustainability.

Key Enterprise Risks

Operational Risks

1. **Brand Reputation:** refer to potential threats or hazards that can adversely affect a company's image or standing in the eyes of its stakeholders, including customers, investors, and the public.
2. **Offline Scale Risks:** refer to challenges in expanding physical retail operations in a way that supports long-term growth and profitability. This risk can lead to operational inefficiencies, inconsistent customer experiences across locations, and difficulty in adapting to changing market conditions.
3. **Supplier Concentration Risks:** refer to the potential vulnerability a business faces when it relies heavily on a small number of suppliers for its goods or services. This risk arises because disruptions such as supplier bankruptcies, production issues, or geopolitical factors can significantly impact the availability, cost, or quality of essential inputs.
4. **Revenue Vulnerability from SKU Concentration:** refer to the vulnerability of a business when a significant portion of its sales revenue is derived from a limited number of Stock Keeping Units (SKUs). Dependency on a few SKUs can expose the business to fluctuations in demand, inventory management challenges, and increased risk of revenue loss if consumer preferences shift or if there are disruptions in the supply chain related to those specific products.
5. **Leadership Attrition and Talent Retention:** refer to the potential negative impact on an organisation when key leaders and talented employees leave the Company. Leadership attrition can disrupt strategic direction, weaken organisational stability, and lead to a loss of institutional knowledge.
6. **Supply Chain Disruptions:** refer to unexpected events that interrupt the normal flow of goods and materials within a supply chain. These disruptions can be caused by various factors, including natural disasters, geopolitical events, transportation issues, supplier failures, and pandemics.
7. **Natural Calamities and Epidemics:** refer to the potential adverse impact on business operations caused by natural disasters (such as earthquakes, floods, and hurricanes) and widespread health crises (such as epidemics or pandemics).

Strategic Risks

1. **Unsuccessful New Product and Brand Launches:** refer to the potential negative impact on a company when new products or brands fail to meet market expectations or achieve projected sales targets.
2. **Success of Exclusive Brand Outlets:** refer to the potential challenges and uncertainties associated with the performance and profitability of a company's exclusive brand outlets (EBOs).

Sectoral Risks

1. **Dependence on Third-party E-commerce Platforms:** the risk of dependence on third-party e-commerce platforms refers to a situation where a company relies heavily on external online marketplaces to sell its products.
2. **Competition Risk:** refer to the potential challenges and threats that arise from competitors within the same industry or market.

Financial Risks

1. **Inflation Risk:** refer to the possibility that rising inflation rates will negatively impact the purchasing power of money, leading to increased costs for businesses.

IT Risks

1. **Failure of Critical IT infrastructure, Applications, and Systems:** refer to the potential disruptions or breakdowns in essential technological components that are crucial for business operations.
2. **Security Breaches and Cyberattacks:** refer to deliberate attempts by unauthorised individuals or entities to gain access to sensitive information, disrupt operations, or cause damage to computer systems, networks, or digital assets of an organisation.

ESG Risks

1. **Ethics, Compliance, Legal and Regulations:** refer to the potential challenges and consequences arising from ethical breaches, non-compliance with laws and regulations, or failure to adhere to industry standards.

Risk Mitigation and Future Direction

In response to significant growth and expanded business operations, the Company is currently improving its existing Risk Management framework to better fit with its strategic objectives.

The Risk Management Policy is being refreshed to update the roles and responsibilities of each stakeholder, criteria of risk prioritisation along with assessment of existing and any new risks that the Company might have been exposed to.

The Company will continue to periodically report key risks to the Board or RMC to ensure effective risk management and mitigation.

Directors' Report

Dear Members,

The Board of Directors are pleased to present the 8th Annual Report of Honasa Consumer Limited **("the Company")** together with the audited financial statements for the financial year ended March 31, 2024.

FINANCIAL PERFORMANCE- AN OVERVIEW

Key highlights of the financial performance of the Company for the financial year 2023-24 are provided below:

(₹ in Million)

Particulars	Consolidated		Standalone	
	2023-24	2022–23	2023-24	2022-23
Revenue from operations	19,199.04	14,927.48	17,643.89	13,948.03
Other Income	497.01	225.20	481.35	204.36
Total Income	**19,696.05**	**15,152.68**	**18,125.24**	**14,152.39**
Expenditure other than Depreciation and Finance cost	17,828.17	14,699.84	16,241.83	13,501.49
Finance Cost				
- Interest and Bank Charges	90.41	66.63	71.90	50.57
- Derivative Gain (net)	-	-	-	-
- Foreign Exchange (Gain)/Loss (net)	-	-	-	-
Depreciation and Amortisation Expenses	306.17	249.64	228.72	147.80
Total Expenditure	**18,224.75**	**15,016.11**	**16,542.45**	**13,699.86**
Profit before share of Profit/(Loss) from joint ventures, exceptional items and tax	**1,471.30**	**136.57**	**1,582.79**	**452.53**
Share of Profit/(Loss) from joint venture (net)	-	-	-	-
Profit before exceptional items and tax	**1,471.30**	**136.57**	**1,582.79**	**452.53**
Add/(Less): Exceptional Items	-	(1,546.97)	-	(1,525.37)
Total Tax Expense/(Credit)	366.02	99.26	373.13	132.72
Profit/(Loss) for the year	**1,105.28**	**(1,509.66)**	**1,209.66**	**(1,205.56)**
Other Comprehensive (Loss)/Income (net of tax)	**1.15**	**2.79**	**2.32**	**2.34**
Total Comprehensive (Loss)/Income for the year (net of tax)	**1,106.43**	**(1,506.87)**	**1,211.98**	**(1,203.22)**
Attributable to:				
Equity holders of the parent	1,118.90	(1,425.32)	-	-
Non-controlling interests	(12.47)	(81.55)	-	-

REVIEW OF OPERATIONS

In financial year 2023-24, the Company reported a revenue of ₹17,643.89 million as compared to ₹13,948.03 million in the previous year. Net profit (after tax) for the year is ₹1,209.66 million as compared to loss of ₹(1,205.56) million in the previous year.

At consolidated level, the Company reported a revenue of ₹19,199.04 million as compared to ₹14,927.48 million in the previous year. Net profit (after tax) for the year is ₹1,105.28 million as compared to loss of ₹(1,509.66) million in the previous year.

DIVIDEND

The Board does not recommend any dividend on the equity shares of the Company for the financial year ended March 31, 2024 considering that the company is in growth stage and require funds to support its growth objectives.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website on https://honasa.in/wp-content/uploads/2023/08/Dividend-Distribution-Policy.pdf

AMOUNTS TRANSFERRED TO RESERVES

During the year under review, the Company has not transferred any amount to reserves and has decided to retain the entire amount of profit for the financial year 2023-24 appearing in the statement of profit and loss.

SHARE CAPITAL

(i) Authorised Share Capital

During the financial year under review, the Company has not made any change in authorised share capital of the Company.

(ii) Issued, Subscribed and Paid-Up Share Capital

The issued, subscribed and paid-up share capital of the Company as on March 31, 2024 is ₹3,24,24,41,570/- (Rupees Three Hundred Twenty Four Crore Twenty Four Lakh Forty One Thousand Five Hundred Seventy only), divided into 32,42,44,157 (Thirty Two Crore Forty Two Lakh Forty Four Thousand One Hundred Fifty Seven) equity shares of ₹10/- (Rupees Ten only) each. Details of issuance of equity shares done by the Company during the financial year under review are given hereunder:

S. No.	Date of Issue	Brief Details	No. of Equity Shares
1.	October 03, 2023	Issuance of equity shares pursuant to conversion of 13,213 0.001% Class A to F Non-Cumulative Compulsory Convertible Preference Shares of the Company in the ratio of 1:12900.	17,04,47,700
2.	October 10, 2023	Issuance against exercise of options granted under Honasa Consumer Limited Employees Stock Option Plan – 2018 (ESOP 2018).	36,95,191
3.	November 03, 2023	Issuance under Initial Public Offer.	1,12,67,530
4.	March 13, 2024	Issuance against exercise of options granted under Honasa Consumer Limited Employees Stock Option Plan – 2018 (ESOP 2018) and Honasa Consumer Limited Employees Stock Option Plan - 2021 (ESOP 2021).	24,97,400

(iii) Equity shares with differential voting rights and sweat equity shares

During the financial year under review, the Company has neither issued the equity shares with differential voting rights nor issued sweat equity shares in terms of the Companies Act, 2013.

(iv) Listing of Equity Shares on Stock Exchanges

During the financial year under review, the Company came out with an Initial Public Offer **("IPO")** of its equity shares aggregating to ₹17,014.40 million comprising of combination of fresh issue aggregating to ₹3,650 million and offer for sale aggregating to ₹13,364.40 million. The issue was open for subscription from October 31, 2023 to November 02, 2023. The equity shares of the Company have been listed on BSE Limited **("BSE")** and the National Stock Exchange of India Limited **("NSE")** w.e.f. November 07, 2023.

UTILISATION OF PROCEEDS OF INITIAL PUBLIC OFFER

Details of utilisation of proceeds of IPO including deviation or variation, if any for the financial year under review, is given herein below:

(₹ in Millions)

Particulars of Issue	Shares Issued	Net Proceeds Received	Amount Utilised	Deviation(s) or Variation(s) in the use of proceeds of issue, if any
Fresh Issue	1,12,67,530	3,504.92	63.30	There were no instances of deviation(s) or variation(s) in the utilisation of proceeds of IPO as mentioned in the objects of Offer in the Prospectus dated November 02, 2024, in respect of the IPO of the Company.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

As on March 31, 2024, the Company has following 6 (Six) Wholly Owned Subsidiaries **("WOS")** in India and Abroad:

(i) Bhabani Blunt Hair Dressing Private Limited

(ii) B:Blunt-Spratt Hairdressing Private Limited

(iii) Fusion Cosmeceutics Private Limited

(iv) Just4kids Services Private Limited

(v) Honasa Consumer General Trading LLC., Dubai

(vi) PT Honasa Consumer Indonesia

Just4kids Services Private Limited became a WOS of the Company w.e.f. August 31, 2023.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and in accordance with applicable accounting standards, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is annexed as **Annexure - I** to this report.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the Company's subsidiaries have been placed on the website of the Company at https://honasa.in/investor/.

The Company has formulated a Policy for determining Material Subsidiaries. The said policy is available on the website of the Company at https://honasa.in/wp-content/uploads/2024/07/Policy-to-Determine-Material-Subsidiary.pdf. During the year under review, there were no material subsidiaries of the Company, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section, forming part of the Annual Report.

MATERIAL CHANGES AND COMMITMENTS

The Company had filed a Scheme of Arrangement **("Scheme")** under Sections 230 and 232, and other applicable provisions, of the Companies Act, 2013, before the Hon'ble National Company Law Tribunal, New Delhi and Hon'ble National Company Law Tribunal, Chandigarh on April 28, 2024 and April 30, 2024 respectively.

Pursuant to the Scheme, Fusion Cosmeceutics Private Limited and Just4kids Services Private Limited, Wholly Owned Subsidiaries of the Company, were proposed to be amalgamated into and with the Company.

The Scheme was approved by the Board of Directors on April 19, 2024. The rationale for the proposed Scheme was to prevent cost duplication and bring in financial efficiencies of a holding structure, to contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion, greater access to different market segments and development of the respective businesses.

The Scheme is effective from the appointed date i.e. May 01, 2024. The appointed date is the date with effect from which the Scheme shall be deemed to have become operative and the entire business and undertaking of Transferor Company, together with its assets, rights, benefits, interests, licenses, contracts, investments, intellectual properties, liabilities, transferred employees, funds and obligations, is proposed to stand transferred to and vested in the Company. Since Fusion Cosmeceutics Private Limited and Just4kids Services Private Limited are Wholly Owned Subsidiaries of the Company, no new shares will be issued pursuant to the Scheme.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year ended March 31, 2024.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal financial controls commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

Internal Audit Reports are discussed in the Audit Committee meetings to review adequacy and effectiveness of the Company's internal control environment and necessary action are taken to strengthen the control in the required areas of business operations. The process is in place to monitor the implementation of audit recommendations, including those relating to strengthening of the Company's risk management systems.

Based on the assessment carried out by the management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate internal financial control systems that is operating effectively as on March 31, 2024.

There were no instances of fraud which necessitates reporting of material misstatement to the Company's operations.

DEPOSITS

During the financial year 2023-24, the Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS

(i) Statutory Auditors and Statutory Auditor's Report

The Company's existing Statutory Auditors, S.R. Batliboi & Associates LLP, Chartered Accountants, were appointed by the members at the 3rd Annual General Meeting **("AGM")** of the Company, for a period of 5 years, to hold office until the conclusion of the 8th AGM to be held for financial year 2023-24. The period under review was the fifth year of the audit by S.R. Batliboi & Associates LLP in the Company. The Board of Directors at its meeting held on May 23, 2024, has recommended re-appointment of S.R. Batliboi & Associates LLP as Statutory Auditors of the Company for a second and remaining term of five consecutive years from conclusion of the 8th AGM until the conclusion of the 13th AGM of the Company to be held for the financial year 2028-29.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed thereunder, the Statutory Auditors have confirmed that they are eligible to continue with their re-appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

The Statutory Auditors have given unmodified opinion on the audited financial statements (standalone and consolidated) of the Company for the financial year ended March 31, 2024, which forms part of this Annual Report. The Statutory Auditors have given no qualification, reservation or adverse remark or disclaimer in its report. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013.

(ii) Secretarial Audit and Secretarial Auditor's Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules made thereunder as amended from time to time, Arora Shekhar & Company, Practicing Company Secretaries (CP No.: 14145) were appointed as Secretarial Auditors of the Company to conduct Secretarial Audit of the Company for the financial year ended March 31, 2024.

The Secretarial Audit Report for the financial year ended March 31, 2024 as submitted by Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure - II**.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Secretarial Auditors in their Secretarial Audit Report that requires to call for any explanation from the Directors.

The Company has submitted the secretarial compliance report with stock exchanges in compliance of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on May 28, 2024 and the same can be accessed on the website of the Company at https://honasa.in/wp-content/uploads/2024/06/Annual-Secretarial-Compliance-Report_31.03.24.pdf.

(iii) Cost Auditor

Maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.

(iv) Internal Auditor

BDO India Limited Liability Partnership, was appointed as the Internal Auditors of the Company for the financial year ended March 31, 2024 and the report given by the Internal Auditors has been reviewed by the Audit Committee from time to time.

On the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 23, 2024 had approved the appointment of BDO India Limited Liability Partnership as the Internal Auditors of the Company for the financial year ending March 31, 2025.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMPs)

As on March 31, 2024, the Company has 6 (Six) Directors with an optimum combination of Executive and Non-Executive Directors including 2 (Two) Women Director.

The Board comprises of 4 (four) Non-Executive Directors, out of which 3 (three) are Independent Directors.

(i) Appointment/Re-appointment

Mr. Varun Alagh (DIN: 07597289) and Ms. Ghazal Alagh (DIN: 07608292) were appointed as Whole Time Directors for a period of five years and their term of five years will be expiring on December 31, 2024. The Nomination and Remuneration Committee after considering the performance evaluation, their contribution in the Board/Committee Meetings, and their skill, background and experience have recommended to the Board their re-appointment as Whole Time Directors liable to retire by rotation for a period of five years i.e. upto December 31, 2029, subject to approval of the members of the Company by way of Ordinary Resolution at the ensuing Annual General Meeting of the Company.

The resolutions seeking members approval for their re-appointment forms part of the Notice of Annual General Meeting.

Pursuant to Regulation 17(1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of a Director serving on the Board of Directors of a listed entity shall be subject to the approval by the members in a General Meeting at least once in every five years from the date of their appointment or reappointment. Mr. Ishaan Mittal (DIN: 07948671) was appointed as Non-Executive Nominee Director of the Company w.e.f. January 03, 2020 and will complete his first term of five years on January 02, 2025. Therefore, in view of the above requirement the Nomination and Remuneration Committee in terms of requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have recommended to the Board the continuation of Mr. Ishaan Mittal as a Non-Executive Nominee Director not liable to retire by rotation for a period of five years i.e. upto January 02, 2030, subject to approval of the members of the Company by way of Ordinary Resolution at the ensuing Annual General Meeting of the Company.

(ii) Key Managerial Personnel (KMPs)

In accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are the Key Managerial Personnel of the Company:

(i) Mr. Varun Alagh – Chairman, Chief Executive Officer and Whole Time Director;

(ii) Ms. Ghazal Alagh – Whole Time Director;

(iii) Mr. Raman Preet Sohi – Chief Financial Officer; and

(iv) Mr. Dhanraj Dagar – Company Secretary & Compliance Officer

During the financial year under review, there has been no change in the KMP(s) of the Company.

(iii) Resignation of Director(s) and KMP(s)

During the financial year under review, no Director(s) and KMP(s) resigned from the Company.

(iv) Director liable to retire by rotation

Ms. Ghazal Alagh (DIN: 07608292), Whole Time Director in the Company, retires by rotation at the ensuing Annual General Meeting **("AGM")** of the Company and being eligible, has offered herself for re-appointment as per the provisions of the Companies Act, 2013. A resolution seeking approval of the members for her re-appointment forms part of the Notice of the AGM.

(v) Declarations and Confirmations on Independent Director(s)

a. The Company has received necessary declaration from each Independent Director under Section 149(6) of the Companies Act, 2013 that he or she meet the criteria of independence laid down under the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the Management.

b. The Board has reviewed integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year; and

c. In terms of Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, there has been no change in the circumstances affecting their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board. Further in terms of Section 150 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, the Independent Directors of the Company have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committees of the Company.

(vi) Familiarisation Programme for Independent Directors

Disclosure pertaining to familiarisation programme for Independent Directors is provided in the Corporate Governance Report forming part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year under review the Board met 14 (fourteen) times. The maximum interval between any two meetings did not exceed 120 days. Details of the meetings of the Board along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report forming part of this Annual Report.

BOARD COMMITTEES

During the year under review, with a view to comply with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with an objective to further strengthen the governance standards, the Board had constituted following Committees:

a. Audit Committee

b. Stakeholder's Relationship Committee

c. Nomination and Remuneration Committee

d. Corporate Social Responsibility Committee

e. Risk Management Committee

f. Initial Public Offer Committee

The composition of the Committees of the Board and the details regarding meetings of the Committees constituted by the Board are set out in the Corporate Governance Report, which forms part of this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company is committed to maintain an ethical workplace that facilitates the reporting of potential violations of the Company's policies and the applicable laws. To promote the highest ethical standards, the Company encourages its employees who have concern(s) about any actual or potential violation of the legal & regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. any claim of theft or fraud, and any claim of retaliation for providing information to or otherwise assisting the Audit Committee, to come forward and express his/her concern(s) without fear of punishment or unfair treatment.

Pursuant to the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a robust Vigil Mechanism for Directors and Employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy/Vigil Mechanism provides that the Company investigates in such incidents, when reported, in an impartial manner and shall take appropriate action as and when required to do so.

During the financial year under review, no complaints were reported. The Whistle-blower policy is available on the Company's website and can be accessed at https://honasa.in/wp-content/uploads/2023/08/Whistle-Blower-Policy.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and amendment thereof, the Board has constituted a Corporate Social Responsibility **("CSR")** Committee. The composition of the CSR Committee is provided in the Corporate Governance Report, which forms part of this Annual Report.

A brief outline of the CSR Philosophy, the CSR initiatives undertaken during the financial year 2023-24 together with progress thereon and the report on CSR activities in the prescribed format, as required under Section 134(3)(o) read with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in **Annexure - III** to this Report and the CSR Policy can be accessed using the link https://honasa.in/wp-content/uploads/2023/08/CSR-Policy.pdf.

RELATED PARTY TRANSACTIONS

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and materiality of Related Party Transactions and the related party framework, formulated and adopted by the Company.

All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length. All transactions entered into with related parties were approved by the Audit Committee of the Company. During the year under review, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014. Accordingly, there are no transactions that are required to be reported in Form AOC-2.

In line with the requirement of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has formulated a Policy on Related Party Transactions for identifying, reviewing, approving and monitoring of Related Party Transactions and the same is available on the website of the Company at https://honasa.in/wp-content/uploads/2023/08/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS

Details of loans given, investments made or guarantees given or security provided as per the provisions of Section 186 of the Companies Act, 2013 and Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the notes forming part of the financial statements provided in this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of the Company, the particulars with respect to conservation of energy and technology absorption required as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

The foreign exchange earnings and outgo are as below:

Particulars	(₹ in Millions)
Foreign Exchange earned	339.04
Foreign Exchange outgo	285.67

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2024 in Form MGT – 7 in accordance with Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 as amended from time to time and the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://honasa.in/wp-content/uploads/2024/07/Annual-Return-FY-2023-24.pdf.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review no significant and material order has been passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS OF REMUNERATION OF DIRECTORS AND EMPLOYEES

Disclosure comprising particulars with respect to the remuneration of directors and employees and other details, as required to be disclosed in terms of the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure IV** to this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Rules, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Report. Further, the Report and the Annual Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary at dhanraj.d@honasa.in.

The Company has adopted Policy on Remuneration for Directors, Key Managerial Personnel and other Employees which sets out criteria for the remuneration for Directors and Key Managerial Personnel ('KMP') which can be accessed at: https://honasa.in/wp-content/uploads/2023/08/Nomination-Remuneration-Policy.pdf

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Company believes that transparent, accurate and comprehensive disclosure practices not only aid in strategic decision-making but also help in demonstrating incremental value created for all groups of stakeholders.

The Business Responsibility and Sustainability Report for the year under review, as stipulated under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by the Company on environmental, social and governance perspective, annexed as **Annexure - V** to this report.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Annual Report. The requisite Certificate from Arora Shekhar and Company, Company Secretaries confirming compliance of conditions of Corporate Governance is also annexed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors have prepared the annual accounts on a going concern basis;

e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RISK MANAGEMENT

Risk Management is integral to the Company's strategy and for the achievement of our long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities while managing the risks.

The Company has a risk management framework in place working at various levels across the enterprise designed to identify, assess and mitigate risks appropriately. These levels form the strategic defence cover of the Company's risk management with an organisational structure for managing and reporting on risks.

The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits.

Our approach to risk management is designed to provide reasonable assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Company's Senior Management, the Audit Committee, the Risk Management Committee and the Board.

The Company endeavours to continually sharpen its Risk Management Systems and processes in line with a rapidly changing business environment. There are no risks which in the opinion of the Board threaten the existence of the Company. Details of various risks faced by the Company are provided in the Management Discussion & Analysis Report.

The Company has framed and implemented a Risk Management Policy in terms of the provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the assessment and minimisation of risks, which can be accessed at https://honasa.in/wp-content/uploads/2023/08/Risk-Management-Policy.pdf.

The Company is committed to the highest standards of health, safety and environment practices within the organisation and the extended areas within our influence, with an aim to provide safe and healthy working environment to our employees, customers, business partners, suppliers and visitors.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment.

The Company has in place robust policy on prevention, prohibition and redressal of complaints relating to sexual harassment at workplace which is applicable to the Company as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 **("POSH Act")**. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and conclusively handled during the financial year 2023-24:

Particulars	Number of Complaints
Number of complaints received	0
Number of complaints disposed off	0
Number of complaints pending as on end of the financial year	0

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The Audited Financial Statements of the Company are drawn up, both on standalone and consolidated basis, for the financial year ended March 31, 2024, in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 of the Companies Act, 2013, read with relevant Rules and other accounting principles. The Consolidated Financial Statement has been prepared based on the financial statements received from subsidiaries, as approved by their respective Board of Directors.

EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter alia, the criteria for performance evaluation of the entire Board of the Company, its committees and individual directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the financial year 2023-24 in accordance with the framework. The details of evaluation process of the Board, its Committees and individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

The Policy on Board of Directors' Evaluation Framework can be accessed at: https://honasa.in/wp-content/uploads/2023/08/Policy-on-Board-Evaluation-and-Performance.pdf.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Company grants employee stock options that would enable the employees to share the value they create for the Company in the years to come. Accordingly, pursuant to the approval of the Board and the members of the Company and in terms of the provisions of applicable laws, the Company has duly implemented the:

a) Honasa Consumer Limited Employee Stock Option Plan 2018 **("ESOP 2018")**

b) Honasa Consumer Limited Employee Stock Option Plan 2021 **("ESOP 2021")**

The Nomination and Remuneration Committee is entrusted with the responsibility of administering the ESOP 2018 and ESOP 2021. The Equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited effective from November 07, 2023. Post IPO of its equity shares, as per requirement of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat

Equity) Regulations, 2021, ESOP Schemes were ratified by the Shareholders of the Company by way of postal ballot on January 28, 2024. There is no material change in the ESOP Schemes and they are in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions of law.

The applicable disclosures as stipulated under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with regard to Employees Stock Option Plan of the Company are available on the website of the Company and weblink for the same is www.honasa.in.

A certificate from Arora Shekhar and Company, Company Secretaries, the Secretarial Auditor of the Company, confirming that the aforesaid schemes have been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be open for inspection at the ensuing 8th (eighth) Annual General Meeting.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has duly followed the applicable Secretarial Standards, relating to meeting of the Board of Directors (SS-1) and General Meeting (SS-2), issued by the Institute of Company Secretaries of India **("ICSI")**.

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

The Board of Directors acknowledges the continued co-operation, assistance and support that the Company has received from various Government Departments, Banks/ Financial Institutions and Shareholders. The Board also places on record its appreciation for the sincere services rendered by employees of the Company at all levels and the support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of Board of Directors
Honasa Consumer Limited

Sd/-
Varun Alagh
Chairman, CEO & Whole-time Director
DIN: 07597289

Place: Gurugram
Date: May 23, 2024

Annexure – I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts ₹ in millions) –

S No.	Particulars	Details					
1.	Name of the subsidiary	Bhabani Blunt Hair Dressing Private Limited	B:Blunt-Spratt Hairdressing Private Limited	Fusion Cosmeceutics Private Limited	Just4kids Services Private Limited	Honasa Consumer General Trading LLC., Dubai	PT Honasa Consumer Indonesia
2.	The date since when the subsidiary was acquired	March 15, 2022	March 15, 2022	April 06, 2022	December 29, 2021	June 16, 2022	February 18, 2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR	INR	USD	IDR
5.	Share capital	0.24	11.00	10.00	0.59	2.34	Nil
6.	Reserves & surplus	172.28	69.34	(189.60)	213.08	(8.06)	
7.	Total assets	322.04	214.38	267.57	215.02	29.62	
8.	Total Liabilities	149.53	134.04	397.44	1.35	35.34	
9.	Investments	115.50	32.52	40.07	104.57	-	
10.	Turnover	213.47	191.84	1,122.35	40.50	5.03	
11.	Profit before taxation	22.03	26.42	(39.79)	(4.73)	1.55	
12.	Provision for taxation	(4.39)	1.13	-	-	-	
13.	Profit/(Loss) after taxation	26.42	25.29	(39.79)	(4.73)	1.55	
14.	Proposed Dividend	NA	NA	NA	NA	NA	NA
15.	% of shareholding	100%	100%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - None
2. Names of subsidiaries which have been liquidated or sold during the year - None

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

For and on Behalf of Board of Directors
For Honasa Consumer Limited

Sd/-
Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Sd/-
Ghazal Alagh
Whole Time Director
DIN: 07608292

Sd/-
Raman Preet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Gurugram
Date: May 23, 2024

Annexure – II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Honasa Consumer Limited
Unit No - 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka
New Delhi-110075

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Honasa Consumer Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Auditor's responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with applicable Accounting Standards issued by The Institute of Company Secretaries of India.

The Auditing Standards require that the auditor shall comply with the statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Honasa Consumer Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("the Listing Regulations");

We further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws applicable to the Company:

- Consumer Protection Act, 2019(the "Consumer Protection Act") and the rules made thereunder
- Consumer Protection (E-Commerce) Rules, 2020 ("E-Commerce Rules") and the proposed amendments to the E-Commerce Rules
- Drugs and Cosmetics Act, 1940 ("DCA"), the Drugs and Cosmetics Rules, 1945 ("DCA Rules") and the Cosmetics Rules, 2020
- Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")
- The Food Safety and Standards Act, 2006 (the "FSSA") and Food Safety And Standards (Health Supplements, Nutraceuticals, Food For Special Dietary Use, Food For Special Medical Purpose, Functional Food And Novel Food) Regulations, 2016
- The Sale of Goods Act, 1930 (the "Sale of Goods Act")
- The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder
- The Digital Personal Data Protection Act, 2023 (the "DPDP Act" or the "Act")
- Plastic Waste Management Rules, 2016
- Copyright Act, 1957
- Trade Marks Act, 1999 ("Trade Marks Act")
- Design Act, 2000 ("Design Act")
- The consolidated Foreign Direct Investment Policy of 2020 (the "Consolidated FDI Policy")
- Employees' State Insurance Act, 1948
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Maternity Benefit Act, 1961
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Right of Persons with Disabilities Act, 2016
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Contract Labour (Regulation and Abolition) Act, 1970
- Labour Welfare Fund legislations
- The Industrial Relations Code, 2020
- The Code on Wages, 2019
- The Occupational Safety, Health and Working Conditions Code, 2020
- The Code on Social Security, 2020

We further report that:

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meetings and Committee Meetings which were held on shorter notice in compliance with the applicable laws and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. All decisions at Board meetings and Committee meetings are carried out with required majority and recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that as informed to us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events have occurred in the Company:

- That during the quarter ended December 31, 2023, the Company completed its Initial Public Offer (IPO) of 52,515,692 equity shares of face value of Rs. 10 each at an issue price of Rs. 324 per share, comprising fresh issue of 11,267,530 shares and offer for sale of 41,248,162 shares by selling shareholders. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from November 07, 2023.
- That members, on their extra-ordinary general meeting dated 03rd October, 2023, Converted Class A, Class B, Class C, Class D, Class E, Class F Non-cumulative Compulsorily Convertible Preference shares (NCCCPS) into Equity shares.
- That member, on their extra-ordinary general meeting dated 03rd October, 2023, amended the articles of association of the company, vide passing a special resolution.

- That the members by way of Postal Ballot dated January 28, 2024, ratified the "Honasa Consumer Limited Employees Stock Option Plan -2018" and "Honasa Consumer Limited Employees Stock Option Plan – 2021" vide special resolutions.
- That during the 3 (Third) quarter the company had paid the penalty of Rs. 10,000/- (Excluding GST) levied by BSE Limited and National Stock Exchange of India Limited each for the delay of 1 (one) day in providing the prior intimation for convening the Board Meeting to the stock exchanges in pursuant to Regulation 29(1) of the SEBI (Listing Obligation and Disclosure Requirement Regulations) 2015.
- That the Company had received a compounding order wherein a compounding fee of Rs. 15,000 each had been imposed on the Company and the nominated Director/Executive of the Company under section 48 (3) of Legal Metrology Act, 2009 and Rule 25 of Maharashtra Legal Metrology (Enforcement) Rules 2011.

For Arora Shekhar & Company
(Practicing Company Secretaries)

Sd/-
Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475F000434446

Place: Delhi
Date: May 23, 2024

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Honasa Consumer Limited
Unit No - 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka
New Delhi-110075

Our report of even date is to be read along with this letter which states as follows:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of compliance by the company of applicable General Laws including Labour laws, financial laws like direct and indirect laws and maintenance of financial records and books of accounts, since the same have been subject to review by Statutory Financial Audit and other designated professionals. Further, as confirmed by the Management of the Company, no other specific Act is applicable to Company including the Environmental Laws other than mentioned in the Report.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have relied on the certificate obtained by the company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other government and legal authorities concerning the business and affairs of the company

For Arora Shekhar & Company
(Practicing Company Secretaries)

Sd/-
Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475F000434446

Place: Delhi
Date: May 23, 2024

Annexure – III

Annual Report on CSR Activities

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

In this era of globalisation, liberalisation and advances in communication technology, there is an alarming increase in the awareness of the CSR throughout the world. We firmly believe that if we want a better, safer, cleaner and healthy environment then we must take a first step to begin our journey towards striking a balance between the societal needs, economic development and eco-friendly environment through various CSR activities.

Every individual has the Right to life, Right to live with dignity, Right to education, Right to clean and healthy environment which are engraved in the Constitution of India. The responsibility is cast upon the Government to ensure that these Rights are protected and are not exploited. We realise that this responsibility must be shared by each and every individual, especially by corporate entities to eradicate hunger, poverty, upliftment of the downtrodden society, provide education and protect the environment. We will strive to emerge as one of the best Corporate Citizens.

2. Composition of CSR Committee and meetings held

S. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1.	Ghazal Alagh	Chairperson	1	1
2.	Varun Alagh	Member	1	1
3.	Namita Gupta	Member	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR committee: https://honasa.in/wp-content/uploads/2023/08/Composition-of-Committees-1.pdf

CSR Policy: https://honasa.in/wp-content/uploads/2023/08/CSR-Policy.pdf

CSR projects approved by the board: https://honasa.in/wp-content/uploads/2024/07/CSR-Project.pdf.

4. The details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable for the financial year under review.

5. Average net profit of the company as per section 135(5): ₹384.48 million

6. (a) Two percent of average net profit of the company as per section 135(5): ₹7.69 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: NA

(d) Total CSR obligation for the financial year (6a+6b-6c): ₹7.69 million

7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NA					

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration no.
N.A												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration no.
1	Restoring Gurgaon Green habitat and planting 6500 trees. Aravalli biodiversity and water table restoration.	ensuring environmental sustainability, ecological balance, protection.	Yes	Haryana	Gurugram	4.5 million	No	IAMGURGAON	CSR00000018
2	Scientific Urban Forrest Play and planting 14000 trees.		No	Karnataka	Bangalore	4.5 million	No	SAY TREES ENVIRONMENTAL TRUST	CSR00000702

(d) Amount spent in Administrative Overheads: N.A.

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (7b+7c+7d+7e): 9 million

(g) Excess amount for set off, if any –

S. No.	Particular	Amount (in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	7.69
(ii)	Total amount spent for the financial year	9
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.31
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.31

8. (a) Details of Unspent CSR amount for the preceding three financial years –

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
N.A.							

Directors' Report

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): -

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
N.A.								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: N.A.

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

For and on Behalf of Board of Directors
Honasa Consumer Limited

Sd/-
Ghazal Alagh
Chairperson CSR Committee
DIN: 07608292

Sd/-
Varun Alagh
Chairman, CEO & Whole-time Director
DIN: 07597289

Place: Gurugram
Date: May 23, 2024

Annexure – IV

Statement under Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

(a) Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the financial year and Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer, Company Secretary, manager, if any, in the financial year

Name of the Director	Designation	Ratio of Remuneration of each Director to the median remuneration of employees for financial year	% Increase in remuneration
Non-Executive Directors			
Mr. Subramaniam Somasundaram	Independent Director	3.68	0%
Mr. Vivek Gambhir	Independent Director	2.82	0%
Ms. Namita Gupta	Independent Director	2.70	0%
Mr. Ishaan Mittal*	Nominee Director	0.00	0%
Executive Directors & KMP			
Mr. Varun Alagh	Chairman, CEO and Whole-time Director	24.52	34%
Ms. Ghazal Alagh	Whole-time Director	17.64	44%
Mr. Raman Preet Sohi**	Chief Financial Officer	180.87	1269%
Mr. Dhanraj Dagar**	Company Secretary & Compliance Officer	4.72	73%

* Mr. Ishaan Mittal has not drawn any remuneration from the Company for the financial year 2023-24.

** Remuneration includes all elements of cash salary and perquisites including ESOPs, wherever applicable.

(b) The percentage increase in the median remuneration of employees for the financial year ended on March 31, 2024 was 20.12%.

(c) There were 842 permanent employees on the rolls of the Company as on March 31, 2024.

(d) The average annual increase in the salaries of the employees other than managerial personnel was 22.18%, for the Financial Year ended on March 31, 2024. The increase in remuneration was on the recommendation of the NRC considering the performance of the managerial personnel and the Company.

(e) Affirmation that the remuneration is as per the remuneration policy of the Company

It is hereby affirmed that the remuneration paid to directors, key managerial personnel and members of senior management is as per the Nomination and Remuneration Policy of the Company.

For and on Behalf of Board of Directors
Honasa Consumer Limited

Sd/-
Varun Alagh
Chairman, CEO & Whole-time Director
DIN: 07597289

Place: Gurugram
Date: May 23, 2024

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that the creation of a climate which emphasises good governance principles, and deployment of a good corporate governance culture is a key for sustainable development. Key aspect of the Company's corporate governance philosophy includes continuous efforts to attain higher levels of consistency in policies of the Company, accountability of managers and the Board of Directors **("the Board")**, transparency of corporate structures and operations, corporate responsibility towards stakeholders.

Judgement or decisions of the Board are regulated by corporate governance principles to ensure that there are sufficient disclosures and transparency in the decision-making processes and performance of the Board to enable the stakeholders to make proper judgements, particularly with respect to how the Board members fulfil their duty of loyalty and are diligent in providing strategic guidance and oversight to the management.

At Honasa, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. Our corporate governance framework and practices are founded upon a common set of values that ensures effective engagement with our customers, employees, stakeholders, suppliers and the communities in which we operate and helps us evolve with the changing times with an unwavering commitment to our ethical values and principles. These principles have been and will continue to be our guiding force in future.

Your Company confirms compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")**, as applicable, with regard to corporate governance requirements for the financial year ended March 31, 2024 is as set out in this report.

I) BOARD OF DIRECTORS

At Honasa, the Board of Directors are at the helm of the Company's strategic supervision and the custodians of the corporate governance. The Board sets out the overall corporate objectives and provides direction and Independence to the management to achieve these objectives for value creation through sustainable profitable growth. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. We are fortunate to have a Board that is diverse, active, independent and collegial and provides valuable insights fulfilling its oversight role objectively, with respect to size and composition of the Board.

The current composition of the Board of your Company has an optimal mix of Executive and Non-Executive Directors (including Independent Directors) which is in conformity with Regulation 17 of the SEBI Listing Regulations.

As on March 31, 2024, the Board of the Company consists of 6 (six) Directors, out of which 2 (two) are Whole Time Directors and 4 (four) are Non-Executive Directors, of the 4 (four) Non-Executive Directors 3 (three) are Independent Directors of which 1 (one) is a Woman Director. Mr. Varun Alagh, is the Chairman and Whole Time Director and also promoter of the Company.

During the financial year 2023-24, there was no change in the Board of your Company.

The composition of the Board reflects an appropriate mix of knowledge, experience, skills and expertise from diverse fields including finance, marketing, management, economics, law, governance, etc., which are required by the Board to discharge its responsibilities effectively. The Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and expert advice to the management on various aspects of business, policy direction, strategy, governance, compliance, etc., and play a critical role on strategic issues and add value in the decision-making process of the Board.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 **("the Act")** and the SEBI Listing Regulations. All the Independent Directors have provided an annual confirmation that they meet the criteria of Independence as mentioned in Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

Apart from reimbursement of expenses incurred in the discharge of their duties, the remuneration that these Directors were entitled to under the Act as Non-Executive Independent Directors, none of these Directors have any other pecuniary relationships with your Company, its Subsidiaries or Associates or their Promoters or Directors, during the three immediately preceding financial years or during the current financial year.

None of the Directors on the Board hold directorships in more than 20 (twenty) companies, which includes 10 (ten) public companies. None of the Directors serve as Director or Independent Directors in more than 7 (seven) listed companies. The Whole Time Directors of the Company does not serve as an Independent Director in any other listed entity.

None of the Directors is a member of more than 10 (ten) committees or chairperson of more than 5 (five) committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee only have been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024 have been made by the Directors.

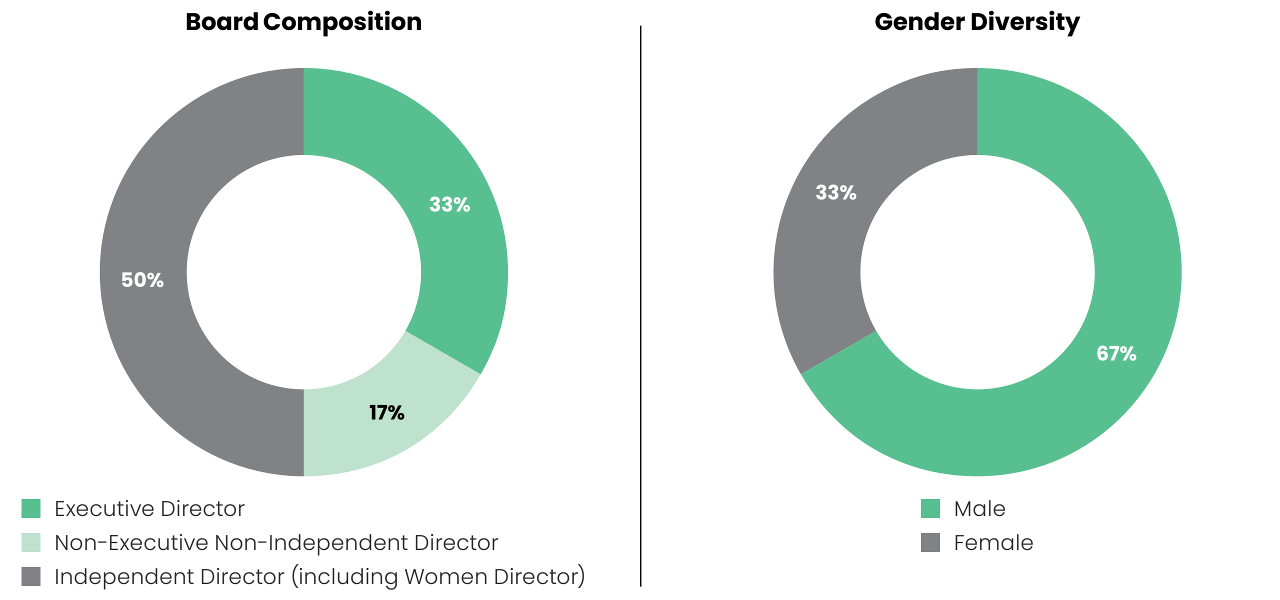
Mr. Varun Alagh and Ms. Ghazal Alagh are related to each other as spouse, and no relationship exists among other directors. Further, Ms. Ghazal Alagh, Whole Time Director of the company is liable to retire by rotation in the 8th Annual General Meeting of the company but being eligible offered herself for the re-appointment as the Whole Time Director of the company.

The Senior Management of your Company has made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could has potential conflict of interest with the Company at large.

A. Composition of the Board

The Board of your Company comprises of 6 (six) Directors as on March 31, 2024 and as on date of this Report.

Board Composition and Gender Diversity



Corporate Governance Report

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting **("AGM")**, name of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairpersonships/Memberships held by them in other public limited companies (excluding directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act) as on March 31, 2024 are given herein below.

Name	Designation/Category	Date of Appointment and Tenure	No. of Board Meetings held	No of Board Meeting attended	% of attendance in Board Meeting	Whether attended last AGM	Member/Chairman of Board Committees		Other Public Companies and category of Directorships held
							Member	Chairman	
Mr. Varun Alagh (DIN: 07597289)	Chairman, Whole Time Director & CEO	16/09/2016 8 Years	14	14	100%	Yes	-	-	-
Ms. Ghazal Alagh (DIN: 07608292)	Whole Time Director	16/09/2016 8 Years	14	14	100%	Yes	1	-	-
Mr. Subramaniam Somasundaram (DIN: 01494407)	Non-Executive and Independent Director	11/02/2022 2 Years	14	9	64.23%	Yes	5	3	1. Teamlease Services Limited – Independent Director 2. United Breweries Limited – Independent Director 3. API Holdings Limited – Independent Director 4. Titan Commodity Trading Limited – Non-Executive Director
Mr. Vivek Gambhir (DIN: 06527810)	Non-Executive and Independent Director	24/03/2021 3 Years	14	13	92.83%	Yes	4	1	1. Metropolis Healthcare Limited – Independent Director 2. Imagine Marketing Limited – Non-Executive Chairman
Ms. Namita Gupta (DIN: 07337772)	Non-Executive and Independent Director	08/06/2022 2 Years	14	11	78.57%	Yes	3	1	1. Zomato Limited – Independent Director
Mr. Ishaan Mittal (DIN: 07948671)	Non-Executive and Nominee Director	03/01/2020 4 Years	14	13	92.83%	Yes	1	-	-

B. Board Procedure

A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed notes and presentation(s) if any, is sent to each Director at least 7 (seven) days before the date of the Board Meeting(s) and of the Committee Meeting(s) except where Meeting(s) have been convened at a shorter notice to transact urgent business. To provide a web-based solution, a soft copy of the said Agenda(s) and Presentation(s) is also uploaded on the Compliance Portal which acts as a document repository. Video Conferencing facilities are provided to enable Director(s) who are unable to attend the Meeting(s) in person, to participate in the Meeting.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Whole Time Director and Chief Executive Officer **("CEO")** apprises the Board at every Meeting on the overall performance of your Company, followed by Presentation(s) by the CEO & Whole Time Director and Chief Financial Officer. A detailed functional Report is also presented at the Board Meeting(s).

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non compliances, performance of operating divisions, review of major legal issues, Minutes of the Committees of the Board and of Board Meetings of your Company's subsidiaries, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly/half-yearly/annual results, significant labour problems and their proposed solutions, safety and risk management, transactions pertaining to purchase/disposal of property(ies), sale of investments, major accounting provisions and writeoffs, corporate restructuring, joint ventures or collaboration agreement(s), material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of your Company, quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, statutory updates, etc.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Board of your Company closely monitors the performance of the Company and Management, approves the plans, reviews the strategy and strives to achieve organisational growth. Your Board ensures statutory and ethical conduct and places high importance on the internal financial reporting.

Your Company has well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Meetings in an informed and efficient manner. Regular inputs and feedback of Board Members are taken and considered while preparing the agenda and related documents for the Board and Committee Meetings. The Board also has access to the Members of the Management and to the Company related information.

Apart from Board Members and the Company Secretary, the Board and Committee Meeting(s) are also attended by the Chief Financial Officer and wherever required by the Heads of various Corporate Functions.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to Directors, to facilitate convening of Meetings and acts as interface between the Management and Regulatory Authorities for Governance related matters of the Company.

Corporate Governance Report

C. Matrix setting out the core skills/expertise/competence of the Board of Directors

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are available with the Board:

Name of Directors	Financial Experience and Risk Oversight	Global business/broad international exposure/ emerging markets experience	Business/ Sector Experience	Technology and Innovation	Governance and Regulatory oversight	Sales and Marketing Exposure
Mr. Varun Alagh	✓	✓	✓	-	✓	✓
Ms. Ghazal Alagh	-	-	✓	✓	-	✓
Mr. Subramaniam Somasundaram	✓	✓	✓	-	✓	-
Mr. Vivek Gambhir	✓	✓	✓	-	✓	✓
Ms. Namita Gupta	-	✓	✓	✓	-	-
Mr. Ishaan Mittal	✓	✓	✓	-	✓	-

D. Number of Board Meetings and Attendance of the Directors at Meetings of the Board

The Details of Board Meeting held during the financial year 2023-24 and the attendance of Directors is provided above in this report under Board of Directors Section. The above details also provide the details of attendance of Directors in the last Annual General Meeting of the Company held on September 25, 2023. The Board met at least once in every Quarter and the gap between two consecutive Meetings did not exceed one hundred and twenty days.

E. Meeting of Independent Directors

The Independent Directors of your Company met once without the presence of the Chairman or the Executive Director or other Non-Independent Director(s) or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairman of the Company (taking into account the views of other Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board of Directors to effectively and reasonably perform their duties.

One separate meeting of Independent Directors was held on March 01, 2024 and this Meeting was well attended by all the Independent Directors of the Company.

F. CEO/CFO Certification

The Whole Time Director & Chief Executive Officer and Chief Financial Officer of the Company have jointly provided an annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations and quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

G. Induction and Familiarisation Programme for Independent Directors

A newly appointed Independent Director is provided with an appointment letter along with their roles, duties & responsibilities and copies of the Code for Independent Directors and Company's Code of Conduct for Directors, etc., as may be applicable to them. Each newly appointed Independent Director is taken through an induction and familiarisation programme including the presentation and interactive session with the Chairman and CEO, Whole Time Director, other Functional Heads on the Company's marketing and other important aspects. The Company Secretary briefs the Director about their legal & regulatory responsibilities as a Director.

The details as required under Regulations 46 of the SEBI Listing Regulations are available on the website of your Company at the web link: https://honasa.in/investor/

H. Board Confirmation regarding Independence of the Independent Directors

All the Independent Directors of the Company have given declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations and have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Further, the Board after taking these declaration/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

J. Resignation of Independent Director(s)

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

II. REMUNERATION TO DIRECTORS

A. Remuneration Policy

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Senior Management Employees of the Company. This Policy is available on the website of the Company and can be accessed at the Web-link: https://honasa.in/wp-content/uploads/2023/08/Nomination-Remuneration-Policy.pdf

i) Remuneration to Non-Executive Directors

The Nomination and Remuneration Committee **("NRC")** post determining the basis for determining the compensation to the Non-Executive Directors, takes into consideration various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in the Act and SEBI Listing Regulations and such other factors as the NRC deems fit. The Non-Executive and Independent Directors are paid sitting fees of ₹1,00,000/- (Rupees One Lakh) for attending each Board and Committee meetings and commission as may be recommended by the Board of Directors of the Company which shall not exceed 1% of Net Profit of the Company subject to maximum of ₹1,00,00,000/- (Rupees One Crore) in aggregate calculated in accordance with the provisions of Section 198 of the Act.

The Company has also taken a Directors' & Officers' Liability Insurance Policy.

ii) Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

iii) Remuneration to Executive Directors/Whole Time Directors

The remuneration of the Executive Directors/Whole Time Directors was recommended by the Nomination and Remuneration Committee to the Board based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations. The pay structure of Executive or Whole Time Directors has appropriate success and sustainability metrices built in. On the recommendation of the Nomination and Remuneration Committee, the remuneration paid/payable by way of salary, perquisites and allowances (fixed component), incentive and/or commission (variable components), to its Executive or Whole Time Directors, within the limits prescribed under the Act, is approved by the Board and by the Members in the General Meeting.

The Executive or Whole Time Directors are not being paid sitting fees for attending meetings of the Board and its Committees.

Details of Remuneration

i) Non-Executive and Independent Directors

The details of sitting fees and commission paid to Non-Executive and Independent Directors during the financial year 2023-24 are as under:

(₹ in Million)

Name of the Director	Sitting Fees	Commission	Total
Mr. Subramaniam Somasundaram – Independent Director	1.60	1.40	3.00
Mr. Vivek Gambhir – Independent Director	2.30	Nil	2.30
Ms. Namita Gupta – Independent Director	1.60	0.6	2.20

Other than sitting fees and commission paid to Non-Executive and Independent Directors, there were no pecuniary relationships or transactions by the Company with any of the Non-Executive and Independent Directors of the Company. The Company has not granted stock options to the Non-Executive and Independent Directors.

ii) Executive or Whole Time Directors

Details of the remuneration paid/payable to the Executive or Whole Time Directors of the Company during the financial year 2023-24 are as under:

(₹ in Million)

Name of the Director	Salary and Perquisites	Commission/ Stock Option/ Performance Linked Incentives	Total
Mr. Varun Alagh – Chairman, Whole Time Director & CEO	19.98	-	19.98
Ms. Ghazal Alagh – Whole Time Director	14.38	-	14.38

Mr. Varun Alagh & Ms. Ghazal Alagh, promoters of the company as on March 31, 2024 jointly holds 11,35,15,550 (35.01%) equity shares of the Company. Except above, none of the Directors of the Company hold equity shares of the Company in their individual capacity.

III. COMMITTEES OF THE BOARD

The Board Committees are set up under the formal approval of the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas of concern for the Company that need a closer review and ensure speedy resolution of the diverse matters. The Committees operate under the direct supervision of the Board and Chairperson of the respective Committees debrief the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. During the year under review, all recommendations of the committees were approved by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting.

As on March 31, 2024, the Board has constituted the following Committees:

A. Audit Committee

B. Nomination and Remuneration Committee **("NRC")**

C. Stakeholders' Relationship Committee **("SRC")**

D. Corporate Social Responsibility Committee **("CSR")**

E. Risk Management Committee **("RMC")**

F. IPO Committee

A. AUDIT COMMITTEE

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board to oversee the financial reporting process of the Company.

The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report. As on March 31, 2024, the Audit Committee comprise of Independent Directors and Non-Executive Directors to enable independent and transparent review of financial reporting process and internal control mechanism with an objective to further strengthen the confidence of all stakeholders.

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI Listing Regulations.

Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. It is authorised to, inter alia, review and monitor the Auditor's independence and performance, scope and effectiveness of audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, review with the management the quarterly and annual financial statements and auditor's report before submission to the Board for approval, select and establish accounting policies, review Reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters, to consider and grant prior approval for the related party transactions including material related party transactions in terms of Regulation 23 read with Regulation 2(1)(zc) and Regulation 2(1)(zb) of the SEBI Listing Regulations, granting omnibus approvals for related party transactions subject to fulfilment of certain conditions and quarterly reviews thereof, approve transaction(s) of the Company or any Subsidiaries of the Company on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any Subsidiaries of the Company.

The Committee is also authorised to scrutinise inter-corporate loans and investments, valuation of undertakings or assets of the Company, review the risk assessment and minimisation procedures, evaluate internal financial controls and risk management systems, monitor end use of the funds raised through public offers and related matters, review the utilisation of loans and/or advances from/investment by the Company in the subsidiary companies, whichever is lower including existing loans/advances/investments and review compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **("SEBI PIT Regulations")** at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively. The terms of reference are also in line with the regulatory requirements mandated in the Act and SEBI Listing Regulations.

The Committee is also empowered to, inter alia, recommend the remuneration payable to the Statutory Auditors, availing of such other permitted services from the Auditors and to recommend a change in the Auditors, if felt necessary. Further, the Committee is empowered to recommend to the Board, the appointment of Chief Financial Officer, the term of appointment and remuneration of the Internal Auditor, etc., review the functioning of the Whistle-blower Policy/Vigil Mechanism, to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its members. The Committee also reviews Financial Statements and Investments of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations.

The Audit Committee has been granted powers as prescribed under Regulation 18(2)(c) of the SEBI Listing Regulations and reviews all the information as prescribed in Part C of Schedule II of the SEBI Listing Regulations. The Committee also reviews the Report on compliance under Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to SEBI PIT Regulations. Further, Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle-blower Policy are also placed before the Committee at regular intervals.

During the year under review, the Audit Committee was additionally authorised to review the report submitted by monitoring agency for the utilisation of proceeds of preferential issue or qualified institutions placement in addition to public issue or rights issue pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 dated November 14, 2022. Subsequent to the year end, Policy on Materiality of and Dealing with Related Party Transactions was amended by the Committee to make it more elaborate specifically in view of further changes in the coverage of the related party transactions with effect from April 01, 2023.

Further, the Committee also considered and recommended to the Board amendment in the Code of Conduct for Prevention of Insider Trading in Securities of the Company and Policy on Insider Trading inter alia, to align it with the Insider Trading Regulations and prohibit derivative transactions in the Securities of the Company.

As required under the Secretarial Standard on General Meetings, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him on his behalf shall attend the General Meeting of the Company.

Apart from the Meetings, Circular Resolution(s) are also passed by the Members. Subsequently, these Circular Resolution(s) are noted in the Meeting held after the date on which the Circular Resolution(s) are passed by the Members.

Composition and Attendance

The Committee met 4 (four) times during the year under review on July 25, 2023, October 13, 2023, November 22, 2023 and February 09, 2024. The gap between two Meetings did not exceed one hundred and twenty days. The attendance at the Meetings was as under:

Name of the Director	Category	July 25, 2023	Oct 13, 2023	Nov 22, 2023	Feb 09, 2024
Mr. Subramaniam Somasundaram	Chairman – Independent Director	✓	✓	✓	✓
Mr. Vivek Gambhir	Member – Independent Director	✓	✓	✓	✓
Mr. Ishaan Mittal	Member – Non-Executive Director	✓	✓	✓	✓

The Chief Financial Officer, representative of Statutory Auditors and Internal Auditors, as and when required, are invited to attend the meetings of Audit Committee from time to time. Mr. Dhanraj Dagar, Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee attended the last AGM held on September 25, 2023.

Terms of Reference

The powers, roles and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations and Section 177 of the Act. The brief terms of reference of Audit Committee are as under:

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of Auditors of the listed entity;

(3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

(4) Reviewing with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

  (a) Matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause(c) of sub-section(3) of Section 134 of the Act;

  (b) Changes, if any, in accounting policies and practices and reasons for the same;

  (c) Major accounting entries involving estimates based on the exercise of judgement by management;

  (d) Significant adjustments made in the financial statements arising out of audit findings;

  (e) Compliance with listing and other legal requirements relating to financial statements;

  (f) Disclosure of any related party transactions;

  (g) Modified opinion(s) in the draft audit report;

(5) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

(6) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with Internal Auditors of any significant findings and follow up thereon;

(15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc., of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

(21) Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- statement of deviations:

  i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.

  ii. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

Internal Audit Function

The Company has appointed BDO India Limited Liability Partnership, Chartered Accountants as Internal Auditors, who reports and presents their report to the Audit Committee of the Company at regular intervals.

Maintenance of Financial Records

Based on reports submitted by the external and internal auditors, the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the management that was in place throughout the financial year and up to date of this report the Board, with the concurrence of the Audit Committee and assurance of the management (including Chief Executive Officer and Chief Financial Officer) as well as the Internal Auditors, are of the opinion that:

(a) the financial records have been properly maintained and financial statements give a true and fair view of the Company's operations and finances and;

(b) the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at the date of this report.

To ensure the adequacy of the internal audit function, the Audit Committee reviews and approves, on an annual basis, the internal audit plans and the resources required to adequately performing this function.

However, the Board and management acknowledge that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

Assurance from CEO and CFO

The Board has received assurance from Chief Executive Officer **("CEO")** and Chief Financial Officer **("CFO")** to ensure that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and the effectiveness of the Company's risk management and internal control systems are operating effectively in all material respects, based on the criteria for effective internal control established.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee **("NRC")** of the Board has been constituted as per requirements of Section 178 of the Act read with Regulation 19 of the SEBI Listing Regulations. As on March 31, 2024, all the members of the NRC were Non-Executive Directors.

Mr. Vivek Gambhir, Non-Executive Independent Director of the company is the Chairman of the Committee. Ms. Namita Gupta and Mr. Ishaan Mittal are the other Members of the Committee. Out of the total number of Members of the Committee, 2 (two) Members are Independent Directors.

Terms of reference

The broad terms of reference of the NRC include the following:

(1) To formulate a criteria for determining qualifications, positive attributes and independence of a Director;

(2) To recommend to the Board on the appointment of new executive and non-executive directors;

(3) To recommend to the Board the appointment and removal of Senior Management;

(4) To carry out evaluation of Director's performance and recommend to the Board appointment/ removal based on his/her performance;

(5) To review the Board structure, size and composition, having regard the principles of the Code;

(6) Assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;

(7) Put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Company;

(8) Determine, on an annual basis, whether a director is independent taking into account the circumstances set forth in the Code and any other salient factors;

(9) Make recommendations to the Board for the continuation in services of any Executive Director who has reached the age of seventy years;

(10) Recommend directors who are retiring by rotation to be put forward for re-election;

(11) Decide whether or not a director is able to and has been adequately carrying out his duties as a director of the Company, particularly when he has multiple board representations;

(12) Recommend to the Board internal guidelines to address the competing time commitments faced by directors who serve on multiple boards;

(13) Assess the effectiveness of the Board as a whole and for assessing the contribution of each individual director to the effectiveness of the Board on an annual basis;

(14) Devising a policy on Board diversity;

(15) To recommend the Board on policy and framework relating to remuneration for (i) Directors (ii) Executive Directors (iii) Key Managerial Personnel and (iv) Senior Management remuneration and incentive package;

(16) All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the NRC;

(17) Reviewing and enhancing on the compensation structure to incentive performance base for key executives;

(18) Ensure that the remuneration packages are comparable within the industry and comparable companies and include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive director's performance;

(19) To facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel;

(20) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

(21) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(22) Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the NRC by the Board from time to time; and

(23) To develop a succession plan for the Board and to regularly review the plan.

Meeting, Attendance & Composition of the Nomination and Remuneration Committee

During the financial year 2023-24, 3 (three) meeting of the NRC were held i.e., on May 29, 2023, October 10, 2023, and March 01, 2024.

Name of the Director	Category	May 29, 2023	October 10, 2023	March 01, 2024
Mr. Vivek Gambhir	Chairman – Independent Director	✓	✓	✓
Ms. Namita Gupta	Member – Independent Director	X	✓	✓
Mr. Ishaan Mittal	Member – Non-Executive Director	✓	✓	✓

The Head of Human Resource, as and when required attend the meetings of NRC from time to time. Mr. Dhanraj Dagar, Company Secretary, acts as the Secretary of the NRC. The Chairman of the Committee, Mr. Vivek Gambhir was present at the 7th AGM of the Company held on September 25, 2023.

The Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, establish Director retirement policies and appropriate succession plans and determine overall compensation policies of the Company.

The Committee also administers the Company's Employee Stock Option Schemes formulated from time to time including "Honasa Consumer Limited Employees Stock Option Plan – 2018" and "Honasa Consumer Limited Employees Stock Option Plan – 2021" and takes appropriate decisions in terms of the concerned Scheme(s).

The Committee carries out a separate exercise to evaluate the performance of individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation is carried out based on the responses received from the Directors.

The performance evaluation of Independent Directors was based on various criteria, inter alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and individual Directors.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee **("SRC")** has been constituted as per the requirement of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. As on March 31, 2024 the Committee consists of 3 (three) Directors of which 2 (two) Members are Independent Directors. Ms. Namita Gupta, Non-Executive and Independent Director of the company is the Chairperson and Mr. Subramaniam Somasundaram and Ms. Ghazal Alagh are the other Members of the Committee.

Meeting, Attendance and Composition of the Stakeholders' Relationship Committee

During the financial year 2023-24, the Committee met one time during the year under review on March 01, 2024. The attendance at the meeting was as under:

Name of the Director	Category	March 01, 2024
Ms. Namita Gupta	Chairperson – Independent Director	✓
Mr. Subramaniam Somasundaram	Member – Independent Director	✓
Ms. Ghazal Alagh	Member – Whole Time Director	✓

Mr. Dhanraj Dagar, Company Secretary, acts as the Secretary of the SRC. The minutes of the SRC meeting are placed in the next meeting of the Board. The Chairperson of the Committee, Ms. Namita Gupta was present at the 7th AGM of the Company held on September 25, 2023.

Key Terms of Reference of the Committee

(1) Reviewed compliances related to Share Transfer Agent activities of KFin Technologies Limited and Investor Related Compliances;

(2) Review of Investor grievances and complaints related to dematerialisation of shares, non-receipt of annual report, non-receipt of declared dividends or any other statutory communication;

(3) Approved issuance of new share certificate for transfer of shares to Investor Education and Protection Fund **("IEPF")**, approved transfer of shares to IEPF and related matters if any;

(4) Reviewed measures taken for effective exercise of voting rights by members;

(5) Reviewed various initiatives undertaken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the members of the Company, if any declared by the Company from time to time;

(6) Reviewed and adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent **("RTA")**;

(7) To review and take note of status of legal case(s), if any, pertaining to shares and related matters;

(8) To take note of status of various accounts relating to payment of investor dues;

(9) To take note of the annual audit report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by Securities and Exchange Board of India **("SEBI")**;

(10) To approve issue of duplicate share certificates, if any;

(11) To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

With a view to expedite the process of transmission, necessary authority has been delegated to certain officers of the Company. The Committee is authorised to approve request for transmission of shares and issue of duplicate share certificates.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act, as applicable, besides other terms as referred by the Board.

Details of Members'/Investors' Complaints

The Company and its Registrar and Share Transfer Agent address all complaints, suggestions and grievances expeditiously and replies are sent usually within 5-7 working days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavours to implement suggestions as and when received from the investors.

During the financial year 2023-24, 1 (one) complaint was received and resolved. As on March 31, 2024, no complaint was pending.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility **("CSR")** Committee has been constituted as per the requirement of Section 135 of the Act. As on March 31, 2024 the Committee consists of 3 (three) Directors of which 1 (one) is Independent Director. Ms. Ghazal Alagh, Whole Time Director is the Chairperson of the Committee. Mr. Varun Alagh and Ms. Namita Gupta are the other members of the Committee.

Meeting, Attendance and Composition of the CSR Committee

The Committee met 1 (one) time during the year under review on March 01, 2024. The attendance at the Meeting was as under:

Name of the Director	Category	March 01, 2024
Ms. Ghazal Alagh	Chairperson – Whole Time Director	✓
Mr. Varun Alagh	Member – Whole Time Director	✓
Ms. Namita Gupta	Member – Independent Director	✓

Mr. Dhanraj Dagar, Company Secretary, acts as the Secretary of the CSR Committee. The minutes of the CSR meetings are placed in the next meeting of the Board. The Chairperson of the CSR Committee, Ms. Ghazal Alagh was present at the 7th AGM of the Company held on September 25, 2023.

The detailed Annual Report on CSR is attached as an **Annexure – III** to the Directors' Report forming part of this Annual Report.

Key Terms of reference of the CSR Committee

The CSR Committee is a Committee constituted by the Board with powers, inter alia, to make contributions to charitable and/or CSR projects or programmes to be implemented either directly or through implementing partners/agencies which include a company established under Section 8 of the Act or a registered public trust or a registered society exempted or registered and approved under Income Tax Act, 1961 established by the company or company established under Section 8 of the Act or a registered trust or a registered society established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature or a registered public trust or a registered society exempted or registered and approved and having an established track record of at least three years in undertaking similar activities, of at least two percent of the Company's average net profits during the three immediately preceding financial years in pursuance of its CSR Policy for the Company's CSR Initiatives.

The scope of functions of the Committee inter alia include, formulation and recommendation to the Board, an Annual Action Plan in pursuance of CSR Policy of the Company including CSR projects or programmes that are approved to be undertaken, manner of execution of such projects or programmes, modalities of utilisation of funds and implementation schedule(s), monitoring and reporting mechanism, need and impact assessment, if any, for the projects undertaken by the Company, recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act and also referred to in the CSR Policy of the Company, as also to monitor the CSR Policy from time to time, etc.

During the year under review, the terms of reference of the Committee pursuant to the commitment of the Company towards sustainable business practices and the increasing adaptability of Environment, Social and Governance **("ESG")** framework by all companies. The terms of reference inter alia include the following:

(1) Recommend to the Board, the Company's overall general strategy with respect to ESG matters;

(2) Ensure ESG and social considerations in the Company's business operations and build a culture of Sustainable Business;

(3) Ensure compliance with the sustainability initiatives by Regulators including but not limited to Business Responsibility and Sustainability Report and recommend the same to the Board;

(4) Monitor and ensure the effective implementation of ESG policies of the Company and recommend changes/deletions/additions/new ESG/Sustainability policies to the Board for its approval;

(5) Ensure compliance in relation to the policies created for or linked to the 9 (nine) key principles of the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business';

(6) Ensure in concurrence with the Risk Management Committee that the ESG risks pertaining to the Company are minimal and effectively managed.

E. RISK MANAGEMENT COMMITTEE

The Company has constituted the Risk Management Committee **("RMC")** in terms of Regulation 21 of the SEBI Listing Regulations. As on March 31, 2024 the Committee comprises of 3 (three) members, with a majority of Non-Executive Directors.

The Committee is chaired by Mr. Subramaniam Somasundaram, Independent Director. The other Members are Mr. Varun Alagh, Whole Time Director and Mr. Ishaan Mittal, Non-Executive Director.

Meeting, Attendance and Composition of the RMC

The Committee met once during the year under review on March 01, 2024. The attendance at the Meetings was as under:

Name of the Director	Category	March 01, 2024[1]
Mr. Subramaniam Somasundaram	Chairman – Independent Director	✓
Mr. Varun Alagh	Member – Whole Time Director	✓
Mr. Ishaan Mittal	Member – Non-Executive Director	✓

1. As the Company got its equity shares listed on BSE Limited and National Stock Exchange of India Limited on November 7, 2024 and hence only 1 (one) Meeting of RMC was held.

Key Terms of Reference of the Committee

The terms of the reference of RMC are wide and are in line with the regulatory requirements of the SEBI Listing Regulations and inter alia include:

(1) Formulation of a detailed risk management policy which shall include:

a. Framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by RMC;

b. Measures for risk mitigation including systems and processes for internal control of identified risks; and

c. Business continuity plan.

(2) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) Periodically reviewing the risk management policy (at least once in two years) including by considering the changing industry dynamics and evolving complexity;

(5) Keeping the Board informed about the nature and content of its discussions, recommendations and actions to be taken; and

(6) Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

Apart from the Meetings, Circular Resolution(s) are also passed by the Members. Subsequently, these Circular Resolution(s) are noted in the Meeting held after the date on which the Circular Resolution(s) are passed by the members.

IV. SUBSIDIARY COMPANIES

Regulation 16 of the SEBI Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds 10 (ten) percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As per the definition your Company don't have any material subsidiaries.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the minutes of Board Meetings of subsidiaries of the Company are placed before the Board of Directors of the Company for their review at every quarterly Meeting.

In addition to the above, Regulation 24 of the SEBI Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, material subsidiary means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

There is no subsidiary which falls under this definition of unlisted material subsidiary for the financial year ended March 31, 2024. The other requirements of Regulation 24 of the SEBI Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

V. DISCLOSURES

A. Policy for determining 'Material' Subsidiaries

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the SEBI Listing Regulations. This Policy has been posted on the website of the Company and can be accessed in the Investors section at the Web-link https://honasa.in/wp-content/uploads/2024/07/Policy-to-Determine-Material-Subsidiary.pdf.

B. Policy on Materiality of and dealing with Related Party Transactions

Your Company has formulated a Policy on Materiality of and dealing with Related Party Transactions **("RPT Policy")** which specifies the manner of entering into related party transactions. Subsequent to the year end, the RPT Policy was reviewed and amended with a view to make it more elaborate specifically in view of the changes in the coverage of the related party transactions with effect from April 01, 2024. The updated RPT Policy has also been posted on the website of the Company and can be accessed in the Investors section at the Web-link https://honasa.in/wp-content/uploads/2023/08/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf.

C. Disclosure of Transactions with Related Parties

During the financial year 2023-24, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in Note No. 35 to Annual Accounts which forms part of this Annual Report.

In addition to the above and as required under the SEBI Listing Regulations, the Company is in compliance with the Accounting Standards on related party disclosures, has been submitting disclosures of related party transactions to the Stock Exchanges in the prescribed format from time to time and also publishing it on the website of the Company.

D. Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards **("Ind AS")** as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act and other relevant provisions of the Act.

E. Code for Prevention of Insider Trading Practices

The Company has formulated and adopted the 'Code of Conduct for Prohibition of Insider Trading and code of fair Disclosure and Conduct' on Unpublished Price Sensitive Information which, inter alia, includes Policy for determination of 'Legitimate Purpose' and 'Code of Conduct for Prevention of Insider Trading in Securities, in compliance with the SEBI PIT Regulations.

Company's Code of Conduct has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and their immediate relatives towards achieving compliance with the SEBI PIT Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and caution them of the consequences of violations. The Company's Code of Conduct is in line with the SEBI PIT Regulations and to restrict trading in Derivative transactions in the Securities of the Company.

F. Policy and procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information

The Company has formulated the 'Policy and procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information' **("UPSI")**. The Policy is formulated to maintain ethical standards in dealing with sensitive information of the Company by persons who have access to UPSI. The rationale of the Policy is to strengthen the internal control systems to ensure that UPSI is not communicated to any person except in accordance with the SEBI PIT Regulations. The Policy also provides an investigation procedure in case of leak/suspected leak of UPSI.

G. Whistle-blower Policy

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Code of Conduct, Whistle-blower and other Governance Policies and the Vigil Mechanism frameworks.

The Company has taken adequate measures to create awareness amongst its employees on the Code of Conduct and Governance Policies through regular face to face/E-learning sessions.

The Whistle-blower Policy has an established reporting mechanism for Stakeholders to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code, including insider trading violations and reporting instances of leak of UPSI by the employees. Under the Vigil Mechanism, the employees are encouraged to voice their concerns and all stakeholders have been provided access to the Audit Committee through the Chairperson. No personnel have been denied access to the Audit Committee. The Policy provides for adequate safeguards against victimisation of persons who use the mechanism.

During the course of the year the Vigil framework and systems for timely and conclusive resolution of compliance concerns have been standardised and further strengthened.

The Whistle-blower Policy of the Company is available on the website of the Company and can be accessed at the Web-link https://honasa.in/wp-content/uploads/2024/05/Whistle-Blower-Policy.pdf

VI. MEANS OF COMMUNICATION

The Company recognises the importance of two-way communication with members and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of your Company's corporate governance ethos.

Your Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

Financial Results

The unaudited quarterly results are announced within 45 (forty-five) days of the close of each quarter, other than the last quarter. The audited annual results are announced within 60 (sixty) days from the end of the financial year as required under the SEBI Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved. The financial results, shareholders letter and any official releases are posted on the Company's website at www.honasa.in.

Other Information

Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the SEBI Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. All information is filed electronically on the online portal of BSE Limited – Corporate Compliance & Listing Centre (BSE Listing Centre) and on the online portal of National Stock Exchange of India Limited – NSE's Electronic Application Processing System (NEAPS).

Analyst/Institutional Investors Presentations

Investors/Analysts Meets: Your Company's officials interact on a regular basis with stakeholders through investor meetings, investor calls, media interactions, interviews, etc. Intimation, presentations and outcome of such meets are uploaded on the website of stock exchanges and displayed on your Company's website at https://honasa.in/investor/.

Press/Media releases: Official news and press/media releases are uploaded on the website of stock exchanges and displayed on your Company's website at https://honasa.in/investor/.

Compliance Reports, Corporate Announcements, Material Information and Updates: Your Company disseminates the requisite compliance reports and corporate announcements/updates to the stock exchanges through their designated portal.

Website: Your Company's website https://honasa.in/investor/ contains a separate section for investors. Information on various topics such as the Board of Directors, Committees of the Board, Annual Reports, various policies, intimation to stock exchanges etc., are available on the website.

Designated Exclusive E-mail ID: Your Company has designated E-mail ID for investor servicing: investorrelations@honasa.in.

The Annual Report of the Company, the quarterly/half yearly and the audited financial statements and the official news releases of the Company are also disseminated on the Company's website. The quarterly, half-yearly and yearly results are also published in Financial Express/Business Standard/Jansatta/Dainik Jagran which are national and local dailies respectively. These are not sent individually to the Members.

Investor Services Web-Based Query Redressal System

Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries, by visiting https://ris.kfintech.com/clientservices/isc/InvestorGrievance.aspx.

Investors can submit their query in the option provided on the above website, which would generate a reference number. For accessing the status/response to the query submitted, the grievance reference number can be used at the option "Track your query" at the left-hand corner of above website. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

Dispute Resolution Mechanism (Smart ODR)

In order to strengthen the dispute resolution mechanism for all disputes between a listed company and/or registrars & transfer agents and its shareholder(s)/investor(s), SEBI had issued a Standard Operating Procedure **("SOP")** vide Circular dated May 30, 2022. As per this Circular, shareholder(s)/investor(s) can opt for Stock Exchange Arbitration Mechanism for resolution of their disputes against the Company or its RTA. Further, SEBI vide Circular dated July 31, 2023 (updated as on December 20, 2023), introduced the Online Dispute Resolution (ODR) Portal. Through this ODR portal, the aggrieved party can initiate the mechanism, after exercising the primary options to resolve its issue, directly with the Company and through the SEBI Complaint Redress System (SCORES) platform. The Company has complied with the above circulars and the same are available at the website of the Company: https://honasa.in/investor/

Kprism Mobile Service Application by Kfintech

Members are requested to note that KFin Technologies Limited **("RTA")** has a mobile application - KPRISM and a website https://kprism.kfintech.com for online service to Members.

Members can download the mobile application from play store, register themselves (one time) for availing host of services viz., view of consolidated portfolio serviced by RTA, Dividend status, request for change of address, change/update Bank Mandate. Through the mobile app, members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursement.

In addition, members can also visit the Investor Service Centre (ISC) webpage, https://ris.kfintech.com/clientservices/isc/default.aspx and get benefitted from the list of services that can be executed from the page like raising or tracking a query, upload tax exemptions forms, view the Demat/Remat request, check dividend status and download required ISR forms and check KYC status for Physical Folios. The mobile application would be available for download from Android Play Store. The Members may alternatively visit the link https://kprism.kfintech.com/app/ to download the mobile application.

VII. GENERAL SHAREHOLDER INFORMATION

Pursuant to General Circular No. 20/2020 issued by Ministry of Corporate Affairs **("MCA")** dated May 05, 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated April 08, 2020 and April 13, 2020 respectively read with MCA General Circular No. 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 and companies whose AGMs are due in the Year 2024 are allowed to conduct their AGM through video conferencing **("VC")** or other audio visual means **("OAVM")** on or before September 30, 2024. Accordingly, your Company will be conducting the AGM through VC/OAVM facility. Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice of AGM and this mode will be available throughout the proceedings of the AGM.

In addition to conducting the AGM through VC/OAVM, the Company would also be providing one-way live webcast of the proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on the e-voting portal of CDSL using their secure login credentials.

During the live AGM, Members may post their queries in the message box provided on the screen or may submit questions in advance on the email ID of the Company at dhanraj.d@honasa.in.

In case of any query and/or help, in respect of attending AGM & e-voting from the CDSL e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 or contact to Company Secretary of the Company at dhanraj.d@honasa.in or RTA at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID einward.ris@kfintech.com or on phone No.: 040-6716 1509 or call RTA toll free No.: 1800-3094-001 for any further clarifications.

Schedule of Eighth Annual General Meeting	
Date	August 29, 2024
Day	Thursday
Time	10.30 am (IST)
Venue	Meeting will be held through VC/OAVM

Financial Year of the Company: The financial year covers the period from 1st April to 31st March.

Corporate Identity Number: U74999DL2016PLC306016

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

Listing on Stock Exchanges

The Equity Shares of the Company are listed with the following stock exchanges:

Name and Address of Stock Exchange	ISIN	Code
BSE Limited (BSE) Floor 25, P. J Towers, Dalal Street, Mumbai – 400 001	INE0J5401028	544014
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051		HONASA

The annual listing fee for the financial year 2024-25 has been paid to both exchanges.

Stock Price Data - High Low during each month

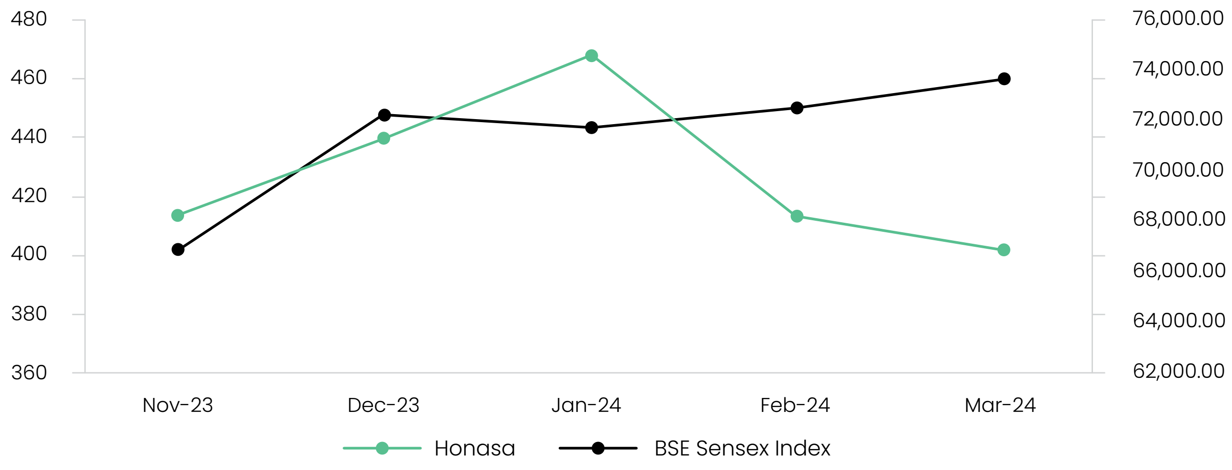
Month	Equity Shares			
	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Nov-23	487	256.1	486.15	256.3
Dec-23	472.45	359.1	472.95	358
Jan-24	510.75	417.45	511	417
Feb-24	474.35	405.7	474.9	405.7
Mar-24	428	357.85	424	357.35

Note: The company got listed on November 07, 2023 therefore the Stock Price Data is not available for the period prior to November 07, 2023.

Stock Performance

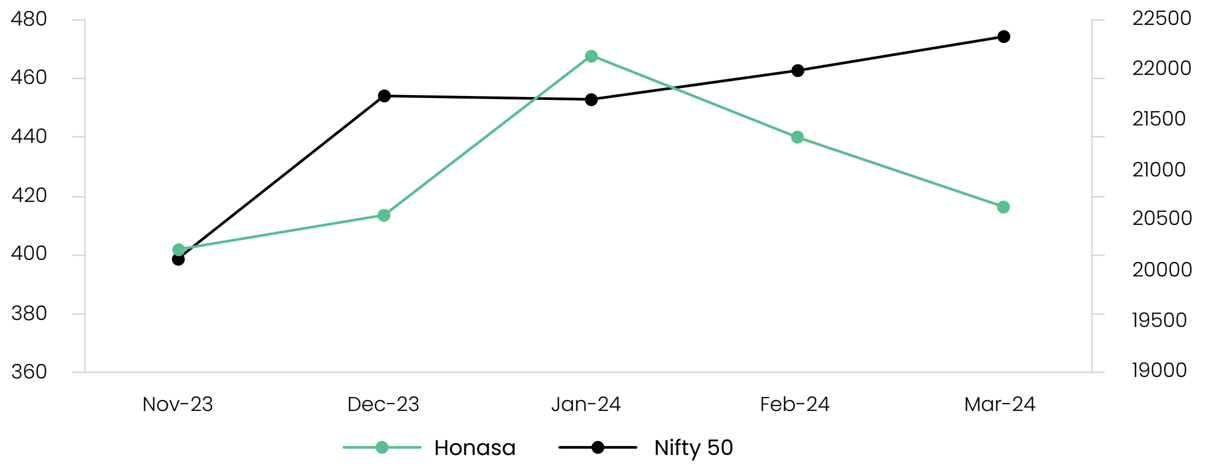
Market price data and performance in comparison to broad based indices such as BSE Sensex are given below:

BSE Share Price Performance



Market price data and performance in comparison to broad-based indices such as Nifty 50 are given below:

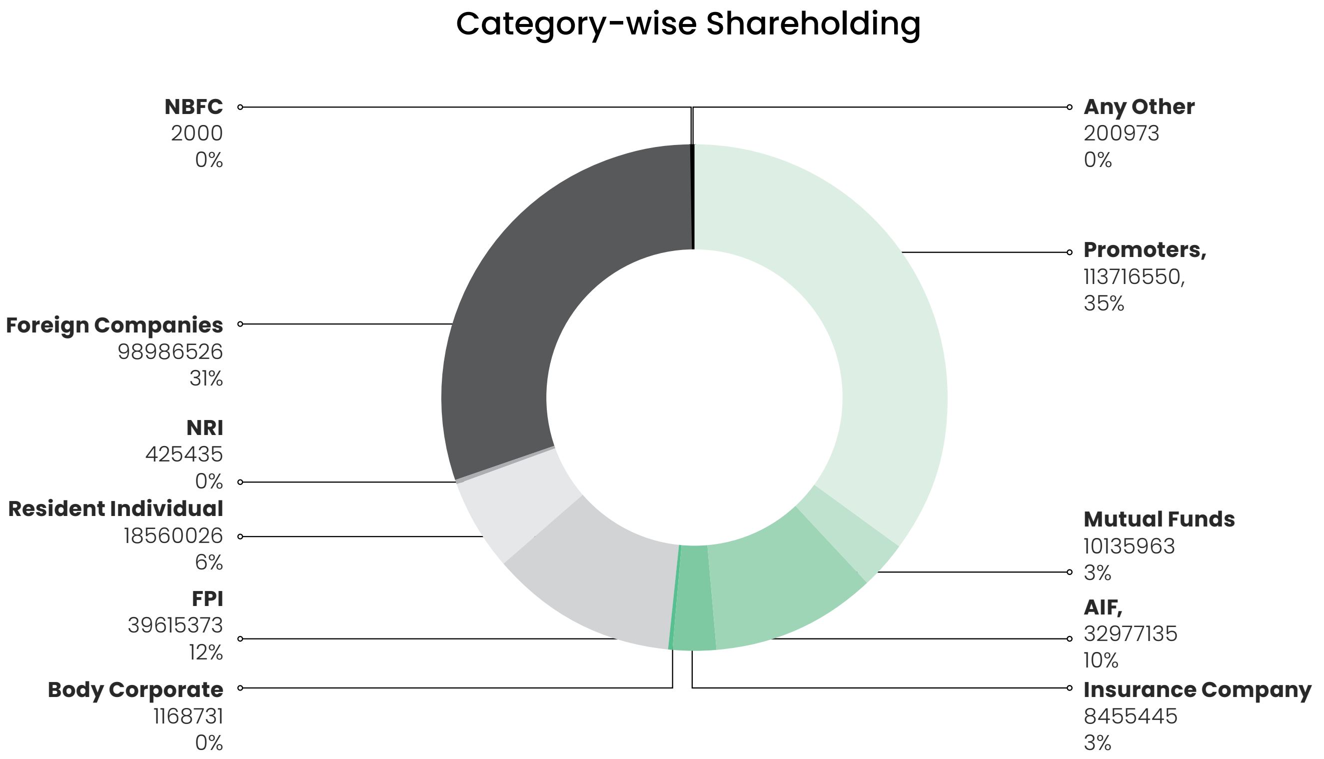
NSE Share Price Performance



Distribution of Shareholding as on March 31, 2024

Sl. no	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% to Equity
1	1-5,000	50,802	99.43	56,51,288	1.74
2	5,001-10,000	92	0.18	6,32,858	0.20
3	10,001-20,000	39	0.08	5,50,779	0.17
4	20,001-30,000	17	0.03	4,26,185	0.13
5	30,001-40,000	9	0.02	3,08,248	0.10
6	40,001-50,000	13	0.03	5,79,306	0.18
7	50,001-1,00,000	36	0.07	27,79,841	0.86
8	1,00,001andabove	87	0.17	31,33,15,652	96.63
	TOTAL:	**51,095**	**100.00**	**32,42,44,157**	**100.00**

Category-wise shareholding as of March 31, 2024



Members holding more than 1% of the shares as on March 31, 2024

The details of Public Members holding more than 1% (PAN-based) of the equity as on March 31, 2024 are as follows:

Name of the Members	No. of Shares Held	% of Shareholding
Peak XV Partners Investments VI	6,06,04,200	18.69
Sofina Ventures SA	1,99,74,026	6.16
Fireside Ventures Investment Fund I	1,71,26,192	5.28
Stellaris Venture Partners India I	1,53,93,910	4.75
Sequoia Capital Global Growth Fund III - U.S./India Annex Fund, L.P.	1,40,99,700	4.35
ICICI Prudential Life Insurance Company Limited	66,41,975	2.05
Small cap World Fund, Inc	57,60,028	1.78
Invesco Mutual Fund	50,72,426	1.56
Evolvence India Fund III Limited	34,31,400	1.06
Rishabh Harsh Mariwala	34,20,112	1.05

Dematerialisation of Shares as on March 31, 2024

Name of the Members	Share Capital	% of holding
Listed Capital	32,42,44,157	100.00
Held in Dematerialised form	32,42,44,157	100.00
National Securities Depository Limited	19,74,03,277	60.88
Central Depository Services (India) Limited	12,68,40,880	39.12
Held in physical form	-	-
Total	**32,42,44,157**	**100.00**

Registrar and Transfer Agents
KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
Unit: Honasa Consumer Limited
Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500032, India
Tel. No.: +91 40 6716 2222
Email: einward.ris@kfintech.com
Website: www.kfintech.com
Toll Free No.: 1800 3094 001

forallmattersrelatingtotransmission/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of your Company.

Address for correspondence
Honasa Consumer Limited
Corporate Office: 10th and 11th Floor,
Capital Cyberscape, Sector- 59, Bhonsdi, Ullawalas,
Gurgaon- 122102, Haryana
Email: dhanraj.d@honasa.in
Tel. No.: +91 124 407 1960

Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. The Stakeholders Relationship Committee meets as and when required, inter alia, to consider the issue of duplicate share certificates and attend to Members' grievances, etc.

Pursuant to Regulation 40 of the SEBI Listing Regulations, no requests for effecting transfer of securities have been processed unless the securities are held in the dematerialised form with the depository with effect from April 01, 2019. However, this restriction shall not be applicable to request received for effecting transmission or transposition of physical shares.

Further, SEBI has mandated that securities shall be issued only in dematerialised mode while processing duplicate/unclaimed suspense/renewal/exchange/endorsement/sub-division/consolidation/transmission/transposition service requests received from physical securities holders.

SEBI has also mandated furnishing of PAN, contact details, bank account details and nomination by holders of physical securities. Further, SEBI has also directed RTAs to freeze folios wherein PAN, KYC details and Nomination are not available on or after October 01, 2023. The Members are requested to update their details with Company/RTA by submitting form ISR-1 which is available on website of the Company.

However, the company do not have any shares available in the physical mode.

The Members may also visit website of depositories viz. National Securities Depository Limited viz. https://nsdl.co.in/faqs/faq.php or Central Depository Services (India) Limited viz. https://www.cdslindia.com/Investors/open-demat.html for further understanding of the demat procedure.

Dematerialisation of Shares and Liquidity

100% of the paid-up equity share capital of your Company is held in a dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2024. The market lot of the Share of your Company is 1 (one) Share, as the trading in the equity share of your Company is permitted only in dematerialised form. The non-promoters' holding as on March 31, 2024 is 64.93 % and the stock is highly liquid.

Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of this Annual Report.

Details of non-compliance, etc.

The Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the SEBI Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) and (t) of the SEBI Listing Regulations in the respective places in this Report.

VIII. SENIOR MANAGEMENT

The details of senior management are as under:

Name	Designation	As on March 31, 2024
Mr. Raman Preet Sohi	Chief Financial Officer	✓
Mr. Zairus Master	Chief Business Officer	✓
Mr. Jayant Chauhan	Chief Product and Technology Officer	✓
Ms. Anuja Mishra	Chief Marketing Officer	✓
Mr. Dhanraj Dagar	Company Secretary and Compliance Officer	✓

During financial year 2023-24, there is no change in the senior management.

Corporate Governance Report

IX. GENERAL BODY MEETINGS

a. Details of previous 3 (three) Annual General Meetings and Special Resolutions passed

Year	Date	Time	Location	Special Resolution Passed
2021	November 29, 2021	03:00 pm	432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place, New Delhi South Delhi – 110066,	Nil
2022	September 30, 2022	10:00 am		Approval of the loan by the Honasa Consumer Limited to Fusion Cosmeceutics Private Limited (subsidiary) in terms of the provisions of Section 185, of the Companies Act, 2013
2023	September 25, 2023	10:00 am	Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector - 12, Dwarka, New Delhi - 110075	Nil

b. Details of special resolutions put through postal ballot during the last financial year along with voting results

1. Ratification of "Honasa Consumer Limited Employees Stock Option Plan– 2018".

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,37,16,550	18,91,58,648	1,88,71,559	32,17,46,757
No. of Votes – in favour	11,36,65,550	8,73,88,700	13,670	20,10,67,920
% of Votes in favour on votes polled	100	86.7999	94.4583	93.7999
No. of Votes –Against	0	1,32,89,650	802	1,32,90,452
% of Votes against on votes polled	0	13.2001	5.5417	6.2001

2. Ratification of "Honasa Consumer Limited Employees Stock Option Plan - 2018" to the Employees of Subsidiary Companies, Group Companies and Associate Companies of the Company.

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,37,16,550	18,91,58,648	1,88,71,559	32,17,46,757
No. of Votes – in favour	11,36,65,550	8,73,88,700	13,623	20,10,67,873
% of Votes in favour on votes polled	100	86.7999	94.0036	93.7999
No. of Votes –Against	0	1,32,89,650	869	1,32,90,519
% of Votes against on votes polled	0	13.2001	5.9964	6.2001

3. Ratification of "Honasa Consumer Limited Employees Stock Option Plan - 2021".

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,37,16,550	18,91,58,648	1,88,71,559	32,17,46,757
No. of Votes – in favour	11,36,65,550	8,73,88,700	13,716	20,10,67,966
% of Votes in favour on votes polled	100	86.7999	94.7761	93.7999
No. of Votes –Against	0	1,32,89,650	756	1,32,90,406
% of Votes against on votes polled	0	13.2001	5.2239	6.2001

4. Ratification of "Honasa Consumer Limited Employees Stock Option Plan - 2021" to the Employees of Subsidiary Companies, Group Companies and Associate Companies of the Company".

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,37,16,550	18,91,58,648	1,88,71,559	32,17,46,757
No. of Votes – in favour	11,36,65,550	8,73,88,700	13,669	20,10,67,919
% of Votes in favour on votes polled	100	86.7999	94.3210	93.7999
No. of Votes – Against	0	1,32,89,650	823	1,32,90,473
% of Votes against on votes polled	0	13.2001	5.6790	6.2001

c. Scrutiniser for postal ballot

The Board had appointed Mr. Shashi Shekhar, Practicing Company Secretary (Membership Number FCS: 12475 and COP: 14145) as the scrutiniser for conducting the postal ballot (e-voting process) in a fair and transparent manner.

d. Resolutions which are proposed to be conducted through postal ballot

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing AGM require the passing of a resolution through postal ballot.

e. Procedure for postal ballot

Prescribed procedure for postal ballot as per the provisions contained in this behalf in the Act read with rules made there under as amended from time to time shall be complied with, whenever necessary.

X. OTHER DISCLOSURES

Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

Unmodified Audit Opinion

During the year under review, there is no audit qualification in your Company's standalone financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

Total fees for all services paid to the Statutory Auditors by the Company for the financial year 2023-24

Total fees paid by the Company on a consolidated basis, to the Statutory Auditor viz. S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004 and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

Particulars	Amount (In Million)
Statutory Audit fee (Including quarterly audit fee)	9.18
Other Services (Primarily IPO)	11.11
Total	**20.29**

Details of Non-Compliance

There were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

During the quarter ended 31 December 2023, NSE and BSE stock exchanges has levied a fine of ₹10,000/- (excluding GST) each on the Company for a delay of one day in prior intimation to the stock exchange about the meeting of Board of Director under Regulation 29(2) of the SEBI Listing Regulations. The delay occurred due to an inadvertence.

Disclosure in relation to recommendation made by any Committee which was not accepted by the Board

During the year under review, there were no such instances wherein the Board had not accepted the recommendations made by any committee of the Board.

Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Director of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial Year 2023-24 is as under

(a) Number of complaints filed during the financial year under review: Nil

(b) Number of complaints disposed of during the financial year under review: Nil

(c) Number of complaints pending as on end of the financial year: Nil

Particulars of loans/advances/investments pursuant to Para A of Schedule V of the SEBI Listing Regulations

The particulars of loans/advances/investments required to be disclosed pursuant to Para A of Schedule V of the SEBI Listing Regulations are furnished separately in the Directors' Report and forms part of this Annual Report.

Directors and Officers Liability Insurance

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI Listing Regulations, the Company has taken a Directors and Officers Liability Insurance **("D&O")** on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.

Shareholding of Key Managerial Personnel of the Company as on March 31, 2024

The Shareholding of Key Managerial Personnel **("KMP")** of your Company as on March 31, 2024 is as follows:

Name of the KMP (Along with their Designation)	No. of Equity Shares held as on March 31, 2024	% of Shareholding
Mr. Varun Alagh, Chairman, Whole Time Director & CEO	10,35,50,850	31.94
Ms. Ghazal Alagh, Whole Time Director	99,64,700	3.07
Mr. Raman Preet Sohi, Chief Financial Officer	0	0
Mr. Dhanraj Dagar, Company Secretary and Compliance Officer	8	0

Disclosure with respect to demat suspense account/unclaimed suspense account

None of the shareholder's shares are lying in the suspense account and hence no disclosure is required under Schedule V of Part F of the SEBI Listing Regulations.

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

As provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company, during the financial year 2023-24.

For and on Behalf of Board of Directors
Honasa Consumer Limited

Sd/-
Varun Alagh
Chairman, CEO & Whole-time Director
DIN: 07597289

Place: Gurugram
Date: May 23, 2024

CEO/CFO CERTIFICATION

We, the undersigned, in our respective capacities as Chairman, CEO & Whole-time Director and Chief Financial Officer of Honasa Consumer Limited ("the Company"), to the best of our knowledge and belief certify that:

i. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief, we state that:

   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

ii. We further state that to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

iii. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

iv. We have indicated to the Auditors and the Audit Committee:

   a. significant changes, if any, in internal control over financial reporting during the year;

   b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   c. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For and on Behalf of Board of Directors
Honasa Consumer Limited

	Sd/-	Sd/-
Place: Gurugram	**Varun Alagh**	**Raman Preet Sohi**
Date: May 23, 2024	Chairman, CEO & Whole-time Director	Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Honasa Consumer Limited
Unit No - 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka
New Delhi-110075

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s Honasa Consumer Limited** bearing CIN: U74999DL2016PLC306016 and having registered office at Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi 110075 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S No.	Name	Director Identification Number (DIN)	Date of Appointment
1.	Varun Alagh	07597289	September 16, 2016
2.	Ghazal Alagh	07608292	September 16, 2016
3.	Ishaan Mittal	07948671	January 03, 2020
4.	Subramaniam Somasundaram	01494407	February 11, 2022
5.	Namita Gupta	07337772	June 08, 2022
6.	Vivek Gambhir	06527810	March 24, 2021

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Arora Shekhar & Company
(Practicing Company Secretaries)

Sd/-
Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475F000434325

Place: Delhi
Date: May 23, 2024

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Honasa Consumer Limited

We have examined the compliance of the conditions of Corporate Governance by M/s Honasa Consumer Limited for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose.

For Arora Shekhar & Company
(Practicing Company Secretaries)

Sd/-
Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475F000434281

Place: Delhi
Date: May 23, 2024

Business Responsibility and Sustainability Report

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2023-2024
1	Corporate Identity Number (CIN) of the Listed Entity	U74999DL2016PLC306016
2	Name of the Listed Entity	Honasa Consumer Limited
3	Year of incorporation	2016
4	Registered office address	Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector – 12, Dwarka, New Delhi – 110075
5	Corporate address	10th and 11th Floor, Capital Cyberscape Ullahwas, Bhondsi, Gurgaon, Haryana – 122102
6	E-mail	dhanraj.d@honasa.in
7	Telephone	011-44123544
8	Website	www.honasa.in
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	3,24,24,41,570 divided into 32,42,44,157 equity shares of ₹10/- each
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Dhanraj Dagar 011-44123544 dhanraj.d@honasa.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Trade	Wholesale trading with our B2B and offline partners.	55%
2.	Trade	Retail trading with our consumers through online platform	45%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Beauty and Personal Care Products	9961	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	124*	124*
International	0	0	0

*This consist of 111 Exclusive brand outlets

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	20*
International (No. of Countries)	2

*No. of states where the entity has GST registration

b. What is the contribution of exports as a percentage of the total turnover of the entity?

3%

c. A brief on types of customers

Our customers are categorised as individuals and channel partners where we supply our products.

Individuals will include retail consumers and channel partners would include our offline channel partners, i.e., super-distributers, distributors, and B2B e-commerce platforms.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)
EMPLOYEES						
1	Permanent (D)	842	611	72.57%	231	27.43%
2	Other than Permanent (E)	0	0	0%	0	0%
3	**Total employees (D + E)**	**842**	**611**	**72.57%**	**231**	**27.43%**
WORKERS						
4	Permanent (F)	NA*				
5	Other than Permanent (G)					
6	**Total workers (F + G)**					

*The company captures the above mentioned data for permanent employees only.

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	0	0	0%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	**Total differently abled employees (D + E)**	**0**	**0**	**0%**	**0**	**0%**
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	NA*				
5	Other than Permanent (E)					
6	**Total differently abled workers (F + G)**					

*The company captures the above mentioned data for permanent employees only.

21. Participation/Inclusion/Representation of women

Particular	Total (A)	No. and percentage of Females No. (B)	% (B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	4	1	25%

22. Turnover rate for permanent employees and workers

Particulars	FY 2023-24 (Turnover rate in current FY) Male	Female	Total	FY 2022-23 (Turnover rate in previous FY) Male	Female	Total	FY 2021-22 (Turnover rate in the year prior to the previous FY) Male	Female	Total
Permanent Employees	45.46%	38.16%	43.47%	35.43%	28.57%	33.57%	30.51%	23.08%	28.57%
Permanent Workers	NA*								

*The company captures the above mentioned data for permanent employees only.

Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1.	Bhabhani Blunt Hair Dressing Private Limited	Wholly owned subsidiary	100%	No
2.	B:Blunt-Spratt Hairdressing Private Limited	Wholly owned subsidiary	100%	No
3.	Fusion Cosmeceutics Private Limited	Wholly owned subsidiary	100%	No
4.	Just4kids Services Private Limited	Wholly owned subsidiary	100%	No
5.	Honasa Consumer General Trading LLC	Wholly owned subsidiary	100%	No
6.	PT Honasa Consumer Indonesia	Wholly owned subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Particulars	Yes
a. Turnover (in ₹)	17,64,38,89,392
b. Net worth (in ₹)	11,24,47,15,743

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities**	Yes, NIL	0**	0	NA	0	0	NA
Investors (other than shareholders)	Yes, https://honasa.in/investor/	0	0	NA	0	0	NA
Shareholders	Yes, https://honasa.in/investor/	1	0	NA	0	0	NA
Employees and workers	Yes, https://chat.infeedo.com/chat/amber	6	0	NA	4	0	NA
Customers	Yes, https://support.mamaearth.in/hc/en-us https://thedermaco.com/contact-us https://aqualogica.in/pages/contact https://ayuga.in/pages/contact	3,60,023	1,248	NA	4,56,563	1358	NA
Value Chain Partners***	Yes, NIL	0***	1	NA	1	1	NA
Other (please specify)	NA, NIL	-	1	-	-	-	-

* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

**The local communities communicate their grievances to the NGOs that the company has partnered with. The grievances are channeled to the company's SPOC, who shares a remedial measure through the NGO to resolve the matter.

***The company is working on establishing a formal ticketing system to receive and redress the grievances of value chain partners.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Consumer Safety & Welfare	Risk	Ensuring consumer health and safety is essential for building trust and maintaining transparency. Non-compliance with product information, labelling, and marketing standards can lead to serious adverse effects. Additionally, prioritising health and safety measures helps prevent potential hazards and protects consumers from harm, further reinforcing their confidence in the company.	1. We have a functional CRM team to track consumer feedback and respond accordingly. 2. We undertake Consumer satisfaction survey to seek feedback proactively 3 We conduct clinical trials on our products before launching them to ensure consumer safety 4 We deploy stringent quality control measures by conducting batch-level quality checks along with leveraging third-party quality laboratories to carry out routine inspections.	Negative
2.	Community	Opportunity	The company focuses on building purpose led brands and has a strong CSR practice in the areas of education and environment, undertaking environmental and social impact initiatives to benefit the community as a whole. These programmes focus on empowering women and children, afforestation and provision of freshwater for all.		Positive
3.	Business Ethics, Governance and Transparency	Opportunity	Strong governance mechanisms enhance the company's reputation, improve decision-making processes, and strengthen risk management, contributing to long-term sustainability. They foster a culture of integrity, transparency, and accountability, which builds trust with stakeholders. By identifying and mitigating risks proactively, the company can promote ethical behaviour. Additionally, robust governance frameworks align business strategies with ESG principles, supporting sustainable growth and resilience in the market.		Positive
4.	Sustainable Packaging	Opportunity	By incorporating renewable and recycled packaging materials, the company reduces its dependence on virgin resources, thereby decreasing the consumption of non-renewable raw materials. Additionally, this shift helps lower carbon emissions, minimises waste, and promotes a circular economy. By adopting sustainable practices, the company not only conserves natural resources but also enhances its environmental stewardship and contributes to a healthier planet.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGBRC) as prescribed by the Ministry of Corporate Affairs enumerates nine principles (P1-P9) as listed below:

P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

P2 Businesses should provide goods and services in a manner that is sustainable and safe.

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 Businesses should respect the interests of and be responsive to all its stakeholders.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect and make efforts to protect and restore the environment.

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 Businesses should promote inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their consumers in a responsible manner

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1. a	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c	Web Link of the Policies, if available	https://honasa.in/wp-content/uploads/2024/07/BRSR_Policy.pdf								
2	Whether the entity has translated the policy into procedures. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Made safe, cruelty free (by PETA) certified, best places to work in health and wellness 2023 (by great places to work) , Best blended learning strategy (by vision and innovation summit and awards,2024).								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	No								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Dear Valued Stakeholders, I am delighted to connect with you and share some remarkable achievements and initiatives undertaken by Honasa over the past year. This year marks our first year of Business Responsibility and Sustainability Reporting (BRSR). We have collected and reported data from our locations all across the country, ensuring transparency and accountability. Our dedication to sustainability has been recognised through various certifications and awards, including Made Safe certification, Cruelty-Free certification by PETA, certified "Great place to work" for the 4th consecutive year and receiving the Best Blended Learning Strategy award by the Vision and Innovation Summit and Awards 2024. We published our 1st Impact report this year, strengthening journey towards sustainability and social responsibility. We thank our dedicated team and esteemed NGO partners: Bhumi, SankalpTaru, Watershed Organisation Trust (WOTR), and Sambhav Foundation. We are proud to announce that our programmes now cover 14 states and 2 Union Territories, reaching a national presence across Assam, Chhattisgarh, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Uttar Pradesh, Rajasthan, Odisha, Tamil Nadu, Telangana, Maharashtra, Sikkim, West Bengal, Delhi, and Puducherry. Through our partnership with the SankalpTaru Foundation, we implemented the We Plant Goodness Initiative under the Mamaearth brand. This initiative promoted afforestation and enhanced farmer livelihoods, reflecting our commitment to fostering sustainable coexistence with nature. As part of the initiative, we have planted 6L+ trees covering 3,800+ acre of land. Our efforts have led to the production of 12,000+ tonnes of fruit, generating an economic value of over ₹20 Cr. In terms of plastic recycling, we recycled 9,000+ tonnes of plastic waste since FY 2020-21, proudly recycling more plastic than we use. Our collaboration with Bhumi NGO brought the Young Scientists Program to life under The Derma Co. brand. The programme has so far instilled a scientific understanding of climate change among 20,000+ school children, empowering them to become ambassadors of environmental sustainability. The Water for All initiative, executed by WOTR under the Aqualogica brand provided clean water access to remote rural areas, benefiting over 500 families so far and significantly improving their quality of life. In partnership with the Sambhav Foundation, we are running the BBlunt Shine Academy initiative. This programme has so far empowered over 10,000 women through vocational training in hairstyling, promoting skill development and financial independence. Our hiring policy emphasises on equal opportunity to candidates with a focus on diversity, Women constitute more than 50% of our current workforce which includes our off-roll employees as well. We are equally committed to our team's welfare, with over 70% of our staff receiving skill development training and more than 75% undergoing performance reviews. We have also drafted a robust BRSR policy and established a strong governance system to guide our efforts. Our journey is a testament to the collective effort of our team, partners, and stakeholders. We remain committed to driving positive change, fostering sustainability, and making a tangible impact on the communities we serve. Thank you for your continued support and trust in our Company. Together, we will continue to build a better, more sustainable future. Warm regards, Varun Alagh Chairman, Whole-Time Director & CEO								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Varun Alagh (Chairman, Whole-Time Director & CEO)								
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No/NA). If Yes please provide details	Yes The CSR committee is responsible for decision making on sustainability related issues.								

Business Responsibility and Sustainability Report

10 Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee, Frequency (Annually/Half yearly/Quarterly/Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	The business responsibility performance of the Company is regularly monitored by the Company and reviewed by the Chairman and respective departmental heads. The Board of Directors reviews it annually.								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with all the applicable laws and a statutory compliance certificate on applicable laws is provided by the CEO & WTD to the Board of Directors on a quarterly basis.								

11	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No).	No
	If yes, provide name of the agency.	NA

12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	Frequency (Annually/Half yearly/Quarterly/Any other-please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
	The entity does not consider the Principles material to its business (Yes/No)	NA								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA								
	It is planned to be done in the next financial year (Yes/No)	NA								
	Any other reason (please specify)	NA								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	1. Corporate Governance & Regulatory Updates 2. Code of conduct under Insider Trading Regulations	100%
Key Managerial Personnel	7	1. De-stress with a Healthy Diet 2. Bridging the Gap between Business & Data 3. Ergonomic & Posture Correction 4. Decoding P2P (Procurement To Payment) Cycle 5. Retail Masterclass 6. Marketing in Disruptive World 7. POSH	100%
Employees other than BOD and KMPs	34	1. Negotiation Skills - 4.8 2. Business Communication Skills - 4.8 3. Time Intelligence & Prioritisation - 4.7 4. Marketing in Disruptive World - 4.6 5. Understanding Procurement to Payment - 4.6 6. Retail Masterclass - 5 7. Developing Business Acumen (Bridging Gap Between Business & Data) - 4.6 8. Data Analysis with Google Sheet - 4.5 9. Leadership Cross Functional Skills (One Team One Goal) - 4.2 10. Managerial Skills (Managers Winning Edge) - 4.8 11. Digital learning (LinkedIn Learning, Coursera, Udemy) - 4.5 12. Self Awareness - 4.9 13. Decision Making Skills - 5 14. Collaboration Skills - 4.9 15. Data Analysis with Excel (Basic & Advance) - 5 16. Hiring & Interview Skills - 4.9 17. Emerging Leaders Programme - 4.7 18. Managing High Performing Teams Programme - 4.7 19. Power of Communication - 4.8 20. Innovation-Ideation-Implementation - 4.5	72%
Workers	NA*		

*The company captures the above mentioned data for permanent employees only.

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format**

Monetory					
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/judicial institutions**	**Amount (In ₹) (For Monetory Cases only)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	NA	BSE Limited and National Stock Exchange of India Limited	20,000/-	Delay of 1 (one) day in providing the prior intimation for convening the Board Meeting to the stock exchanges in pursuant to Regulation 29(1) of the SEBI (Listing Obligation and Disclosure Requirement Regulations) 2015.	No
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NA	Inspector Legal Metrology Agra	₹50,000/-	Space near net quantity declaration on the packaging was not sufficient on baby wipes and hence not in compliance with legal metrology requirements.	No
Compounding fee	NA	Inspector Legal Metrology	₹30,000/-	Rupee symbol missing in one product.	No

Non Monetory				
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/No) If Yes, provide details in brief

Yes

The policy defines corrupt practices and bribery. It also provides for reporting mechanism.

If Yes, Provide a web link to the policy, if available -Web link anti corruption or anti bribery policy is place

https://honasa.in/wp-content/uploads/2024/07/BRSR_Policy.pdf.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Particular	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	NA*	NA*

*The company captures the above mentioned data for permanent employees only.

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA*

*There were no instances related to corruption and conflicts of interest.

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	56	50

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	26%	30%
	b. Number of dealers/distributors to whom sales are made	403	363
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	56%	42%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0%	0%
	b. Sales (Sales to related parties/Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	100%	100%
	d. Investments	36%	34%

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimise the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	0%	0%	-
2	Capex	0%	0%	-

2 a. **Does the entity have procedures in place for sustainable sourcing?** (Yes/No) No*

b. **If yes, what percentage of inputs were sourced sustainably?**

*The company has initiated the process of establishing procedures for sustainable sourcing. As part of this initiative, the company has begun using 70% recyclable plastic packaging for one of its segments in a brand

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics (including packaging)	NIL
(b)	E-waste	NA*
(c)	Hazardous waste	NA*
(d)	other waste	NIL

*The company is primarily engaged in activities that do not generate e-waste or hazardous waste.

4. a **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)**

Yes

b **If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**

Yes

c **If not, provide steps taken to address the same**

NA

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasises the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	611	611	100%	611	100%	0	0%	611	100%	342	55.97%*
Female	231	231	100%	231	100%	231	100%	0	0%	208	90.43%*
Total	**842**	**842**	**100%**	**842**	**100%**	**231**	**27.43%**	**611**	**72.57%**	**550**	**65.32%**

Business Responsibility and Sustainability Report

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than permanent employees											
Male	0	0	0%	0	0%	0	0%	0%	0%	0%	0%
Female	0	0	0%	0	0%	0	0%	0%	0%	0%	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**

*The company extends daycare facilities to employees who work out of the headquarters.

1. b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male											
Female	NA*										
Total											
Other than permanent employees											
Male											
Female	NA*										
Total											

*The company captures the above mentioned data for permanent employees only.

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

Name of the KMP (Along with their Designation)	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.042%	0.0419%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA*	Yes	100%	NA*	Y
Gratuity	100%	NA*	Yes	100%	NA*	Y
ESI	0%	NA*	No	0%	NA*	No
Others – please specify	0%	NA*	No	0%	NA*	No

*The company captures the above mentioned data for permanent employees only.

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

https://honasa.in/wp-content/uploads/2024/07/BRSR_Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	NA	NA
Female	100%	75%	NA	NA
Total	**100%**	**87.5%**	**NA***	**NA***

*The company captures the above mentioned data for permanent employees only.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	NA	
Other than Permanent Workers	NA*	
Permanent Employees	Yes	We have an internal chat based tool for employees to register their grievances additionally, the employees can also reach out to dedicated HR Business Partners for grievance resolution.
Other than Permanent Employees	NA**	

*The company captures the above mentioned data for permanent employees only.

**The company does not have any 'Other than permanent' employees

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C.)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/c)
Total Permanent employees						
Male	611	0	0%	546	0	0%
Female	231	0	0%	204	0	0%
Total Permanent Workers						
Male	NA*					
Female						

*The company captures the above mentioned data for permanent employees only.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	611	611	100%	429	70.21%	546	546	100%	376	68.86%
Female	231	231	100%	172	74.46%	204	204	100%	143	70.09%
Total	**842**	**842**	**100%**	**601**	**71.38%**	**750**	**750**	**100%**	**519**	**69.2%**
Workers										
Male										
Female	NA*									
Total										

*The company captures the above mentioned data for permanent employees only.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	611	472	77.25%	546	411	75.27%
Female	231	188	81.38%	204	151	74.02%
Total	**842**	**660**	**78.38%**	**750**	**562**	**74.93%**
Workers						
Male	NA*					
Female						
Total						

*The company captures the above mentioned data for permanent employees only.

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) Yes

If Yes, the Coverage such systems?

i.) 10 Housekeeping staff who are responsible for maintaining daily cleanliness and hygiene on both the floors, laboratory, and male washrooms.

ii.) 2 female support staff responsible for maintaining daily cleanliness and hygiene of female and differently abled washrooms on both the floors.

iii.) 3 Pantry staff responsible for maintaining and ensuring daily pantry cleanliness and hygiene including washing utensils, coffee machine and water cooler maintenance and refilling as and when required.

iv.) 1 supervisor and 1 Multi-Support Task Staff to ensure uniformity, standard adherence, and ad hoc support as and when required.

v.) Menstrual hygiene support: To provide extended support for women hygiene, sanitary pads and toilet seat disinfectant spray is placed in all women washrooms.

As an extension to this support, effective 5th May 2023, we introduced Honasa Period Support Policy that gives all female employees (in the entire organisation) the option to:

- Avail 1 'Work from Home' option every month when experiencing severe discomfort due to this.
- Make use of our sick leave policy whenever required.

vi.) Infirmary: Whenever employees feel any discomfort or sickness during working hours along with on-call doctor service in case of emergency and usage of medical room located in our office. In addition, there is a medical facility in our office building with an an in-house medical support staff.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

i.) 3 Security Guards stationed at the entrance of the floor to monitor in and out movement of employees and external stakeholders.

ii.) Access Control System installed to prohibit unauthorised entry and exit from the corporate office premises.

iii.) 124 CCTV cameras installed across both the floors and laboratory to monitor and prohibit any incorrect activities.

iv.) Fire Safety Measures: In order to detect fire, smoke sensors have been installed on the floors as per the fire safety norms of the building

v.) Fire Fighting Measures: Following measures are in place in case of fire emergencies:

- Water sprinklers installed as per fire safety norms
- 4 Fire Hydrants installed on each floor
- 3 emergency/fire exits on each floor with appropriate fire door norms
- 28 Fire extinguishers placed across the floors (20 – Type ABC; 8 – Type CO_2)
- Proper signage along with 8 floor plans directing towards emergency exit displayed across the floor
- Emergency assembly area present on the floor in case on any natural calamity

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/No)

Yes

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	3.49	0
	Workers	0	0
Total recordable work-related injuries	Employees	7	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

A. Group Health Insurance

This policy covers all employees along with their spouse and 2 dependent children (up to 25 years age) with a sum insured of ₹3,00,000 or ₹5,00,000 or ₹7,00,000 depending on their employee band.

B. Group Accidental Policy

Depending on the employee's band, this policy provides a principal sum of ₹15,00,000 or ₹25,00,000 or ₹40,00,000 or ₹75,00,000 or ₹1,00,00,000 to the nominees of the employees in case of accidental death of the employee.

C. Wellness Exclusive Offerings

Beyond the group health and accidental policies, employees are also extended more than 20 exclusive wellness offerings as part of the Employee Insurance programme.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

NA*

*There were no safety-related incidents that occurred.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity .

The identification of key stakeholders involves assessing and recognising individuals, groups, or institutions that significantly contribute to the company's operations. The company has identified 7 key stakeholders on the basis of criticality to its operations and success. The company engages extensively with these stakeholders on a regular basis to understand their concerns, complaints, and suggestions, incorporating their feedback into the decision-making process. Stakeholder groups are identified based on the mutual impact they have on the company and the company has on them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other – Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others – Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	N	Advertisements, emails, Website, newspaper, SMS, social media, calls, community meetings	Others – As required	1. Advertise about the product offerings 2. Resolve product related queries 3. Ascertain product satisfaction 4. Identify needs and preferences for new product development 5. Engage with consumers to sell the products
Customers	N	Emails, Website SMS, Online & Offline calls	Others – As required	1. Communicate about the product offerings, trade schemes etc. 2. Resolve product related queries 3. Ascertain product satisfaction amongst consumers 4. Engage with customers to list the products
Employees	N	Emails, online messages, SMS, feedback portal, offline and online meetings	Others – As required	1. Continuous business updates 2. Ascertain workplace satisfaction Business-as-usual communication
Communities	Y	Via NGO partners	Others – As required	1. Communicate the modus operandi and benefits of the programme implemented 2. Redress grievances
Shareholders and Investors	N	Earnings call and presentation, website, Emails, SMS, Newspaper, social media, offline and online meetings	Others – As required	1. Highlight performance of the company 2. Updates as required as per the regulatory bodies
Vendors	N	Emails, offline and online meetings, SMS	Others – As required	1. Contract based negotiations. 2. Business deliverable Update 3. Grievance redressal
Regulatory Body	N	Emails, offline and online meetings, SMS	Others – As required	Comply with the government regulations

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	842	842	100%	750	750	100%
Other than permanent	0	0	0%	0	0	0%
Total Employees	**842**	**842**	**100%**	**750**	**750**	**100%**
Workers						
Permanent	NA*					
Other than permanent						
Total Workers						

*The company captures the above mentioned data for permanent employees only.

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	611	0	0%	611	100%	546	0	0%	546	100%
Female	231	0	0%	231	100%	204	0	0%	204	100%
Total	**842**	**0**	**0%**	**842**	**100%**	**750**	**0**	**0%**	**750**	**100%**
Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**
Workers										
Permanent										
Male	NA*									
Female										
Total										
Other than Permanent										
Male	NA*									
Female										
Total										

*The company captures the above mentioned data for permanent employees only.

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	1	1,99,78,404	1	1,43,78,400
Key Managerial Personnel	3	1,99,78,404	1	1,43,78,400
Employees other than BoD and KMP	608	7,75,000	230	8,78,400
Workers	NA*			

*The company captures the above mentioned data for permanent employees only.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	26%	26%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Aggrieved employee can write to the Internal Complains Committee (ICC) who will then conduct an investigation for complaints related to sexual harassment.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	2	0	ICC recommended actions executed
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	1	0	Complaint not substantiated, ICC sent the final response to complainant	3	0	ICC recommended actions executed

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	2
Complaints on POSH as a % of female employees/workers	0%	0.98%
Complaints on POSH upheld	0	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Confidentiality is maintained throughout the investigation, and interim relief may be provided to the complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

No

10. Assessments for the year:

Name of the assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators

1. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? (Yes/No)

Yes

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasises the importance of environmental stewardship. Companies should minimise their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Gigajoules) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	**0**	**0**
From non-renewable sources		
Total electricity consumption (D)	4,843.56	2,138.64
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**4,843.56**	**2,138.64**
Total energy consumed (A+B+C+D+E+F)	**4,843.56**	**2,138.64**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.00000027452	0.00000015333
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.00000007578	0.00000004431
Energy intensity in terms of physical output (Total energy consumed/Number of units)	0.00004927785	0.00002823561
Energy intensity (optional) – the relevant metric may be selected by the entity		
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?	No	
If yes, name of the external agency.	NA	

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

No

Business Responsibility and Sustainability Report

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter Water withdrawal by source (in kilolitres)	FY 2023-24	FY 2022-23
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	436.33	205.82
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**436.33**	**205.82**
Total volume of water consumption (in kilolitres)	**436.33**	**205.82**
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.00000002473	0.00000001476
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.00000000683	0.00000000426
Water intensity in terms of physical output (Total water consumption/Number of units)	0.00000443917	0.00000271736
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)	No	
If yes, name of the external agency.	NA	

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**0**	**0**
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)	No	
If yes, name of the external agency.	NA	

5. **Has the entity implemented a mechanism for Zero Liquid Discharge?**

No

If yes, provide details of its coverage and implementation.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	NA*	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)		No	
If yes, name of the external agency.		NA	

*The nature of our business activities is such that there are no air emissions.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO2 equivalent	63.35	81.45
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO2 equivalent	963.33	425.35
Total Scope 1 and Scope 2 emissions per rupee of turnover	(Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	0.00000005819	0.00000003633
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	(Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	0.00000001606	0.00000001050
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Total Scope 1 and Scope 2 emission per number of units produced	0.00001044533	0.00000669108
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)		No	
If yes, name of the external agency.		NA	

8. **Does the entity have any project related to reducing Green House Gas emission? (Yes/No)**

No

If Yes, then provide details.

Business Responsibility and Sustainability Report

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)*	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Office waste	142.53	74.19
Total (A+B + C + D + E + F + G + H)	**142.53**	**74.19**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00000000808	0.00000000532
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.00000000223	0.00000000154
Waste intensity in terms of physical output (Total waste generated/Number of units)	0.00000145008	0.00000097950

*The company operates on a lease for its electronic equipments with a third party vendor. The equipments gets replaced by the vendor post any malfunction.

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2023-24	FY 2022-23
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Parameter	FY 2023-24	FY 2022-23
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	142.53	74.19
Total	**142.53**	**74.19**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
No

If yes, name of the external agency.
NA

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**
The business is such that we do not use hazardous and toxic chemicals.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
NIL				

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NIL					

13. **Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).**
Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**
5

b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National/International)
1.	FICCI- Sectoral Committee Co-Chair (Start-up)	National
2.	MAARG (InvestIndia)	National
3.	CII Committee Member	National
4.	ASCI	National
5.	ASSOCHAM	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NIL		

*There were no issues related to anti-competitive conduct by the entity

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.
(This principle emphasises the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalised groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NIL						

3. Describe the mechanisms to receive and redress grievances of the community.

The local bodies communicate their grievance to the NGO partner and they then cascade it to the company's SPOC who then shares remedial measures to the NGO. The NGO, in turn, resolves the matter with the local bodies.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	64%	55.4%
Directly from within India	99%	98.8%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Parameter	FY 2023-24	FY 2022-23
Rural	0%	0%
Semi-urban	0%	0%
Urban	0%	0%
Metropolitan	100%	100%
(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)		

Leadership Indicators

1. Details of beneficiaries of CSR projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Say trees	Village residents	NA*
2.	IamGurgaon	Forest restoration	NA*

* These projects were initiated in March 2024, and tracking the percentage of beneficiaries from vulnerable and marginalised groups is currently in progress.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customers can reach out to the company through following the channels:
https://support.mamaearth.in/hc/en-us
https://ayuga.in/pages/contact
https://bblunt.com/contact-us
https://thedermaco.com/contact-us
https://aqualogica.in/pages/contact
https://support.stazebeauty.com/hc/en-us

A dedicated team handles these complains received though above mentioned portals and respective social media platforms, ensuring they are resolved in an efficient and prompt manner.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	72%
Safe and responsible usage	100%
Recycling and/or safe disposal	60%

3. Number of consumer complaints in respect of the following:

Particular	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	2323	0	0	762	0	0
Advertising	0	0	0	0	0	0
Cyber-security	4	0	0	1	0	0
Delivery of essential services	0	0	0	0	0	0
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other	0	1	0	0	1	0

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	13	1 recall due to IP breach claim by third party and 12 instances of product recall
Forced recalls	0	0

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

Yes

https://honasa.in/wp-content/uploads/2024/07/Honasa_Consumer_Limited_Cybersecurity-Policy_V1.0.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

NA*

*There were no issues relating to to advertising, and delivery of essential services; cyber security and data privacy of customers

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact

0

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of the data breaches

NIL

Independent Auditor's Report

To the Members of **Honasa Consumer Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Honasa Consumer Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income/(loss), its cash flows and the 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 (SAs), as 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessing the recoverability of carrying value of goodwill, other intangible assets and investments in subsidiaries (as described in Note 4, 5 and 7 of the standalone financial statements)	
As at March 31, 2024, the carrying value of goodwill, other intangible assets and investments in subsidiaries is Rs. 8.89 million, Rs. 522.30 million and Rs. 1,522.31 million respectively. The management reviews on a periodical basis whether there are any indicators of impairment of such goodwill, other intangible assets and investments. Management performs an impairment assessment by comparing the carrying value to their recoverable amount to determine whether an impairment is required to be recognised. Management's process for assessing and determining recoverable amount is based on judgements and assumptions relating to identification of impairment indicators, forecasts of future cashflows, long-term growth rates and discount rates applied to such cash flows. Since the impairment assessment involves significant estimates, assumptions and judgement, it is considered as a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: • We read and assessed the Company's accounting policy with respect to impairment assessment. • We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process. • We examined the management assessment in determining whether any impairment indicators exist. • We involved our specialists to evaluate Company's valuation methodology applied in determining the recoverable amount. We evaluated the assumptions around the key drivers of the cash flow forecasts including revenue growth rates, operating margins, discount rates, and terminal growth rates used and considered the sensitivity analysis scenarios performed by the management. • In making this assessment, we also assessed the objectivity and independence of Company's specialists involved in the process. • We tested the arithmetical accuracy of the models. • We evaluated the adequacy of relevant disclosures made in the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 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 such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance 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 judgement 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

Independent Auditor's Report

- 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.

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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 the Statement of Other Comprehensive Income, the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2024 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38(b) to the standalone financial statements;

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 to the standalone financial statements, 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 persons or entities, 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;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 44 to the standalone financial statements, no funds have been received by the Company from any persons or entities, 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; and

c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting softwares except that, audit trail feature is not enabled for certain changes made using administrative access rights in respect of certain accounting softwares, as described in note 47 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the aforesaid softwares where audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 24213803BKGWLX4859

Place: Mumbai
Date: May 23, 2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HONASA CONSUMER LIMTED

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

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in note 44 to the standalone financial statements.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and no material discrepancies were noticed in respect of such confirmations.

(b) As disclosed in note 22 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of fixed deposits and quarterly returns or statements are not required to be filed with banks. Accordingly, the requirement to report on clause 3(ii)(b) of the Order with regards to filing of quarterly returns or statements with banks in respect of current assets is not applicable to the Company.

(iii) (a) During the year the Company has provided loans to companies (subsidiaries) and other parties (employees) as follows:

Particulars	Loans (₹ million)
Aggregate amount granted during the year	
- Subsidiaries	75.00
- Others (employees)	17.00
Balance outstanding as at balance sheet date in respect of above (including opening balances)	
- Subsidiaries	135.00
- Others (employees)	Nil

(b) During the year, the investments made and loans given to subsidiaries and other parties (employees) are not prejudicial to the Company's interest. The Company has not provided guarantees, security and loans and advances in the nature of loans to firms or Limited Liability Partnerships.

(c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) The Company had granted loans to its subsidiary which had fallen due during the year and the Company had extended the loan repayment period during the year.

The aggregate amount of such dues extended and the percentage of the aggregate to the total loans granted during the year are as follows:

Name of Party	Aggregate amount of loans granted during the year	Aggregate amount for which extension granted	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Honasa Consumer General Trading LLC	Nil	₹25 million	Nil

(f) As disclosed in note 8 to the standalone financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Related Parties
Aggregate amount of loans repayable on demand as at March 31, 2024	₹ 135 million
Percentage of such loans to the total loans	84%

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. 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.

(b) According to the information and explanations given to us, there are no dues of goods and services tax, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in note 44 to the standalone financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

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

(c) The Company did not have any term loans outstanding during the year. Hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken funds from any entity or person specifically on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) Monies raised during the year by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with banks. The maximum amount of idle/surplus funds invested during the year was Rs. 3,504.92 million, of which Rs. 3,446.69 million was outstanding at the end of the year.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

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

Independent Auditor's Report

(c) We have taken into consideration the whistle blower complaints received by the Company while determining the nature, timing and extent of audit procedures.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 43 to the standalone financial statements, ageing and expected dates of realisation 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 33 to the standalone financial statements.

(b) There are no ongoing projects and hence the requirement to report on clause (xx)(b) of the Order is not applicable to the Company. This matter has been disclosed in note 33 to the standalone financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 24213803BKGWLX4859

Place: Mumbai
Date: May 23, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HONASA CONSUMER LIMTED

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 the standalone financial statements of Honasa Consumer Limited ("the Company") as of March 31, 2024 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 is responsible for establishing and maintaining internal financial controls 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to these 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 these standalone financial statements includes 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2024, 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 issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 24213803BKGWLX4859

Place: Mumbai
Date: May 23, 2024

Balance Sheet

as at March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3(a)	109.54	72.43
Capital work in progress	3(b)	2.88	-
Goodwill	4	8.89	8.89
Other intangible assets	5	522.30	526.50
Right-of-use assets	6	1,057.34	656.24
Investments in subsidiaries	7	1,522.31	1,333.90
Financial assets			
i. Loans	8	160.00	105.00
ii. Other financial assets	9	1,885.87	702.16
Income tax assets (net)	10	-	33.43
Other non-current assets	11	9.80	4.27
Total non-current assets		**5,278.93**	**3,442.82**
Current assets			
Inventories	12	1,149.74	1,026.36
Financial assets			
i. Investments	7	2,734.58	2,584.94
ii. Trade receivables	13	1,468.03	1,143.48
iii. Cash and cash equivalents	14	1,009.96	16.72
iv. Bank balances other than cash and cash equivalents	15	3,785.80	517.52
v. Other financial assets	9	430.49	341.31
Other current assets	11	273.34	319.20
Total current assets		**10,851.94**	**5,949.53**
Total assets		**16,130.87**	**9,392.35**
Equity and liabilities			
Equity			
Equity share capital	16	3,242.44	1,363.36
Instruments entirely in the nature of equity	17	-	17,929.36
Other equity	18	8,002.28	(13,023.94)
Total equity		**11,244.72**	**6,268.78**
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	6	959.31	588.03
Provisions	20	66.01	43.52
Deferred tax liabilities (net)	25	26.74	5.23
Total non-current liabilities		**1,052.06**	**636.78**
Current liabilities			
Financial liabilities			
i. Borrowings	22	-	36.09
ii. Lease liabilities	6	142.61	110.38
iii. Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		109.05	45.06
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,620.72	1,756.48
iv. Other financial liabilities	19	199.87	197.23
Provisions	20	58.00	38.21
Other current liabilities	21	657.33	263.96
Income tax liability (net)	24	46.51	39.38
Total current liabilities		**3,834.09**	**2,486.79**
Total liabilities		**4,886.15**	**3,123.57**
Total equity and liabilities		**16,130.87**	**9,392.35**

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Mumbai
Date: May 23, 2024

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Gurugram
Date: May 23, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Note	March 31, 2024	March 31, 2023
Income			
Revenue from operations	26	17,643.89	13,948.03
Other income	27	481.35	204.36
Total income (I)		**18,125.24**	**14,152.39**
Expenses			
Purchases of traded goods	28	5,530.63	4,830.83
Increase in inventories of traded goods	29	(128.49)	(496.37)
Employee benefits expenses	30	1,580.18	1,253.46
Depreciation and amortisation expenses	31	228.72	147.80
Finance costs	32	71.90	50.57
Other expenses	33	9,361.51	7,859.37
Change in fair value of derivative liability	19	(102.00)	54.20
Total expenses (II)		**16,542.45**	**13,699.86**
Profit before exceptional items and taxes (III = I-II)		**1,582.79**	**452.53**
Exceptional Items (IV)			
Impairment loss on investment in subsidiary	7	-	(1,525.37)
Profit/(Loss) before tax (V = III+IV)		**1,582.79**	**(1,072.84)**
Tax expenses			
Current tax	25	352.40	160.00
Deferred tax charge/(credit)	25	20.73	(27.28)
Total tax expenses (VI)		**373.13**	**132.72**
Profit/(Loss) for the year (VII = V-VI)		**1,209.66**	**(1,205.56)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		3.10	3.13
Income tax effect on above	25	(0.78)	(0.79)
Other comprehensive income for the year, net of tax (VIII)		**2.32**	**2.34**
Total comprehensive income/(loss) for the year, net of tax (IX = VII+VIII)		**1,211.98**	**(1,203.22)**
Earnings/(Loss) per equity share	34		
Basic			
Equity shares, Nominal value of ₹ 10 each		3.86	(3.93)
Diluted			
Equity shares, Nominal value of ₹ 10 each		3.84	(3.93)

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Mumbai
Date: May 23, 2024

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Gurugram
Date: May 23, 2024

Standalone Cash flow statement

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Notes	March 31, 2024	March 31, 2023
Operating activities			
Profit/(Loss) before tax		**1,582.79**	**(1,072.84)**
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Depreciation of property, plant and equipment		35.90	16.98
Amortisation of intangible assets		4.20	23.35
Depreciation of right-of-use assets		188.62	107.47
Provision for doubtful debts		109.50	48.43
Provision for slow moving inventory		5.38	79.33
Share based payments expenses (equity settled)		172.37	234.70
Share based payments expenses (cash settled)		-	7.59
Impairment loss on investment in subsidiary		-	1,525.37
Fair value gain on investments measured at fair value through profit and loss ('FVTPL')		(162.57)	(16.52)
Change in fair value of derivative liability		(102.00)	54.20
Gain on sale of investments measured at FVTPL		(12.69)	(77.16)
Gain on lease modification		(36.91)	-
Interest income		(259.46)	(98.06)
Finance costs		71.90	50.57
Provison for doubtful advance		3.94	-
Operating cash flow before working capital changes		**1,600.97**	**883.41**
Movement in working capital:			
(Increase) in trade receivables		(434.05)	(633.48)
(Increase) in other financial assets		(48.56)	(244.06)
Increase in trade payables		928.23	171.66
Increase in financial liabilities		93.58	15.43
Increase in provisions		45.38	40.88
(Increase) in inventories		(128.76)	(463.83)
Increase in other liabilities		393.37	147.24
Decrease/(increase) in other current assets		41.92	(25.60)
Cash flow generated from/(used in) from operating activities		**2,492.08**	**(108.35)**
Income tax paid		(311.84)	(120.61)
Net cash flow generated from/(used in) operating activities (A)		**2,180.24**	**(228.96)**
Investing activities			
Purchase of property, plant and equipment (including capital work in progress, capital advances and payable for capital goods)		(70.37)	(77.04)
Payment of Initial direct costs on leases		(1.88)	(4.86)
Investment in subsidiaries		(230.08)	(798.21)
Loan to subsidiaries		(55.00)	(105.00)
(Investment) in/redemption of bank deposits (net)		(4,393.30)	118.32
Purchase of current investment		(745.04)	(1,520.50)
Sale proceeds of current investment		770.67	2,333.24
Interest received		137.59	83.67
Net cash flow (used in)/generated from investing activities (B)		**(4,587.41)**	**29.62**

Standalone Cash flow statement

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Notes	March 31, 2024	March 31, 2023
Financing activities			
Proceeds from issuance of equity shares (net of share issue expenses)		3,633.25	49.01
Principal repayment of lease liabilities		(124.86)	(64.74)
Interest on lease liabilities		(67.56)	(44.95)
Finance costs paid		(4.33)	(5.62)
Net cash flows generated from/(used in) financing activities (C)		**3,436.50**	**(66.30)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**1,029.33**	**(265.64)**
Cash and cash equivalents at the beginning of the year		(19.37)	246.27
Cash and cash equivalents at the end of the year		**1,009.96**	**(19.37)**
Components of cash and cash equivalents	14		
Balance with banks			
- on current accounts		256.61	15.14
Cash in hand		2.65	1.58
Deposits with remaining maturity of less than or equal to three months		750.70	-
Less: Bank overdraft (refer note 22)		-	(36.09)
Total cash and cash equivalents		**1,009.96**	**(19.37)**

Reconciliation between opening and closing liabilities arising from financing activities:

Particulars	Opening balance	Cash flows	Non-cash movement	Closing balance
March 31, 2024				
Leases liabilities (including interest)	698.41	(192.42)	595.93	1,101.92
Net movement in bank overdraft facilities	36.09	(36.09)	-	-
Total liabilities from financing activities	**734.50**	**(228.51)**	**595.93**	**1,101.92**
March 31, 2023				
Leases liabilities (including interest)	440.55	(109.69)	367.55	698.41
Net movement in bank overdraft facilities	-	36.09	-	36.09
Total liabilities from financing activities	**440.55**	**(73.60)**	**367.55**	**734.50**

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
Honasa Consumer Limited

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Mumbai
Date: May 23, 2024

Place: Gurugram
Date: May 23, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

a) Equity share capital

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

Particulars		No of shares	Amount
As at April 01, 2022		10,256	0.10
Issued during the year (Refer Note (i) below)		13,63,26,080	1,363.26
As at March 31, 2023		**13,63,36,336**	**1,363.36**
As at April 01, 2023		13,63,36,336	1,363.36
Issued during the year (Refer Note (ii) below)		18,79,07,821	1,879.08
As at March 31, 2024	**A**	**32,42,44,157**	**3,242.44**

Note:

i. During the year ended March 31, 2023, the Company issued 292,936 equity shares of ₹ 10 each, 136,032,854 bonus shares of ₹ 10 each and 290 equity shares on account of share split of ₹ 10 each. Also refer note 16.

ii. During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹ 10 each on allotment of ESOP, 1,704,47,700 shares on Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") conversion and 11,267,530 shares through Initial public offer (IPO). Also refer note 16.

(ii) Equity shares of ₹ 100 each issued, subscribed and fully paid

Particulars		No of shares	Amount
As at April 01, 2022		290	0.03
Share split during the year (Refer Note (i) below)		(290)	(0.03)
As at March 31, 2023		**-**	**-**
As at April 01, 2023		-	-
Issued during the year		-	-
As at March 31, 2024	**B**	**-**	**-**

(iii) Equity shares of ₹ 90 each issued, subscribed and fully paid

Particulars		No of shares	Amount
As at April 01, 2022		-	-
Share split during the year (Refer Note (i) below)		290	0.03
Buy back during the year (Refer Note (ii) below)		(290)	(0.03)
As at March 31, 2023		**-**	**-**
As at April 01, 2023		-	-
Issued during the year		-	-
As at March 31, 2024	**C**	**-**	**-**
Total equity share capital	**A+B+C**		**3,242.44**

Note:

i. Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Company held on April 28, 2022, each equity share of face value of ₹ 100 per share was split into one equity share of face value of ₹ 10 per share and one equity share of face value of ₹ 90 per share, with effect from April 28, 2022.

ii. Pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of ₹ 90 per share were bought back on September 22, 2022 for ₹ 90 per share.

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

b) Instruments entirely in the nature of equity

Particulars	No of shares	Amount
0.001% NCCCPS of ₹ 10 each, fully paid		
As at April 1, 2022	13,213	17,929.36
Issued during the year	-	-
As at March 31, 2023	**13,213**	**17,929.36**
As at April 1, 2023	13,213	17,929.36
Converted to equity shares*	(13,213)	(0.13)
Transferred to retained earnings (Refer note 18)		(17,929.23)
As at March 31, 2024	**-**	**-**

* The Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

c) Other equity

For the year ended March 31, 2024

	Reserve & Surplus				
	Retained earnings (Note 18)	Securities premium (Note 18)	Share based payment reserve (Note 18)	Capital redemption reserve (Note 18)	Total other equity
As at April 1, 2023	(18,723.44)	5,194.55	504.92	0.03	(13,023.94)
Profit for the year	1,209.66	-	-	-	1,209.66
Other comprehensive income/(loss)					
Re-measurement gains/ (losses) on defined benefit plans (net)	2.32	-	-	-	2.32
Total comprehensive income/(loss)	**1,211.98**	**-**	**-**	**-**	**1,211.98**
Add: Premium received on issue of equity shares	-	3,602.52	-	-	3,602.52
Less: Transaction cost on issue of equity shares	-	(143.87)	-	-	(143.87)
Add: Conversion of NCCCPS into equity	17,929.23	-	-	-	17,929.23
Add: Share based payment expense for the year (refer note 39)		-	172.37	-	172.37
Less: Lapsation of options granted to employees of subsidiary companies			(47.47)	-	(47.47)
Less: Transferred to securities premium on exercise of stock options	-	382.37	(382.37)	-	-
Add/(less): Lapsation of vested options	5.15		(5.15)		-
Less: Utilised on issue of bonus share	-	(1,704.34)	-	-	(1,704.34)
Add: Options granted to employees of subsidiaries	-	-	5.80	-	5.80
As at March 31, 2024	**422.92**	**7,331.23**	**248.10**	**0.03**	**8,002.28**

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

For the year ended March 31, 2023

	Reserve & Surplus				
	Retained earnings (Note 18)	Securities premium (Note 18)	Share based payment reserve (Note 18)	Capital redemption reserve (Note 18)	Total other equity
As at April 1, 2022	**(17,520.19)**	**6,504.71**	**207.34**	**-**	**(10,808.14)**
Loss for the year	(1,205.56)	-	-	-	(1,205.56)
Other comprehensive income/(loss)					
Re-measurement gains/ (losses) on defined benefit plans (net)	2.34	-	-	-	2.34
Total comprehensive income/(loss)	**(1,203.22)**	**-**	**-**	**-**	**(1,203.22)**
Add: Premium received on issue of equity shares	-	58.81	-	-	58.81
Less: Transaction cost on issue of equity shares	-	(12.71)	-	-	(12.71)
Add: Modification of Stock appreciation rights from cash settled to equity settled (Refer note 39)	-	-	27.74	-	27.74
Add: Share based payment expense for the year (refer note 39)	-	-	234.70	-	234.70
Less: Transferred to securities premium on exercise of stock options	-	4.07	(4.07)	-	-
Less: Utilised on issue of bonus share	-	(1,360.33)	-	-	(1,360.33)
Add: Options granted to employees of subsidiaries	-	-	39.21	-	39.21
Add/(less): Transfer to Capital redemption reserve on buyback of equity shares	(0.03)	-	-	0.03	-
As at March 31, 2023	**(18,723.44)**	**5,194.55**	**504.92**	**0.03**	**(13,023.94)**

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
Honasa Consumer Limited

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Mumbai
Date: May 23, 2024

Place: Gurugram
Date: May 23, 2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

1 Corporate Information

Honasa Consumer Limited ("the Company"), is principally engaged in trading of variety of beauty and personal care products across baby care, skin care, hair and other related personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co.', 'BBlunt', 'Aqualogica', and 'Ayuga'. The Company, sells its products primarily in India. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The registered office of the Company is located at Unit No 404, 4th floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi - 110075.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on October 26, 2022 and consequently the name of the Company has changed to Honasa Consumer Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on November 11, 2022. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023 (refer note 48).

The Standalone Financial Statements for the year ended March 31, 2024 were approved for issue in the meeting of the Board of Directors held on May 23, 2024.

2 Basis of Preparation and Material accounting policies

2.1 Statement of compliance and basis of preparation

The standalone financial statements of the Company as at and for the year ended March 31, 2024 are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act (Ind-AS compliant Schedule III as applicable to the standalone financial statements).

These standalone financial statements have been prepared on a going concern basis.

The standalone financial statements have been prepared on an accrual basis under the historical cost convention except for certain assets and liabilities that are measured at fair value as mentioned below.

- share-based payments – measured at fair value
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The standalone financial statements are presented in Indian Rupee (Rs./₹). All the values are rounded off to the nearest millions, upto two decimal placed, except when otherwise indicated.

2.2 Material Accounting Policies

2.2.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

A liability is current when:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle."

2.2.2 Foreign currency translation

(i) Functional and presentation currency:

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

financial statements are presented in Indian rupee (₹), which is functional and presentation currency of the Company.

(ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in standalone statement of profit and loss.

2.2.3 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 in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised 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 recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.2.4 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Such cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss. 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 recognised in the statement of profit and loss when the asset is derecognised.

Depreciation on property, plant and equipment is calculated on a written down value over the useful lives of assets estimated by the management, as below:

Asset category	Useful lives estimated by the management (years)	Useful lives as per schedule II of the Act (years)
Office equipment	5	5
Plant and Machinery	3 to 8	15
Furniture and fixtures	10	10
Computer & peripherals	3 to 6	3 to 6

Leasehold improvements are amortised on a straight line basis over the period of lease or estimated useful lives of the assets, which ever is lower.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

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. Any gain or loss arising on de-recognition 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 when the asset is derecognised.

The useful lives have been determined based on managements' judgement which in certain instances are different from those specified by Schedule II to the Act, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.2.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever 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 year. 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 lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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. when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Brand	Indefinite *	No Amortisation	Acquired
Trademarks	5 years	Straight Line	Acquired
Design and Formulation	0.5 years to 1 year	Straight Line	Acquired
Software	1-6 years	Straight Line	Acquired
Goodwill	Indefinite *	No Amortisation	Acquired

* Tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

2.2.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and brand are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill and brand by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill and brand relate to. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.2.7 Inventories

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

Obsolete, slow moving and defective/damage/ near expiry inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.2.8 Revenue recognition

Revenues are recognised when, or as, control of a promised goods transfers to customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those goods or services. To recognise revenues the following five step approach is applied: (i) identify the contract with a customer, (ii) identify the performance obligation in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognise revenues when a performance obligations is satisfied. 'The following specific recognition criteria must also be met before revenue is recognised:

Revenue from Sale of products

Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products, which is generally on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives. Revenue is measured at amount of "Transaction Price" as per Ind AS 115.

Non Cash consideration

The Company measures the non-cash consideration at fair value to determine the transaction price for contracts in which a customer promises consideration in a form other than cash. In case the fair value cannot be resonably estimated, the Company measures the consideration indirectly by reference to the stand alone selling price of the goods promised to the customer in exchange for the consideration.

Variable consideration

If the consideration in a contract includes a variable amount (discounts and incentives), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services to the customer and such discounts and incentives are estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of return and volume rebates give rise to variable consideration.

Rights of return

The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

Volume rebates

The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Customer wallet points

The Company has a wallet points programme, which allows customers to accumulate points that can be redeemed for subsequent purchase. The wallet points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on each reporting date and any adjustments to the contract liability balance are charged against revenue.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Contract balances

Contract assets

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

Trade receivables

A trade receivable is recognised if an amount of consideration 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.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from the customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.2.9 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."

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The 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.

Right-of-use assets

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 shorter of the lease term and the estimated useful lives of the assets as follows:-

Particulars	Useful lives (years)
Buildings	2-9 years
Computer & Peripherals	3 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non-financial assets.

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 exercising of the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate for Right of use assets at the lease commencement date. 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.

Short-term leases and leases of low-value assets The Company applies the short-term lease recognition exemption to its short-term leases (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 that are 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.

2.2.10 Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the standalone balance sheet.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Gratuity: Defined benefits obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

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 term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme are the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognises contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.2.11 Investment in subsidiary

The Company has elected to recognise its investments in subsidiary companies at cost in accordance with the option available in Ind AS - 27, 'Separate Financial Statements', less accumulated impairment loss, if any. Cost represents amount paid for acquisition of the said investments. The details of such investment is given in note 7. Refer to the accounting policies in note 2.7 for policy on impairment of non-financial asset.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss."

2.2.12 Employee share based payment

The Stock option plan of the Company is classified as equity settled transaction based on the constructive obligation for settlement of option in equity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black Scholes model.

That cost is recognised, together with a corresponding increase in share based payment reserves 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 in the statement of profit and loss 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 equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. 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 statement of profit or loss.

The Company's employees are granted share appreciation rights (SAR) settled in cash upto May 30, 2022 and w.e.f. May 31, 2022 the scheme is modified as equity settled scheme. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SAR by applying an option pricing model, taking into account the terms and conditions on which the SAR were granted, and the extent to which the employees have rendered services to date.

When the terms of an cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the standalone statement of profit and loss.

Subsequently w.e.f December 15, 2022, SAR Scheme was further amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) (""December 2022 Amendment") to redesignate

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

the erstwhile SAR's as ESOP with fixed conversion ratio. When the terms of the equity-settled share-based payment transaction are modified, pre-modification valuation and post modification valuation is compared and if the value of post modification is lower than pre-modification, then the cost would be recognised based on original plan, however if the value of post modification is higher than pre-modification, then the original cost would continue to be accounted and for the additional fair value to the extent of vested options recognised in the statement of profit and loss and to the extent of unvested options, additional fair value is accounted over the remaining vesting period.

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

2.2.13 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.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive income (FVTOCI)
- Debt instruments and equity instruments at Fair Value Through Profit and Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

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

(ii) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) 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. Fair value movements are recognised in OCI. However, the Company recognises interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-recognition

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 balance sheet) when:

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

- 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 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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables, and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and 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 recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. 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.

After initial recognition, gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 de-recognition 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.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities.

For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification 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.

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.14 Income taxes

Income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Company has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate. 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.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognised for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset 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
- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and associate, 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 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 credits and unused tax losses 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). 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 taxes relate to the same taxable entity and the same taxation authority.

2.2.15 Segment reporting

The Company reports the standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

2.2.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

2.2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

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 recognised as a finance cost.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.2.18 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 standalone financial statements.

2.2.19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.2.20 Borrowing costs

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.2.21 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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. Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management (Note 42)
- Financial risk management objectives and policies (Note 41)
- Sensitivity analysis disclosures (Notes 36, 40 and 41)

The Company bases its assumptions and estimates on parameters available when the Standalone Financial Statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognised in the financial statements are as below.

Revenue from contracts with customers

The Company determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Company's past experience regarding these amounts may not be representative of actual amounts in the future.

Leases

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, the

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Company uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate (IBR) for Right of use assets at the lease commencement date.

The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Impairment of financial assets

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

Tax contingencies and provisions

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/recovered for uncertain tax positions and 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.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Ind AS Standalone Financial Statements cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. 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.

2.2.22 Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

i) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

iii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

2.2.23 Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company has applied these amendments for the first-time.:

(i) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had no impact on the Company's disclosures of accounting policies or on the measurement, recognition or presentation of any items in the Company's standalone financial statements.

For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

3(a) Property, plant and equipment ('PPE')

	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Leasehold Improvements	Total
Cost or valuation						
As at April 01, 2022	**1.76**	**10.76**	**5.95**	**9.63**	**-**	**28.10**
Additions	0.18	33.83	12.74	0.56	24.37	71.68
Disposals	-	-	-	-	-	-
As at March 31, 2023	**1.94**	**44.59**	**18.69**	**10.19**	**24.37**	**99.78**
As at April 01, 2023	1.94	44.59	18.69	10.19	24.37	99.78
Additions	1.92	32.86	12.78	2.26	23.19	73.01
Disposals	-	-	-	-	-	-
As at March 31, 2024	**3.86**	**77.45**	**31.47**	**12.45**	**47.56**	**172.79**
Accumulated Depreciation						
As at April 01, 2022	**1.35**	**2.54**	**2.70**	**3.78**	**-**	**10.37**
Charge for the year	0.31	6.13	4.07	3.61	2.86	16.98
Disposals	-	-	-	-	-	-
As at March 31, 2023	**1.66**	**8.67**	**6.77**	**7.39**	**2.86**	**27.35**
As at April 01, 2023	1.66	8.67	6.77	7.39	2.86	27.35
Charge for the year	0.42	15.23	7.25	1.87	11.13	35.90
Disposals						
As at March 31, 2024	**2.08**	**23.90**	**14.02**	**9.26**	**13.99**	**63.25**
Net book value						
As at March 31, 2023	**0.28**	**35.92**	**11.92**	**2.80**	**21.51**	**72.43**
As at March 31, 2024	**1.78**	**53.55**	**17.45**	**3.19**	**33.57**	**109.54**

3(b) Capital work in progress

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024					
Projects in progress	2.88	-	-	-	2.88
Projects temporarily suspended	-	-	-	-	-
Total	**2.88**	**-**	**-**	**-**	**2.88**
As at March 31, 2023					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

There are no overdue or cost overrun projects compared to its original plan and no capital work in progress which are temporarily suspended, on the above mentioned reporting dates.

Particulars	As at March 31, 2023
As at April 01, 2022	-
Add: Additions during the year	54.64
Less: Capitalised during the year	(54.64)
As at March 31, 2023	**-**
As at April 01, 2023	-
Add: Additions during the year	43.24
Less: Capitalised during the year	(40.36)
As at March 31, 2024	**2.88**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

4. Goodwill

Goodwill acquired through business acquisition are pertaining to acquired business of:

Particulars	As at March 31, 2024	As at March 31, 2023
B-Blunt Business Purchase	8.89	8.89
	8.89	**8.89**

Goodwill impairment testing

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The cash flow projections are based on financial budgets approved by the management.

The Company assessed the earning value of its goodwill at CGU level to which the goodwill is attributable, based on future operational plan, projected cash flows and carried out valuation considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill is appropriate.

Particulars	As at March 31, 2024	As at March 31, 2023
Terminal growth rate	5.00%	5.00%
Discount rate	16.10%	16.40%

Sensitivity change in assumptions

Based on the above, no impairment was identified as of March 31, 2024 and March 31, 2023 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth and discount rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGUs recoverable amount would fall below their carrying amount.

5 Other intangible assets

Particulars	Trademarks	Brand	Design and Formulation	Software	Total
Cost or valuation					
As at April 01, 2022	0.01	511.00	20.50	0.55	532.06
Additions	-	-	-	18.83	18.83
Disposals	-	-	-	-	-
As at March 31, 2023	**0.01**	**511.00**	**20.50**	**19.38**	**550.89**
As at April 01, 2023	0.01	511.00	20.50	19.38	550.89
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2024	**0.01**	**511.00**	**20.50**	**19.38**	**550.89**
Accumulated Amortisation					
As at April 01, 2022	0.01	-	1.01	0.02	1.04
Amortisation	-	-	19.49	3.86	23.35
Disposals	-	-	-	-	-
As at March 31, 2023	**0.01**	**-**	**20.50**	**3.88**	**24.39**
As at April 01, 2023	0.01	-	20.50	3.88	24.39
Amortisation	-	-	-	4.20	4.20
Disposals	-	-	-	-	-
As at March 31, 2024	**0.01**	**-**	**20.50**	**8.08**	**28.59**
Net book value					
As at March 31, 2023	**-**	**511.00**	**-**	**15.50**	**526.50**
As at March 31, 2024	**-**	**511.00**	**-**	**11.30**	**522.30**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

6 Right-of-use assets and lease liabilities

(a) Company as a lessee

The Company has lease contracts for office premises, warehouses, retail stores, computer and peripherals used in its operations. The lease term of the lease contracts are ranging from 2 years to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets."

The Company has applied exemptions as per paragraph 6 of Ind AS 116 with respect to short term and low value leases.

(b) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buildings	Computer and Peripherals	Total
Cost			
As at April 1, 2022	**452.22**	**29.86**	**482.08**
Additions	314.72	29.11	343.83
Disposals	-	-	-
As at March 31, 2023	**766.94**	**58.97**	**825.91**
As at April 1, 2023	**766.94**	**58.97**	**825.91**
Additions	845.39	28.55	873.94
Modification	(376.12)	-	(376.12)
Disposals	-	-	-
As at March 31, 2024	**1,236.21**	**87.52**	**1,323.73**
Accumulated Depreciation			
As at April 1, 2022	**52.64**	**9.56**	**62.20**
Charge for the year	90.93	16.54	107.47
Disposal	-	-	-
As at March 31, 2023	**143.57**	**26.10**	**169.67**
As at April 1, 2023	**143.57**	**26.10**	**169.67**
Charge for the year	167.48	21.14	188.62
Modification	(91.90)	-	(91.90)
Disposal	-	-	-
As at March 31, 2024	**219.15**	**47.24**	**266.39**
Net book value			
As at March 31, 2023	**623.37**	**32.87**	**656.24**
As at March 31, 2024	**1,017.06**	**40.28**	**1,057.34**

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

Carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Non current		
Lease liabilities	959.31	588.03
Total non-current lease liabilities (A)	**959.31**	**588.03**
Current		
Lease liabilities	142.61	110.38
Total current lease liabilities (B)	**142.61**	**110.38**
Total lease liabilities (C=A+B)	**1,101.92**	**698.41**

(d) Following are the amounts recognised in the Statement of Profit and Loss:

Particulars	March 31, 2024	March 31, 2023
Depreciation of right-of-use-assets(Note 31)	188.62	107.47
Interest expense on lease liability (Note 32)	67.56	44.95
Rent expenses for short term lease (Note 33)	39.88	19.61
	296.06	**172.03**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(e) Impact on Statement of cash flow

Particulars	March 31, 2024	March 31, 2023
Lease payments (including interest)	192.42	109.69
	192.42	**109.69**
Payment of principal portion of lease liabilities	124.86	64.74
Payment of interest portion of lease liabilities	67.56	44.95
	192.42	**109.69**

(f) Movement in lease liabilities for the year ended March 31, 2024 and March 31, 2023:

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	698.41	440.55
Add: Additions	849.49	322.60
Less: Modifications	(321.12)	-
Add: Interest on lease liabilities	67.56	44.95
Less: Payment of lease liabilities (including interest)	(192.42)	(109.69)
Balance at the end of the year	**1,101.92**	**698.41**

(g) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	March 31, 2024	March 31, 2023
Less than one year	254.05	158.37
One to five years	797.74	492.20
More than five years	423.58	232.55
Total	**1,475.37**	**883.12**

7 Investments

Non-current

(valued at cost unless stated otherwise)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in subsidiaries		
Unquoted:		
96,117 shares (March 31, 2023: 73,916) of ₹ 10 each in Just4Kids Services Private Limited (refer Note (i))*	1,711.31	1,525.37
23,521 equity shares (March 31, 2023: 23,521) of ₹ 10 each in Bhabani Blunt Hairdressing Private Limited (refer Note (ii))*	792.80	790.33
1,885,148 shares (March 31, 2023: 1,885,148) of ₹ 10 each in Fusion Cosmeceutics Private Limited (refer note (iii))	541.23	541.23
1,000 equity shares (March 31, 2023: 1,000) of AED 100 each in Honasa Consumer General Trading LLC (refer note (iv))	2.34	2.34
Less: Impairment loss on investment in Just4Kids Services Private Limited (refer Note (i))	(1,525.37)	(1,525.37)
	1,522.31	**1,333.90**
Aggregate amount of unquoted investments	**1,522.31**	**1,333.90**
Aggregate amount of impairment in value of investments	(1,525.37)	(1,525.37)

* Includes share based payment expenses on options granted to employees of Just4Kids Services Private Limited amounting to ₹ 47.47 million (March 31, 2023: ₹ 44.14 million) and employees of Bhabani Blunt Hairdressing Private Limited amounting to ₹ 8.83 million (March 31, 2023: ₹ 6.36 million.)

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Name of entity	Nature	Country of incorporation	Date of acquisition	Ownership interest held by Company in %	
				March 31, 2024	March 31, 2023
Just4Kids Services Private Limited	Subsidiary	India	December 24, 2021	100.00%	77.19%
Bhabani Blunt Hairdressing Private Limited	Subsidiary	India	March 16, 2022	100.00%	100.00%
Fusion Cosmeceutics Private Limited	Subsidiary	India	April 06, 2022	100.00%	100.00%
Honasa Consumer General Trading LLC	Subsidiary	UAE	June 23, 2022	100.00%	100.00%

Note:

i. On December 24, 2021, the Company acquired 74.32% in Just 4 Kids Services Private Limited ("Momspresso") by virtue of a Share Purchase and Share Subscription Agreement. The Company has acquired 64,001 equity shares at a consideration of ₹ 949.23 million and further, committed subscription amount of ₹ 500 million which has been infused in Momspresso. The Company has also committed to acquire the remaining 25.68% in Momspresso which amounts to 22,491 equity shares in tranche 1, 2 & 3 as per the terms of the share subscription agreement, and the same is treated as a derivative liability, which was fair valued through profit and loss account. The Company has further acquired the remaining stake of 22.81% for a consideration ofRs. 230.08 million during the year ended March 31, 2024. Accordingly, considering that the liability was settled at a value which was lower than the initial agreed valuation, the change in fair value of derivative liability of ₹ 102 Million has been reversed during the year ended March 31, 2024 on completion of balance stake acquisition. The business of Just4kids Services Private Limited ("Momspresso") was acquired to expand content and influencer management capabilities andto strengthen content creation capabilities by enabling the access to a large and ready library of the relevant content of Momspresso. However, the performance and profitability of Momspresso was deteriorating with the business significantly underperforming vis-à-vis the business plan during the year ended March 31, 2023. Further the business synergies envisaged from the investment could not be realised despite best efforts ofthe management. Accordingly, the management has accounted for an Impairment loss of ₹ 1,525.37 Million on investment in Just4Kids Services Private Limited and the same has been disclosed as an exceptional item during the year ended March 31, 2023.

ii. On March 16, 2022, the Company acquired entire equity shares of Bhabani Blunt Hair Dressing Private Limited by virtue of a Share Purchase and Share Subscription Agreement. The Company acquired the entire equity shares at a consideration of ₹ 694.00 million and subscription amount of ₹ 89.97 million which has been infused as on March 31, 2023. The subscription amount of ₹ 89.97 million has been utilised by Bhabani Blunt Hair Dressing Private Limited to purchase balance 49% of shares of B Blunt Spratt Hairdressing Private Limited from third party and accordingly, Bhabani Blunt Hairdressing Private Limited and B Blunt Spratt Hairdressing Private Limited are 100% subsidiaries of the Company. The subsidiaries are engaged into the business of hair styling, sale of hair products and is involved in educating students in hair styling. The Company had further entered into Business Transfer agreement with Godrej Consumer Private Limited on March 16, 2022 to acquire its the product business under the brand name B Blunt which constitutes a business for a consideration of ₹ 583.06 million.

iii. On April 06, 2022, the Company acquired 65.49% in Fusion Cosmeceutics Private Limited by virtue of Share Purchase and Share Subscription Agreement. The Company acquired 861,308 equity shares of ₹ 10 each and 373,306 0.001% Compulsorily Convertible Preference Shares of ₹ 10 each at an aggregate consideration of ₹ 141.23 million and further, committed subscription amount of ₹ 100 million which has been infused as on April 06, 2022. The Subsidiary is into the business of trading skin care and beauty products under the brand "Dr. Sheth's". The Company has further acquired the remaining stake of 34.51% for a consideration of ₹ 300 million,, resulting the entity to be 100% subsidiary of the Company.

iv. On June 23, 2022, the Company incorporated Honasa Consumer General Trading L.L.C., a company based in UAE. The Company subscribed to the share capital and invested an amount of 2.34 million during FY 22-23.

Current

(valued at amortised cost)

	No of units		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Quoted bonds and debentures				
HDFC Bank Limited Sr-1 8.85% BD Perpetual	-	-	-	-
State Bank of India Series 1 9.56% NCD Perpetual	-	100	-	111.82
Total quoted bonds and debentures valued at amortised cost (A)			**-**	**111.82**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

	No of units		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(valued at fair value through profit and loss)				
Quoted mutual funds				
UTI MMMF Direct - Growth	1,675	1,675	4.75	4.41
SBI Magnum Ultra Short Duration Direct - Growth	16,781	16,781	93.00	86.57
SBI Corporate Bond Fund Direct-Growth	30,08,137	30,08,137	43.16	40.09
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund Direct-Growth	28,87,580	28,87,580	32.25	30.08
HDFC Corporate Bond Direct - Growth*	62,98,078	62,98,078	188.21	173.95
ICICI Prudential Corporate Bond Direct - Growth	82,53,324	82,53,324	232.29	214.82
DSP Short Term Direct - Growth	36,85,984	36,85,984	167.87	155.86
HDFC Short Term Debt Direct - Growth	35,50,981	35,50,981	105.44	97.63
Kotak Bond Short-term Direct - Growth	32,13,016	32,13,016	165.54	153.34
HDFC Money Market Direct - Growth	24,238	24,238	128.46	119.29
HDFC Floating Rate Debt Direct - Growth	5,91,244	5,91,244	27.11	25.05
HDFC Nifty G-sec Dec 2026 Index Direct-Growth	38,89,834	38,89,834	43.03	40.06
HDFC Nifty G-Sec Jun 2027 Index Direct-Growth	29,36,222	29,36,222	32.24	30.00
Axis Banking & PSU Debt Direct - Growth*	12,250	12,250	30.06	28.04
Axis Strategic Bond Fund Direct - Growth*	37,96,366	37,96,366	104.19	95.86
Kotak Corporate Bond Direct - Growth*	29,390	29,390	103.90	96.29
Kotak Equity Arbitrage Direct-Growth	4,61,629	9,03,463	16.80	30.31
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct-G	19,53,657	19,53,657	21.70	20.26
HSBC Corporate Bond Direct-Growth (L&T Triple Ace Bond Direct-Growth)*	11,31,887	11,31,887	79.23	73.64
ICICI Pru Short Term Direct - Growth	7,65,761	7,65,761	45.13	41.63
ICICI PRU LONG SHORT FUND II	7,99,960	4,99,975	83.11	81.53
Bharat Bond FOF - April 2030 Direct - Growth	24,19,838	24,19,384	32.74	30.28
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	19.42	19.60
Powergrid Infrastructure Investment Trust	3,22,385	3,22,385	30.53	39.53
ICICI Prudential Corporate Credit Opportunities AIF I	4,77,939	1,72,765	53.18	38.44
ICICI Pru Floating Interest Direct-Growth	65,359	65,359	27.24	25.05
Nippon India Corporate Bond Direct - Growth*	3,16,628	3,16,628	17.86	16.50
Nippon India ETF Nifty SDL - 2026 Maturity - Growth	5,00,000	5,00,000	59.90	55.93
Edelweiss Credit Plus Fund AIF	1,818	2,275	19.53	30.77
Edelweiss Arbitrage Direct-Growth	19,66,659	11,57,725	37.20	20.20
Aditya Birla SL Money Manager Direct-Growth	3,04,822	-	103.88	-
Aditya Birla SL Floating rate Direct - Growth	66,889	66,889	21.63	20.04
Aditya Birla SL Overnight Fund Direct-Growth	38,680	25,240	50.09	30.60
Aditya Birla SL Corporate Bond Direct-Growth	3,14,491	3,14,491	32.47	30.07
Aditya Birla SL CRISIL IBX Gilt - April 2026 Index Fund Direct-Growth	48,33,724	48,33,724	53.86	50.20
Bandhan Corporate Bond Direct-Growth	6,07,706	6,07,706	10.83	10.09
Bandhan Dynamic Bond Direct-Growth	9,72,065	9,72,065	33.38	30.40
Bandhan Bond Short Term Direct-Growth	23,54,846	23,54,846	129.34	120.17
UTI Overnight Fund	11,144	-	36.52	-
Total quoted mutual funds at fair value through profit and loss (B)			**2,517.07**	**2,206.58**
Quoted bonds and debentures				
Muthoot Fincorp Limited - Market Linked Debenture	10	-	11.46	-
Asirvad Microfin Limited MLD	-	20	-	22.86
Mahindra & Mahindra Financial Services Ltd. NCD TR II 19DEC24 (INE774D07UO2)	100	100	110.11	102.78
Shriram City Union MLD	80	80	95.94	87.09
Vivriti Capital Pvt. Ltd.	-	50	-	53.81

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

	No of units		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Total quoted bonds and debentures at fair value through profit and loss (C)			**217.51**	**266.54**
Total quoted investments valued at fair value through profit and loss (FVTPL) (D = C + B)			**2,734.58**	**2,473.12**
Total quoted investments (E = A + D)			2,734.58	2,584.94
Total investments			**2,734.58**	**2,584.94**
Aggregate book value of quoted investments			2,734.58	2,584.94
Aggregate market value of quoted investments			2,734.58	2,584.94

* Includes an amount of ₹ 294.70 million (March 31, 2023: ₹ 294.12 million) at cost secured against bank guarantees on limits with banks.

8 Loans

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Carried at amortised cost		
Loan to Subsidiaries		
Loan to Fusion Consmeceutics Private Limited*	135.00	80.00
Loan to Honasa Consumer General Trading L.L.C**	25.00	25.00
	160.00	**105.00**

The aforesaid loans carry interest rate @ 8.6- 9.8% p.a. and repayable on demand.

*Maximum amount outstanding during the year 2024 ₹ 135 million (₹ 80 million during the year 2023)

**Maximum amount outstanding during the year 2024 ₹ 25 million (₹ 25 million during the year 2023)

9 Other financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Carried at amortised cost		
Non-current		
Security deposits	72.21	47.95
Deposit with maturity of more than 12 months * #	1,767.10	642.08
Interest accrued	46.56	12.13
	1,885.87	**702.16**
Current		
Security deposits	42.72	6.82
Interest accrued	114.63	39.21
Recoverable from payment partners	226.69	87.98
Expense recoverable from shareholders **	-	197.06
Other receivables	46.45	10.24
	430.49	**341.31**

* Includes an amount of ₹ 150.15 million (March 31, 2023: ₹ 65.26 million) lien against bank guarantees issued .

Includes 243.85 million (March 31, 2023: ₹ 193.85 million) lien against overdraft facility with the banks.

** Expense recoverable from shareholders of ₹ 197.06 million as at March 31, 2023 have been incurred by the Company is towards proposed Initial Public Offering (IPO) of the equity shares held by the selling shareholders. As per the offer agreement with the selling shareholders, these expenses are recoverable in proportion to the shares that are expected to be offered to the public in the offering, which has been recovered during the year ended March 31, 2024.

10 Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance tax (net)	-	33.43
	-	**33.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

11 Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital advances	9.80	4.27
	9.80	**4.27**
Current		
Balance with government authorities	163.87	176.23
Right to recieve inventory on provision for sales return	44.22	29.49
Advance to employees	2.15	3.19
Prepaid expenses*	32.02	66.18
Advance to suppliers	30.72	43.90
Other receivables	0.36	0.21
	273.34	**319.20**

*Includes IPO expense of ₹ 32.08 million as at March 31, 2023 carried forward as prepaid expenses pertaining to Company's share and the aforesaid amount in accordance with requirements of Section 52 of the Act, has been adjusted with securities premium during the year ended March 31, 2024 on issue of equity shares.

12 Inventories

(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Traded goods [includes goods in transit of ₹ 59.78 million (March 31, 2023: ₹ 17.68 million)]	1,239.31	1,125.55
Less: Provision for slow moving inventories*	(89.57)	(99.19)
	1,149.74	**1,026.36**

*Includes ₹ 7 million of provision for the year ended March 31, 2023 acquired through Business Transfer agreement with Godrej Consumer Private Limited on March 16, 2022 to acquire its Product business under the brand name Bblunt. During the year ended March 31, 2024, ₹ 15.00 Million has been reclassified from provision for slow moving inventories to provision for doubtful advances .

13 Trade receivables

Carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	1,468.03	1,143.48
	1,468.03	**1,143.48**
Break-up for security details		
Trade receivables		
Unsecured, considered good	1,468.03	1,143.48
Trade receivables - credit impaired	159.53	50.03
	1,627.56	**1,193.51**
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(159.53)	(50.03)
	(159.53)	**(50.03)**
Total trade receivables (net)	**1,468.03**	**1,143.48**

i. Movement in impairment allowance (allowance for bad and doubtful debts)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	50.03	8.82
Add: Charge for the year	109.50	48.43
Less: Reversal/write off during the year	-	(7.22)
Closing balance	**159.53**	**50.03**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

ii. Ageing schedule for trade receivables:

As at March 31, 2024

	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	1,291.32	176.71	-	-	-	-	1,468.03
Undisputed - credit impaired	14.36	85.59	34.35	25.23	-	-	159.53
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	**1,305.68**	**262.30**	**34.35**	**25.23**	**-**	**-**	**1,627.56**
Less: Allowance for bad and doubtful debts	(14.36)	(85.59)	(34.35)	(25.23)	-	-	(159.53)
Total trade receivables	**1,291.32**	**176.71**	**-**	**-**	**-**	**-**	**1,468.03**

As at March 31, 2023

	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	1,124.62	18.86	-	-	-	-	1,143.48
Undisputed - credit impaired	-	18.81	26.88	3.59	0.75	-	50.03
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	**1,124.62**	**37.67**	**26.88**	**3.59**	**0.75**	**-**	**1,193.51**
Less: Allowance for bad and doubtful debts	-	(18.81)	(26.88)	(3.59)	-0.75	-	(50.03)
Total trade receivables	**1,124.62**	**18.86**	**-**	**-**	**-**	**-**	**1,143.48**

iii. There are no non-current trade receivables as on March 31, 2024 and as at March 31, 2023.

iv. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person other than disclosed in note 35. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

v. Trade receivables are non-interest bearing and are generally on terms of 30-60 days.

14 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash in hand	2.65	1.58
Balance with banks		
- on current accounts	256.61	15.14
Deposits with remaining maturity of less than or equal to three months	750.70	-
	1,009.96	**16.72**
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash in hand	2.65	1.58
Balance with banks		
- on current accounts	256.61	15.14
Deposits with remaining maturity of less than or equal to three months	750.70	-
Less - Bank overdraft (note 22)	-	(36.09)
	1,009.96	**(19.37)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

15 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with remaining maturity of more than three month but less than or equal to twelve months	3,785.80	517.52
	3,785.80	**517.52**

16 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹ 10 each		
As at April 01, 2022	**40,000**	**0.40**
Increase during the year	33,99,60,000	3,399.60
As at March 31, 2023	**34,00,00,000**	**3,400.00**
As at April 01, 2023	**34,00,00,000**	**3,400.00**
Increase during the year	-	-
As at March 31, 2024	**34,00,00,000**	**3,400.00**
Equity share capital of ₹ 100 each		
As at April 01, 2022	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2023	**580**	**0.06**
As at April 01, 2023	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2024	**580**	**0.06**
Equity share capital of ₹ 90 each		
As at April 01, 2022	**-**	**-**
Increase during the year	290	0.03
As at April 01, 2022	**290**	**0.03**
As at April 01, 2023	290	0.03
Increase during the year	-	-
As at March 31, 2024	**290**	**0.03**

b) Issued share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹ 10 each, fully paid up		
As at April 01, 2022	**10,256**	**0.10**
Issued during the year (Refer Note (i) below)	2,92,936	2.93
Bonus Issue during the year (Refer Note (ii) below)	13,60,32,854	1,360.33
Share split during the year (Refer Note (iii) below) *	290	-
As at March 31, 2023	**13,63,36,336**	**1,363.36**
Equity share capital of ₹ 10 each, fully paid up		
As at April 01, 2023	**13,63,36,336**	**1,363.36**
Issued during the year (Refer Note (v) below)	1,74,60,121	174.60
Conversion of NCCCPS into equity shares (Refer Note (vi) below)	13,213	0.13
Bonus Issue on conversion of NCCCPS into equity shares (Refer Note (vi) below)	17,04,34,487	1,704.35
As at March 31, 2024	**32,42,44,157**	**3,242.44**
* Represents amount of ₹ 2,900		

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹ 100 each, fully paid up		
As at April 01, 2022	**290**	**0.03**
Issued during the year	-	-
Share split during the year (Refer Note (iii) below)	(290)	(0.03)
As at March 31, 2023	**-**	**-**
As at April 01, 2023	**-**	**-**
Issued during the year	-	-
Share split during the year	-	-
As at March 31, 2024	**-**	**-**
Equity share capital of ₹ 90 each, fully paid up		
As at April 01, 2022	**-**	**-**
Issued during the year	-	-
Share split during the year (Refer Note (iii) below)	290	0.03
Bought back during the year (Refer Note (iv) below)	(290)	(0.03)
As at March 31, 2023	**-**	**-**
As at April 01, 2023	**-**	**-**
Issued during the year	-	-
As at March 31, 2024	**-**	**-**

Notes:

(i) During the year ended March 31, 2023, the Company issued 292,936 equity shares of ₹ 10 each.

(ii) During the year ended March 31, 2023, the Company has issued 136,032,854 bonus shares in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹ 10 each on May 11, 2022.

(iii) Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share of face value of ₹ 100 per share was split into one equity share of face value of ₹ 10 per share and one equity share of face value of ₹ 90 per share, with effect from April 28, 2022.

(iv) Pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of ₹ 90 per share was bought back on September 22, 2022 for ₹ 90 per share.

(v) During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹ 10 each on allotment of ESOP and 11,267,530 shares through Initial public offer (IPO).

(vi) During the year ended March 31, 2024, the Company issued 13,213 equity shares on conversion of NCCCPS and 170,434,487 equity shares on Bonus Issue on conversion of NCCCPS (Refer note 16).

c) Terms/rights attached to equity shares

The Company has equity shares having par value of ₹ 10 and ₹ 100 per share. Each shareholder of equity shares is entitled to have one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, as proportion to their holdings. Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Company held on April 28, 2022, each equity share of face value of ₹ 100 per share was split into one equity share of face value of ₹ 10 per share and one equity share of face value of ₹ 90 per share, with effect from April 28, 2022. Further, pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of ₹ 90 per share was bought back on September 22, 2022 for ₹ 90 per share."

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

d) Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2024		As at March 31, 2023	
	Nos.	Holding %	Nos.	Holding %
Equity shares of ₹ 10 each, fully paid				
Varun Alagh	10,35,50,850	32%	10,67,37,650	78%
Ghazal Alagh	-	-	1,00,65,200	7%
Peak XV Partners Investments VI	6,06,04,200	19%	-	-
Sofina Ventures S.A.	1,99,74,026	6%	-	-
Fireside Ventures Investment Fund-I	1,71,26,192	5%	-	-
	20,12,55,268		**11,68,02,850**	
Equity shares of ₹ 100/- each fully paid *				
Shilpa Shetty Kundra	-	-	-	-
Evolvence Fund III LTD	-	-	-	-
Evolvence India Coinvest PCC	-	-	-	-
	-		**-**	

* Refer note (c) above

e) Details of shares held by promoters:

Equity shares of ₹ 10 each, fully paid

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change on account of issue of bonus shares	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	10,67,37,650	-	(31,86,800)	10,35,50,850	32%	-3%
Ghazal Alagh	1,00,65,200	-	(1,00,500)	99,64,700	3%	-1%

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change on account of issue of bonus shares	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	8,282	10,68,29,518	(1,00,150)	10,67,37,650	78%	0%
Ghazal Alagh	788	1,01,64,412	(1,00,000)	1,00,65,200	7%	-1%

f) Shares reserved for issue under options

For details of shares reserved for issue on conversion of NCCCPS, refer note 17

For details of shares reserved for issue against share warrants refer note 38(a).

For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 39.

g) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) During the year ended March 31, 2023, the Company has issued bonus shares aggregating to 136,032,854 in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹ 10 each on May 11, 2022.

(ii) Pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of ₹ 90 per share were bought back on September 22, 2022 for ₹ 90 per share.

(iii) During the year ended March 31, 2024, the Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

17 Instrument entirely in the nature of equity

Preference shares

i) Authorised share capital

	NCCCPS	
	Numbers	Amount
0.001% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹ 10 each		
As at April 01, 2022	26,730	0.27
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2023	**26,730**	**0.27**
As at April 01, 2023	26,730	0.27
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2024	**26,730**	**0.27**

ii) Issued, subscribed and fully paid up shares

	NCCCPS	
	Numbers	Amount
NCCCPS of ₹ 10 each		
As at April 01, 2022	**13,213**	**17,929.36**
Increase during the year	-	-
As at March 31, 2023	**13,213**	**17,929.36**
As at April 01, 2023	13,213	17,929.36
Converted to equity shares*	(13,213)	(0.13)
Transferred to retained earnings (Refer note 18)	-	(17,929.23)
As at March 31, 2024	**-**	**-**

* The Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

(iii) Terms/rights attached to NCCCPS

The Company has issued NCCCPS - Class A, B, C, D, E & F shares of ₹ 10 each fully paid-up. NCCCPS Class A, B, C, D, E & F shares carry a minimum preferential dividend @ 0.001% p.a. proportionately for the period for which the shares are being held and it shall be paid in preference to any dividend or distribution payable upon shares of any other class. Each holder of NCCCPS Class A, B, C, D, E & F shares is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPS Class A, B, C, D, E & F shares.

The holders of the NCCCPS shall be entitled to exercise voting rights on an as if converted basis i.e., assuming conversion of the NCCCPS in the manner set out in the shareholders agreement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Each holder of NCCCPS Class A, B, C, D, E & F shares may convert the shares at the option of the holder into 1 equity share (post bonus 12,900 equity shares) of the Company at the earlier of the following events:

1. Anytime at the option of the holder
2. Immediately upon the expiry of 20 years from the date of allotment; or
3. Qualified Initial Public Offering (IPO) as acceptable to the holder.

In the event of liquidation of the Company before conversion, the holder of NCCCPS Class A, B, C, D, E & F shares would be paid prior and in preference to any payment or distribution to equity share holders."

During the year ended March 31, 2023, the Company has issued bonus shares in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shares of ₹ 10 each on May 11, 2022. Consequently, the Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

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

	March 31, 2024		March 31, 2023	
	Nos.	Holding %	Nos.	Holding %
Class A NCCCPS of ₹ 10 each, fully paid				
Suhail Sameer	-	-	116	20%
SCI Investments VI	-	-	209	36%
Sofina Ventures S.A.	-	-	64	11%
Sequoia Capital Global Growth Fund III – U.S./ India Annex Fund, L.P.	-	-	33	6%
Kanwaljit Singh (Managing trustee of Fireside Venture Trust)	-	-	108	19%
	-		**530**	
Class B NCCCPS of ₹ 10 each, fully paid				
Fireside Ventures Investment Fund-I	-	-	199	11%
SCI Investments VI	-	-	454	24%
Sofina Ventures S.A.	-	-	1,062	56%
	-		**1,715**	
Class C NCCCPS of ₹ 10 each, fully paid				
Fireside Ventures Investment Fund-I	-	-	1,780	37%
Stellaris Venture Partners	-	-	1,764	36%
Rishabh Mariwala	-	-	642	13%
Sofina Ventures S.A.	-	-	252	5%
	-		**4,438**	
Class D NCCCPS of ₹ 10 each, fully paid				
SCI Investments VI	-	-	3,346	80%
Fireside Ventures Investment Fund-I	-	-	363	9%
Stellaris Venture Partners	-	-	363	9%
	-		**4,072**	
Class E NCCCPS of ₹ 10 each, fully paid				
SCI Investments VI	-	-	82	9%
Sofina Ventures S.A	-	-	656	73%
Evolvence Fund III LTD	-	-	164	18%
	-		**902**	
Class F NCCCPS of ₹ 10 each, fully paid				
Sequoia Capital Global Growth Fund III – U.S./ India Annex Fund, L.P.	-	-	839	100%
	-		**839**	

*The Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

18 Other equity

Particulars	March 31, 2024	March 31, 2023
Securities premium	7,331.23	5,194.55
Retained earnings	422.92	(18,723.44)
Share based payment reserve	248.10	504.92
Capital redemption reserve	0.03	0.03
	8,002.28	**(13,023.94)**

Particulars	March 31, 2024	March 31, 2023
Securities premium		
Opening Balance	5,194.55	6,504.71
Add: Premium on issue of equity shares	3,602.52	58.81
Less: Transaction cost on issue of shares	(143.87)	(12.71)
Add: Transferred to securities premium on exercise of stock options	382.37	4.07
Less: Utilised on issue of bonus share	(1,704.34)	(1,360.33)
Closing balance	**7,331.23**	**5,194.55**
Retained earnings		
Opening Balance	(18,723.44)	(17,520.19)
Add: Profit/(loss) for the year	1,209.66	(1,205.56)
Add: Other comprehensive income	2.32	2.34
Less: Transfer to capital redemption reserve	-	(0.03)
Add: Conversion of NCCCPS into equity	17,929.23	-
Add: Lapsation of vested options	5.15	-
Closing balance	**422.92**	**(18,723.44)**
Share based payment reserve		
Opening Balance	504.92	207.34
Add: Share based payment expense for the year (Refer note 39)	172.37	234.70
Add: On account of modification of stock appreciation rights liability to equity (Refer note 39)	-	27.74
Add: Options granted to employees of subsidiary companies	5.80	39.21
Less: Lapsation of options granted to employees of subsidiary companies	(47.47)	-
Less: Transferred to securities premium on exercise of stock options	(382.37)	(4.07)
Less: Lapsation of vested options	(5.15)	-
Closing balance	**248.10**	**504.92**
Capital redemption reserve		
Opening Balance	0.03	-
Add: Transfer from retained earnings	-	0.03
Closing balance	**0.03**	**0.03**

Nature and purpose of reserves:

Securities premium:

Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Act

Retained earnings:

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Share based payment reserve:

Shared based payment reserve is used to recognise the fair value of equity-settled Employee stock option outstanding transactions with employees.

Employee Stock appreciation rights:

Stock appreciation rights ('SAR') were considered as cash settled till May 30, 2022. With effect from May 31, 2022, the Company has removed the cash settlement option and these SARs would be settled through issuance of equity shares, pursuant to this modification the plan is treated as equity settled and hence on the date of modification the differential between fair value as on previous reporting date and as on the date of modification in scheme has been charged to Statement of Profit and Loss. The fair value as on the date of modification has been transferred to share based payment reserve. The scheme was further converted into ESOP Scheme 2021 (Refer note 39)

Capital Redemption reserve:

The capital redemption reserve represents the reserve created by the Company on buy back of equity shares.

19 Other financial liabilities

Particulars		As at March 31, 2024	As at March 31, 2023
Current			
Carried at fair value			
Derivative liability*		-	102.00
	(A)	**-**	**102.00**
Carried at amortised cost			
Employee benefits payable		146.16	89.13
Payable for capital goods		17.15	6.10
Other financial liabilities		36.56	-
	(B)	**199.87**	**95.23**
	(A+B)	**199.87**	**197.23**

*Pursuant to the Shareholders Agreement between the Company and erstwhile shareholders of Just4kids Services Private Limited, the Company acquired 74.32% shareholding in Just4kids Services Private Limited and both the parties had the obligation to purchase and sell the remaining shares of the existing shareholders at a pre-agreed valuation. This had been treated as a derivative instrument and accordingly fair valued through statement of profit and loss.

During the year ended March 31, 2024, the Company has acquired the remaining stake in Just4Kids Services Private Limited on September 12, 2023 based on the Share Purchase Agreement entered on August 25, 2023 for a consideration of Rs. 230.08 million. Accordingly, considering that the liability was settled at a value which was lower than the initial agreed valuation, the change in fair value of derivative liability of Rs 102 million has been reversed during the year ended March 31, 2024 on completion of balance stake acquisition.

Further, the promoters of Momspresso were also entitled to retention bonus from the Company in the form of employee stock options of the Company, subject to vesting conditions. Subsequently, the promoters of Momspresso have resigned from their employment and the vesting conditions of the employee stock options were not fulfilled. Accordingly, the Company has reversed the share based payment reserve of Rs 47.47 Million during the year ended March 31, 2024.

20 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for Gratuity (Refer note 36)	66.01	43.52
	66.01	**43.52**
Current		
Provision for Gratuity (Refer note 36)	1.66	0.33
Provision for Leave benefits	56.34	37.88
	58.00	**38.21**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

21 Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Statutory dues payable	416.62	101.59
Advance from customers	68.75	38.02
Provision for sales return	152.48	101.71
Deferred revenue	19.48	22.64
	657.33	**263.96**

Movement during the year	Advance from customers	Provision for sales return	Deferred revenue
Balance as at April 01, 2022	**31.35**	**13.64**	**19.93**
Arising during the year	38.02	101.71	22.64
Utilised during the year	(31.35)	(13.64)	(19.93)
Balance as at March 31, 2023	**38.02**	**101.71**	**22.64**
Balance as at April 01, 2023	38.02	101.71	22.64
Arising during the year	68.75	152.48	19.48
Utilised during the year	(38.02)	(101.71)	(22.64)
Balance as at March 31, 2024	**68.75**	**152.48**	**19.48**

22 Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Bank Overdraft	-	36.09
	-	**36.09**

The aforesaid bank overdraft is secured by Fixed deposits with HDFC bank and Kotak Mahindra bank and is repayable on demand. The facility carries interest @ FD rate+0.25% p.a. to 0.50% p.a.

23 Trade payables

Carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises ('MSME')	109.05	45.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,620.72	1,756.48
	2,729.77	**1,801.54**

There are no non-current trade payables as on March 31, 2024 and as on March 31, 2023.

The amount due to Micro, small and medium enterprise in the "Micro, small and medium Enterprise Development Act, 2006" (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to micro, small and medium enterprises ('MSME') are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	105.93	42.73
Interest due on the above	3.12	2.33
Total	**109.05**	**45.06**
(ii) 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:	-	-
(iii) The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006:	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year:	0.79	1.16
(v) 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:	3.12	2.33

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/ suppliers.

(a) Trade payables are non-interest bearing and are generally settled up to 60 days

(b) For explanations on the Company's credit risk management processes, refer to Note 41.

(c) Trade payables (outstanding for following years from the date of transaction) ageing schedule:

	Unbilled	Outstanding for following period from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024						
(i) Undisputed dues - MSME	6.98	102.07	-	-	-	109.05
(ii) Undisputed dues - Others	1,242.93	1,363.84	11.67	2.28	-	2,620.72
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,249.91**	**1,465.91**	**11.67**	**2.28**	**-**	**2,729.77**
As at March 31, 2023						
(i) Undisputed dues - MSME	-	45.06	-	-	-	45.06
(ii) Undisputed dues - Others	783.56	970.64	2.28	-	-	1,756.48
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**783.56**	**1,015.70**	**2.28**	**-**	**-**	**1,801.54**

24 Income tax liability (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Income tax liability (net of advance tax)	46.51	39.38
	46.51	**39.38**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

25 Tax expense (net)

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

a) Statement of profit and loss

Profit or loss section

Particulars	March 31, 2024	March 31, 2023
Current income tax:		
Current tax	352.40	160.00
Deferred tax:		
Relating to origination and reversal of temporary differences	20.73	(27.28)
Total tax expense	**373.13**	**132.72**

b) Other comprehensive income/(loss)

Deferred tax related to items recognised in OCI during the year:

Particulars	March 31, 2024	March 31, 2023
Net loss/ (gain) on remeasurements of defined benefit plans	0.78	0.79
Tax expense charged to OCI	**0.78**	**0.79**

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	March 31, 2024	March 31, 2023
Accounting profit/(loss) before income tax	1,582.79	(1,072.84)
Applicable tax rate in India	25.17%	25.17%
Computed tax charge/(credit)	398.39	(270.03)
Impact of income taxable at lower rate	-	(2.17)
(Income)/expenses not taxable/deductible under income tax	(23.43)	405.12
Others	(1.83)	(0.21)
Income tax expense reported in the standalone statement of profit and loss	**373.13**	**132.72**

d) Deferred tax relates to the following:

Particulars		March 31, 2024	March 31, 2023
Deferred tax liability			
Investments valued at fair value		92.65	51.74
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting		52.17	34.73
	A	**144.82**	**86.47**
Deferred tax asset			
Allowance for bad and doubtful debts		40.15	12.59
Provision for gratuity		17.02	11.03
Provision for leave encashment		14.18	9.53
Provision for bonus		0.49	0.66
Provision for deferred revenue		3.69	5.70
Provision for slow moving inventory		22.54	24.97
Leases, net		11.22	10.61
Security deposits, net		8.79	6.15
	B	**118.08**	**81.24**
Net deferred tax liability	**A-B**	**26.74**	**5.23**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

e) Reconciliation of deferred tax liabilities (net):

Particulars	March 31, 2024	March 31, 2023
Opening balance	5.23	31.72
Tax expense/(credit) during the year		
- recognised in statement of profit and loss	20.73	(27.28)
- recognised in OCI	0.78	0.79
Closing balance as at reporting date	**26.74**	**5.23**

f) Movement for the year ended March 31, 2024

Particulars		March 31, 2023	Recognised in profit or loss	Recognised in OCI	March 31, 2024
Deferred tax liability					
Investments valued at fair value		51.74	40.91	-	92.65
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting		34.73	17.44	-	52.17
	A	**86.47**	**58.35**	**-**	**144.82**
Deferred tax asset					
Allowance for bad and doubtful debts		12.59	27.56	-	40.15
Provision for gratuity		11.03	6.77	(0.78)	17.02
Provision for leave encashment		9.53	4.65	-	14.18
Provision for bonus		0.66	(0.17)	-	0.49
Provision for deferred revenue		5.70	(2.01)	-	3.69
Provision for slow moving inventory		24.97	(2.43)	-	22.54
Leases, net		10.61	0.61	-	11.22
Security deposits, net		6.15	2.64	-	8.79
	B	**81.24**	**37.62**	**(0.78)**	**118.08**
Net deferred tax liability	**A-B**	**5.23**	**20.73**	**0.78**	**26.74**

g) Movement for the year ended March 31, 2023

Particulars		April 01, 2022	Recognised in profit or loss	Recognised in OCI	March 31, 2023
Deferred tax liability					
Investments valued at fair value		47.58	4.16	-	51.74
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting		11.54	23.19	-	34.73
	A	**59.12**	**27.35**	**-**	**86.47**
Deferred tax asset					
Allowance for bad and doubtful debts		2.22	10.37	-	12.59
Provision for gratuity		5.48	6.33	(0.79)	11.03
Provision for leave encashment		5.59	3.94	-	9.53
Provision for bonus		0.58	0.08	-	0.66
Provision for deferred revenue		5.02	0.68	-	5.70
Leases, net		3.24	21.73	-	24.97
Provision for slow moving inventory		5.20	5.41	-	10.61
Security deposits, net		0.07	6.08	-	6.15
	B	**27.40**	**54.62**	**(0.79)**	**81.24**
Net Deferred tax liability	**(A-B)**	**31.72**	**(27.27)**	**0.79**	**5.23**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

26 Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Sale of products	17,643.89	13,948.03
Revenue from operations	**17,643.89**	**13,948.03**
Sale of products (net of Goods and Service Tax)		
Traded goods	17,643.89	13,948.03
	17,643.89	**13,948.03**

26.1 Details of disaggregation of revenue

The Company derives its revenue from sale of baby care, skin care, hair and other related products, which is a single line of business.

26.2 Contract balances

Particulars	As at March 31, 2024	As at March 31, 2023
Contract Assets		
Trade receivables	1,468.03	1,143.48
Right to recover inventory on sales return	44.22	29.49
	1,512.25	**1,172.97**
Contract Liabilities		
Advance from customers (refer note 21)	68.75	38.02
Provision for sales return(refer note 21)	152.48	101.71
Deferred revenue (refer note 21)	19.48	22.64
	240.71	**162.37**

26.3 Timing of revenue recognition

Particulars	March 31, 2024	March 31, 2023
Revenue recognised at a point in time	17,643.89	13,948.03
	17,643.89	**13,948.03**

26.4 Reconciling the amount of revenue recognised in the standalone statement of profit and loss with the contracted price

Particulars	March 31, 2024	March 31, 2023
Revenue as per contracted price	19,113.65	14,957.18
Adjustments		
Claims and rebates	(1,472.92)	(1,006.42)
Deferred revenue	3.16	(2.72)
Revenue from contract with customers	**17,643.89**	**13,948.03**

26.5 Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or lesser.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

27 Other income

Particulars	March 31, 2024	March 31, 2023
Interest income on:		
Investments	75.47	72.22
Deposits with bank	159.82	21.66
Loan to subsidiary	12.15	2.22
Unwinding of discount on security deposits	12.02	1.96
Fair value gain on investments measured at FVTPL	162.57	16.52
Gain on sale of investments measured at FVTPL	12.69	77.16
Gain on lease modification	36.91	-
Foreign exchange fluctuation gain (net)	2.26	0.44
Others	7.46	12.18
	481.35	**204.36**

28 Purchases of traded goods

Particulars	March 31, 2024	March 31, 2023
Purchases (traded goods)	5,530.63	4,830.83
	5,530.63	**4,830.83**

29 Increase in inventories of traded goods

Particulars	March 31, 2024	March 31, 2023
Inventories at the beginning of the year	1,125.55	654.71
Right to receive inventory on provision for sales return at the beginning of the year	29.49	3.96
	1,155.04	**658.67**
Inventories at the end of the year	1,239.31	1,125.55
Right to receive inventory on provision for sales return at the end of the year	44.22	29.49
	1,283.53	**1,155.04**
(Increase) in inventories of traded goods	**(128.49)**	**(496.37)**

30 Employee benefits expenses

Particulars	March 31, 2024	March 31, 2023
Salaries, wages and bonus	1,313.55	934.80
Contribution to provident and other funds (Refer note 36)	20.90	16.78
Gratuity (Refer note 36)	26.92	25.20
Share based payments expenses (equity settled) (Refer note 39)	172.37	234.70
Share based payments expenses (cash settled) (Refer note 39)	-	7.59
Staff welfare expenses	46.44	34.39
	1,580.18	**1,253.46**

31 Depreciation and amortisation expense

Particulars	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (refer note 3a)	35.90	16.98
Depreciation of right-of-use-assets (refer note 6)	188.62	107.47
Amortisation of intangible assets (refer note 5)	4.20	23.35
	228.72	**147.80**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

32 Finance costs

Particulars	March 31, 2024	March 31, 2023
Interest expense on:		
Lease liabilities	67.56	44.95
Bank overdraft	1.13	1.96
Bank charges	3.21	3.66
	71.90	**50.57**

33 Other expenses

Particulars	March 31, 2024	March 31, 2023
Advertisement expense	5,949.58	5,045.89
Freight and forwarding charges	1,702.79	1,413.15
Sales Commission	551.32	437.13
Software support expenses	245.62	222.19
Packaging materials and other consumables	166.00	197.43
Legal and professional charges (refer note (i) below)	184.16	148.45
Contract Labour charges	192.65	106.11
Provision for slow moving inventory	5.38	79.33
Travelling and conveyance	111.56	73.22
Provision for doubtful debts	109.50	48.43
Rent (refer note 6)	39.88	19.61
Repairs and maintenance- others	38.31	19.30
Provison for Doubtful Advance	3.94	-
Payment gateway charges	14.09	16.44
Directors sitting fees	7.40	7.40
Power and fuel	10.80	5.34
Insurance	8.75	5.17
Miscellaneous expenses	0.63	3.29
Printing and stationery	1.90	3.18
Corporate social responsibility expenses (Refer note (ii) below)	7.69	3.15
Communication costs	5.10	2.80
Rates and taxes	4.46	2.36
	9,361.51	**7,859.37**

(i) Payment to auditor (included under legal and professional charges)

Particulars	March 31, 2024	March 31, 2023
Statutory audit fee (excluding goods and services tax)	5.00	5.50
Limited Review Fees	3.00	-
Reimbursement of expenses	0.73	-
Certification fees	0.63	-
Other services (and other IPO related services)	12.31	20.00
Other adjustments *	(12.31)	(20.00)
	9.36	**5.50**

* Refer note 9 and 11 for share issue expenses.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(ii) Details of CSR Expenditure

Consequent to the requirements of section 135 and Schedule VII of the Act the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility ('CSR') policy.

The Company has spent ₹ 9.00 million (March 31, 2023: ₹ 3.15 million) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	7.69	3.15
b) Amount approved to be spent by board of directors	9.00	3.15

c) Amount spent during the year ended March 31, 2024

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	9.00	-	9.00

d) Amount spent during the year ended March 31, 2023

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	
ii) On purposes other than above	3.15	-	3.15

Details of ongoing project and other than ongoing project for year ended March 31, 2024

In case of Section 135(6) (Ongoing project)						
Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In separate CSR Unspent A/C		From Company's bank A/C	From separate CSR unspent A/C	With Company/In separate CSR Unspent A/C	
-	-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
1.13	-	7.69	9.00	2.44

Details of ongoing project and other than ongoing project for year ended March 31, 2023

In case of Section 135(6) (Ongoing project)						
Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In separate CSR Unspent A/C		From Company's bank A/C	From separate CSR unspent A/C	With Company/In separate CSR Unspent A/C	
-	-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
4.28	-	3.15	-	1.13

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

34 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2024	March 31, 2023
Profit after tax attributable to equity holders of the Company (a)	1,209.66	(1,205.56)
Equity shares of ₹ 10 each	1,209.66	(1,205.56)
Weighted average number of shares outstanding during the year for basic EPS (b)		
Equity shares of ₹ 10 each	31,32,88,253	30,66,44,272
Weighted average number of shares outstanding during the year for diluted EPS (c)		
Equity shares of ₹ 10 each	31,48,94,859	31,44,47,561
Basic earnings per share (in ₹) (a/b)		
Equity shares of ₹ 10 each	3.86	(3.93)
Diluted earnings per share (in ₹) (a/c)*		
Equity shares of ₹ 10 each	3.84	(3.93)
Equity share reconciliation for EPS - Face value ₹ 10		
Equity shares of ₹ 10 each	31,32,88,253	13,61,96,572
NCCCPS as equity	-	17,04,47,700
Total considered for basic EPS	**31,32,88,253**	**30,66,44,272**
Add: Employee Options	16,06,606	78,03,288
Total considered for diluted EPS	**31,48,94,859**	**31,44,47,561**

*Employee stock options are anti-dilutive in nature during the year ended March 31, 2023.

35 Related party disclosures

Names of related parties and related party relationship, irrespective of whether transaction have occurred or not is given below:

a) Names of related parties and description of relationships:

Entities where control exists	**Nature of relationship**
Just4Kids Services Private Limited	Subsidiary
Bhabani Blunt Hairdressing Private Limited	Subsidiary
B Blunt Spratt Hair dressing Private Limited	Subsidiary of Subsidiary
PT Honasa Consumer Indonesia	Subsidiary
Honasa Consumer General Trading L.L.C. (w.e.f. June 23, 2022)	Subsidiary
Fusion Cosmeceutics Private Limited (w.e.f. April 06, 2022)	Subsidiary
Key management personnel (KMP)	
Varun Alagh	Director and Chief Executive Officer
Ghazal Alagh	Director
Ishaan Mittal	Director
Vivek Gambhir	Independent Director
Namita Gupta (w.e.f. June 08, 2022)	Independent Director
Subramaniam Somasundaram	Independent Director
Rahul Chowdhri (Resigned w.e.f. June 08, 2022)	Director
Vettakkorumakankav Siva Subramaniam Sitaram (Resigned w.e.f. October 20, 2022)	Director
Other Key management personnel (KMP):	
Raman Preet Sohi (w.e.f. July 26, 2022)	Chief Financial officer
Dhanraj Dagar (w.e.f. May 11, 2022)	Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

b) Transactions with related parties

Transactions with 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 for the year ended March 31, 2024 and year ended March 31, 2023. The Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions	March 31, 2024	March 31, 2023
Remuneration paid*		
Varun Alagh	19.98	14.98
Ghazal Alagh	14.38	9.98
Raman Preet Sohi	147.39	10.94
Dhanraj Dagar	3.85	2.09
	185.60	**37.99**
Sitting fees		
Vivek Gambhir	2.20	2.20
Namita Gupta	2.20	2.20
Subramaniam Somasundaram	3.00	3.00
	7.40	**7.40**
Share based payments expenses		
Raman Preet Sohi	0.36	1.02
Dhanraj Dagar	0.38	0.62
	0.74	**1.64**
Investments made		
Just4Kids Services Private Limited***	185.94	288.21
Bhabani Blunt Hairdressing Private Limited#	2.47	5.64
Fusion Cosmeceutics Private Limited	-	541.23
Honasa Consumer General Trading L.L.C	-	2.34
	188.41	**837.42**
Loans given		
Fusion Cosmeceutics Private Limited	75.00	80.00
Honasa Consumer General Trading L.L.C	-	25.00
	75.00	**105.00**
Repayment of loans given		
Fusion Cosmeceutics Private Limited	20.00	-
	20.00	**-**
Royalty Income		
Honasa Consumer General Trading L.L.C	0.13	-
	0.13	**-**
Interest income on loan		
Fusion Cosmeceutics Private Limited	10.00	2.00
Honasa Consumer General Trading L.L.C	2.15	0.22
	12.15	**2.22**
Reimbursement of expenses		
Varun Alagh	0.60	0.78
Ghazal Alagh	0.34	0.17

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Nature of transactions	March 31, 2024	March 31, 2023
	0.94	**0.95**
Advertising and sales promotion expense		
Just4Kids Services Private Limited	-	37.09
	-	**37.09**
Legal and professional charges		
Bhabani Blunt Hairdressing Private Limited	18.05	8.69
	18.05	**8.69**
Expenses incurred on behalf of related parties		
Fusion Cosmeceutics Private Limited	20.20	8.91
Honasa Consumer General Trading L.L.C	26.25	1.29
	46.45	**10.20**
Expenses incurred by related parties on behalf of the Company		
Honasa Consumer General Trading L.L.C	57.95	-
	57.95	**-**

*The remuneration to the Key Management Personnel does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

**Refer note 19 with respect to derivative liability of non controlling interest holders of Just4Kids Services Private Limited

Includes share based payment expenses on options granted to employees of Just4Kids Services Private Limited amounting to Nil (March 31, 2023: ₹ 33.57 million) and employees of Bhabani Blunt Hairdressing Private Limited amounting to ₹ 2.47 million (March 31, 2023: ₹ 5.64 million).

The following table provides the closing balances of related parties for the relevant financial year:

Particulars	March 31, 2024	March 31, 2023
Expense payable		
Varun Alagh	-	0.02
	-	**0.02**
Other receivables		
Ghazal Alagh	-	0.07
Fusion Cosmeceutics Private Limited	20.20	8.91
Honasa Consumer General Trading L.L.C	26.38	1.29
	46.58	**10.27**
Trade payables		
Just4Kids Services Private Limited	-	8.85
Bhabani Blunt Hairdressing Private Limited	5.32	8.69
Honasa Consumer General Trading L.L.C	39.20	-
	44.52	**17.54**
Loans		
Fusion Cosmeceutics Private Limited	135.00	80.00
Honasa Consumer General Trading L.L.C	25.00	25.00
	160.00	**105.00**
No. of Employee Stock Options Outstanding		
Raman Preet Sohi	30,637	4,38,600
Dhanraj Dagar	2,787	4,955
	33,424	**4,43,555**

For investments in subsidiaries, refer note 7.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

36 Employee benefits plan

(i) Defined contribution plans - Provident Fund, ESI and labour welfare fund

The Company makes Provident Fund, Employee State Insurance Scheme and Welfare Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 20.90 million (March 31, 2023: ₹ 16.78 million) for Provident Fund & other fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined benefit plans (unfunded):

The Company provides for gratuity for employees as per the Payment of Gratuity (Amendment) Act, 2018. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The plan is unfunded benefit plan for qualifying employees.

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest risk The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity risk This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities.

Salary escalation risk The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.

Regulatory risk Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

Particulars	March 31, 2024	March 31, 2023
Current	1.66	0.33
Non-current	66.01	43.52
	67.67	**43.85**

The following table sets out movement in defined benefits liability and the amount recognised in the standalone financial statements:

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2023:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2022	**21.78**	**-**	**21.78**
Amount recognised in statement of profit and loss			
Current service cost	23.63	-	23.63
Interest cost on benefit obligation	1.57	-	1.57
Total amount recognised in statement of profit and loss	**25.20**	**-**	**25.20**
Benefits paid	-	-	-
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(2.36)	-	(2.36)
Experience adjustments	(0.77)	-	(0.77)
Total amount recognised in other comprehensive income	**(3.13)**	**-**	**(3.13)**
Contributions by employer	-	-	-
As at March 31, 2023	**43.85**	**-**	**43.85**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Changes in the defined benefit obligation and fair value of plan assets for year ended March 31, 2024:

Particulars	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2023	43.85	-	43.85
Amount recognised in statement of profit and loss			
Current Service cost	23.63	-	23.63
Interest cost on benefit obligation	3.29	-	3.29
Total amount recognised in statement of profit and loss	**26.92**	**-**	**26.92**
Benefits paid	-	-	-
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	3.54		3.54
Experience adjustments	(6.64)	-	(6.64)
Total amount recognised in other comprehensive income	**(3.10)**	**-**	**(3.10)**
Contributions by employer	-	-	-
As at March 31, 2024	**67.67**	**-**	**67.67**

The principal assumptions used 67.67

	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.50%
Future salary increases	10.00%	10.00%
Normal retirement age	60 years	60 years
Attrition / withdrawal (per annum)	10.00%	10.00%
Mortality	100% of Indian Assured Lives Mortality (2012-14)	100% of Indian Assured Lives Mortality (2012-14)

A quantitative sensitivity analysis for significant assumptions are as shown below:

	Sensitivity Level	March 31, 2024		March 31, 2023	
		Impact on Defined benefit obligation			
		Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase / decrease	(5.76)	6.48	(3.85)	4.33
Future salary increase	0.5% increase / decrease	4.07	(3.95)	3.15	(3.06)
Attrition rate sensitivity	0.5% increase / decrease	(1.06)	1.10	(0.91)	0.96

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The following payments are expected cash flows to the defined benefit plan in future years:

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 19 years (March 31, 2023: 20 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	March 31, 2024	March 31, 2023
Within the next 12 months	1.66	0.33
Between 2 and 5 years	7.55	4.51
Beyond 5 years	310.60	224.63

37 Segment information

The Company reports this standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

38 Commitments and Contigent Liabilities

a. The Company entered into a celebrity endorsement agreement ('Agreement') dated April 04, 2018 with Shilpa Shetty Kundra ('Celebrity') and an addendum to the Agreement dated May 30, 2020. As per the first addendum, the Company is obliged to issue a warrant certificate of ₹ 10 million to the celebrity against the services to be provided by the celebrity. The celebrity at her sole discretion shall be entitled to exercise the warrant on expiry of the term of the agreement or on earlier termination of the agreement. The warrant subscription price is based on the price equivalent to the fair value of the equity share of the Company as on the date of exercise of the warrant. Basis further negotiation, the Celebrity and the Company have agreed to issue additional share warrants certificate of ₹ 20.47 million with respect to agreement dated May 30, 2020 with similar terms as per the earlier warrant certificate.

The Company has also entered into a second addendum in the financial year ended March 31, 2022. As per the addendum, the Company is obliged to issue shares worth ₹ 30 million against the services to be provided by the celebrity. The share subscription price is based on the price equivalent to the fair value of the Company as on the date of exercise. The Company settled the said commitment during the year ended March 31, 2023 by issuing the equity shares (Refer note 16) and there are no outstanding share warrants as at March 31, 2023 and March 31, 2024."

b. Refer note 6 for lease commitments.

b) Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
i) Claims against the Company not acknowledged as debts*	-	-
ii) Bank guarantee**	365.56	201.99

*RSM General Trading LLC ('RSM'), an overseas distributor of the Company had filed a legal suit against the Company in the Court of First Instance in UAE on the grounds that the Distributorship Agreement between RSM and the Company has been terminated illegally by the Company without complying with provisions of the Distributorship Agreement and RSM has claimed damages to the tune of AED 45 million (equivalent to ₹ 1,001.25 million) citing various reasons such as loss of future business opportunities, moral damage, recovery towards damaged inventory etc. An expert was appointed by the Court to support on factual commercial matters. The expert in his final report had held that termination of the distributor was in accordance with the terms of Agreement. Subsequent to the year ended March 31, 2024, the Court in its hearing held on May 16, 2024, has ordered the Company to pay an amount of AED 25.07 million (equivalent to ₹ 576.65 million) plus interest at the rate of 5% from the date of order till the date of payment. The management is in the process of filing an appeal. The Company's counsel are of the view that the Court Order is devoid of merits and erroneous on several points and have completely disregarded the favourable expert report. Accordingly, the Company is confident of a favourable decision on conclusion of the appeal and does not expect any material financial impact.

**Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt. Ltd. against laptops taken on lease amounting to ₹ 72.22 million (March 31, 2023: ₹ 48.79 million), performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department amounting to ₹ 153.20 million (March 31, 2023: ₹ 153.20 million) and National stock exchange of India ₹ 140.14 million (March 31, 2023:Nil)

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

39 Share based payments

[A] Employee Share Option Plan (ESOP)

The Company provides share-based payment schemes to its employees. The relevant details of the scheme and the grant are as below.

Employees Stock Option Plan 2018

On August 02, 2018, the Board of Directors approved the equity settled "Honasa Consumer Private Limited" for issue of stock options to various employees of the Company. According to the scheme, the employees will be entitled to options, subject to their continued employment with the Company. There would be graded vesting for the next 4 years. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the resignation of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares (as amended vide board meeting held on August 02, 2018).
Ownership	Legal and beneficial Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 25% in the first year and 6.25% each quarter from the first quarter of the second year and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹ 25,788, ₹ 54,512 and ₹ 263,566 per option. During the year ended March 31, 2023, the Company has issued bonus shares (Refer note 16), pursuant to bonus issue, exercise price has been reduced to ₹ 2, ₹ 4.23 and ₹ 20.43 respectively. Exercise price for the new grant made after bonus issue is ₹ 262.41.
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company (as approved by the shareholders at the meeting held on August 13, 2018).

Movements during the year

The following are the number and weighted average exercise prices ('WAEP') of, and movements in, share options during the year:

Particulars	March 31, 2024		March 31, 2023	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year*	81,02,071	33.85	75,33,600	15.74
Granted during the year	4,73,268	262.41	10,60,424	163.01
Forfeited during the year	(3,94,793)	142.00	(4,80,558)	34.10
Exercised during the year	(60,13,337)	18.68	(62,501)	20.43
Outstanding at the end of the year	21,67,209	106.17	80,50,965	34.00
Exercisable at the end of the year	3,11,579	65.24	47,61,713	13.20
Weighted Average Remaining Contractual Life	4.84 years		4.42 years	

The weighted average fair value of the options granted during the year is ₹ 215.47 (March 31, 2023: ₹ 78.41).

* Change in opening number of options and WAEP on account of bonus issue.

Share appreciation rights (SAR) (equity settled effective May 31, 2022 and cash settled upto May 30, 2022) (converted to ESOP scheme 2021 w.e.f. December 15, 2022)

On September 30, 2021, the board of directors approved the Honasa Consumer Private Limited Share Appreciation Rights Plan 2021 for issue of appreciation rights to the permanent employees of the Company. The Company's employees are granted share appreciation rights (SARs), to be settled in cash. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Stock appreciation rights were considered as cash settled till May 30, 2022. With effect from May 31, 2022, the Company removed the cash settlement option and these SARs would be settled through issuance of equity shares, pursuant to this modification the plan is treated as equity settled and hence on the date of modification the differential between fair value as on previous reporting date and as on the date of modification in scheme has been charged to statement of profit and loss. The fair value of ₹ 27.74 million as on the date of modification has been transferred to share based payment reserve.

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) (""December 2022 Amendment"). Except for the adjustments made to the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same.

Movements during the year

The following are the number and weighted average exercise prices (WAEP) of, and movements in, equity settled SAR during the year ended March 31, 2023:

Particulars	March 31, 2024		March 31, 2023	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	-	-	-	-
Transferred during the year*	-	-	5,97,915	10
Forfeited during the year	-	-	(49,278)	10
Exercised during the year	-	-	-	-
Less: transferred to ESOP scheme, 2021	-	-	(5,48,637)	10
Outstanding at the end of the year	-	-	-	-
Weighted Average Remaining Contractual Life	NA		0.58 years	

*on account of SAR scheme modification from cash settled to equity settled.

Employees Stock Option Plan 2021

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) ("December 2022 Amendment"). Except for the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the resignation of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares (as amended vide board meeting held on December 17, 2022).
Ownership	Legal and beneficial Ownership
Vesting Pattern	Two-year vesting term and vest at the rate of 40% in the first year and 60% in second year and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹ 10 per option.
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company (as approved by the shareholders at the meeting held on December 17, 2022).

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Movements during the year

The following are the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	2,47,307	10.00	-	-
Transferred from SAR plan 2021	-	-	5,48,637	10.00
Modified during the year*	-	-	(2,60,438)	10.00
Forfeited during the year	(25,771)	10.00	(40,892)	10.00
Exercised during the year	(1,69,254)	10.00	-	-
Outstanding at the end of the year	52,282	10.00	2,47,307	10.00
Exercisable at the end of the year	52,282	10.00	98,923	10.00
Weighted Average Remaining Contractual Life	NA		0.58 years	

* Modified during the year represents the change of SAR scheme into ESOP scheme 2021.

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	ESOP scheme 2018	ESOP scheme 2021**	ESOP scheme 2018	ESOP scheme 2021
Weighted average fair values at the measurement date in ₹	78.41	327.87	78.41	327.87
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	45.00%	45.00%	45.00%	45.00%
Risk-free interest rate (%)	7.22%-7.34%	6.80%	7.06%-7.50%	6.80%
Expected life of the options/SARs granted (in years)	4.84	0.60	6.35	0.60
Weighted average share price	337.21	337.21	297.71	337.21

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 expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

** No new options has been granted under the ESOP scheme 2021 during the year ended March 31,2024

[B] The promoters of Just4Kids Services Private Limited are entitled to retention bonus from the Company in the following manner:

Particulars	Total Options	Vesting period
- Three equity shares to each Promoters of Just4Kids Services Private Limited*	116,100	2 years
- Equity shares equity shares worth ₹ 10.83 million to each Promoters of Just4Kids Services Private Limited**	38,700	4 years

* Pre bonus entitled for 9 equity shares of ₹ 10 each, adjusted for bonus issue.

** Pre bonus entitled for 3 equity shares of ₹ 10 each, adjusted for bonus issue.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Movements during the year

The following are the movements in share options during the year:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	No. of shares	No. of shares
Outstanding at the beginning of the year*	1,80,837	154,800
Granted during the year	-	-
Forfeited during the year***	(1,80,837)	-
Exercised during the year	-	-
Modification during the year**	-	26,037
Outstanding at the end of the year	-	1,80,837
Exercisable at the end of the year	-	-
Weighted Average Remaining Contractual Life	NA	2.5 years

* During the year ended March 31, 2023, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 to all equity shares of ₹ 10 each on May 11, 2022, consequently there has been a corresponding increase in the number of shares entitlement.

** Amended via Memorandum of Understanding (MOU) executed at October 20, 2022, whereas rights to retention bonus granted previously via share subscription and purchase agreement have been removed and fresh grants of 60,279 options each have been agreed, with exercise price of ₹ 10 per share.

***During the year ended March 31, 2024, the promoters of Just4kids Services Private limited have resigned from their employment and the vesting conditions of the employee stock options were not fulfilled, hence the Company has forfeited the options (refer note 19)

[C] The CEO of Bhabani Blunt Private Limited is entitled to retention bonus from the Company in the following manner:

Particulars	Total Options	Vesting period	Exercise Price
- Two equity shares to CEO of Bhabani Blunt Private Limited	25,800	2 years	20.39
- Three Equity shares to CEO of Bhabani Blunt Private Limited	38,700	4 years	20.39

Movements during the year

The following are the movements in share options during the year:

Particulars	March 31, 2024		March 31, 2023	
	No. of shares*	WAEP *	No. of shares	WAEP
Outstanding at the beginning of the year	64,500	20.39	64,500	20.39
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(10,000)	20.39	-	-
Outstanding at the end of the year	54,500	20.39	64,500	20.39
Weighted Average Remaining Contractual Life	1 years		2 years	

* During the year ended March 31, 2023, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 to all equity shares of ₹ 10 each on May 11, 2022, consequently there has been a corresponding increase in the number of shares entitlement.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2024	March 31, 2023
Expense arising from equity-settled share-based payment transactions	172.37	234.70
Expense arising from cash-settled share-based payment transactions	-	7.59
Total expense arising from share-based payment transactions	**172.37**	**242.29**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

40 Financial instruments by category and Fair value hierarchy

The carrying value of financial assets by categories is as follows:

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Measured at fair value through statement of profit and loss (FVTPL)			
Investment in mutual funds (Note 7)	1	2,734.58	2,473.12
Total financial assets measured at FVTPL		**2,734.58**	**2,473.12**
Measured at amortised cost			
Investment in bonds and commercial papers		-	111.82
Trade receivables(Note 13)		1,468.03	1,143.48
Cash and cash equivalents (Note 14)		1,009.96	16.72
Bank balances other than cash and cash equivalents (Note 15)		3,785.80	517.52
Loans (Note 8)		160.00	105.00
Other financial assets (Note 9)		2,316.36	1,043.46
Total financial assets measured at amortised cost		**8,740.15**	**2,938.00**
Total financial assets		**11,474.73**	**5,411.12**

ii) The carrying value of financial liabilities by categories is as follows:

Particulars		As at March 31, 2024	As at March 31, 2023
Measured at fair value through statement of profit and loss (FVTPL)			
Other financial liabilities (Note 19)	3	-	102.00
Total financial liabilities measured at FVTPL		**-**	**102.00**
Measured at amortised cost			
Borrowings (Note 22)		-	36.09
Other financial liabilities (Note 19)		199.87	95.23
Lease liabilities (Note 6)		1,101.92	698.41
Trade payables (Note 23)		2,729.77	1,801.54
Total financial liabilities measured at amortised cost		**4,031.56**	**2,631.27**
Total financial liabilities		**4,031.56**	**2,733.27**

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.

Notes:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

a. Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Company can assess at the measurement date

b. Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

c. Level 3 - Unobservable inputs for the assets or liabilities.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire management.

The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets-others (current), other financial liability (current), lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortised cost. There is no significant change in fair value of such liabilities and assets.

Valuation techniques and significant unobservable inputs - Level 3

March 31, 2023

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Derivative liability	Estimated revenue multiple	Estimated revenue multiple	Increase/(decrease) in estimated settlement by 5% would result in increase/(decrease) in derivative liability by ₹ 5.10 million/(₹ 5.10 million).

Below is the reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy:

Particulars	Derivative liability	Stock Appreciation Rights
As at April 1, 2022	47.80	20.15
Charge to statement of profit and loss	54.20	7.59
Accounted in equity	-	(27.74)
As at March 31, 2023	**102.00**	**-**
As at April 1, 2023	102.00	-
Charge/(credit) to statement of profit and loss	(102.00)	-
As at March 31, 2024	**-**	**-**

41 Financial risk management, Objectives and Policies

The Company's principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financials risks are identified, measured and managed in accordance with Company's policies and risk objectives. The Company reviews and agrees on 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 comprises three types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include investments, loans and borrowings, debt instrument, trade receivables, trade payables and lease liabilities.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company does not have any floating interest rate borrowings or deposits, it is not exposed to interest rate risk.

ii. 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 exchange risk arises from its foreign currency assets and liabilities. The Company's exposure to the risk of changes in foreign exchange rates arises on account of purchases from foreign countries and export sales. The Company has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The Company's exposure in foreign currency at the end of reporting year:

Currency	Particulars	March 31, 2024		March 31, 2023	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
AED	**Liability**				
	Trade payables	(0.17)	(3.91)	(0.15)	(3.29)
	Assets				
	Trade receivables	(0.02)	(0.48)	-	-
	Net exposure on foreign currency risk	**(0.19)**	**(4.38)**	**(0.15)**	**(3.29)**
EUR	**Liability**				
	Trade payables	(0.19)	(16.07)	(0.01)	(0.74)
		(0.19)	**(16.07)**	**(0.01)**	**(0.74)**
QAR	**Assets**				
	Trade receivables	0.48	10.09	0.42	9.40
		0.48	**10.09**	**0.42**	**9.40**
AUD	**Assets**				
	Trade receivables	0.02	1.24	-	-
		0.02	1.24	-	-
GBP	**Assets**				
	Trade receivables	(0.00)	(0.21)	0.00	0.01
	Net exposure on foreign currency risk	**(0.00)**	**(0.21)**	**0.00**	**0.01**
USD	**Liability**				
	Trade Payables	(0.52)	(43.64)	(0.16)	(13.01)
	Assets				
	Trade receivables	0.19	16.01	0.12	10.12
	Net exposure on foreign currency risk	**(0.33)**	**(27.64)**	**(0.04)**	**(2.89)**
CAD	**Assets**				
	Trade receivables	0.08	4.85	0.01	0.87
		0.08	**4.85**	**0.01**	**0.87**

Sensitivity:

		Impact on profit before tax	
		March 31, 2024	March 31, 2023
AED	Increases by 5%	(0.22)	(0.16)
	Decreases by 5%	0.22	0.16
EUR	Increases by 5%	(0.80)	(0.04)
	Decreases by 5%	0.80	0.04
QAR	Increases by 5%	0.50	0.47
	Decreases by 5%	(0.50)	(0.47)
GBP	Increases by 5%	(0.01)	0.00
	Decreases by 5%	0.01	(0.00)
USD	Increases by 5%	(1.38)	(0.14)
	Decreases by 5%	1.38	0.14
CAD	Increases by 5%	0.24	0.04
	Decreases by 5%	(0.24)	(0.04)

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

iii. Price risk

The Company invests surplus funds in liquid mutual funds. The Company is exposed to market price risk arising from uncertainties about future values of the investment. The Company manages the equity price risk through investing surplus funds in liquid mutual funds on a short term basis."

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (primarily deposits with banks and investment in mutual funds). Further, other significant assets for the Company include security deposits for leased assets.

The Company monitors the exposure to credit risk on an ongoing basis through ageing analysis and historical collection experience. Outstanding customer receivables are regularly monitored by the senior management. Accordingly the Company considers the credit risk low.

The maximum credit risks is represented by the total carrying amount of these financial assets in the Standalone Balance Sheet.

Particulars	March 31, 2024	March 31, 2023
Trade receivables (refer note (i) below)	1,468.03	1,143.48
Cash and cash equivalents (refer note (ii) below)	1,009.96	16.72
Bank balances other than cash and cash equivalents (refer note (ii) below)	3,785.80	517.52
Other financial assets (refer note (ii) below)	2,316.36	1,043.47

i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivable. The Company creates allowance for all trade receivables based on lifetime expected credit loss model (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

The following table summarises th.e change in the loss allowance measured using ECL.

Particulars	March 31, 2024	March 31, 2023
Opening balance	50.03	8.82
Allowance made during the year (net)	109.50	48.43
Reversal/write off during the year	-	(7.22)
Closing balance	**159.53**	**50.03**

ii) Other financial assets & Bank Balance

Other financial assets includes security deposits and deposits with banks. Cash and cash equivalents, Bank Balance and interest receivable are placed with a reputable financial institution with high credit ratings and no history of default.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company manages its surplus funds centrally by placing them with reputable financial institution with high credit rating and no history of default.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Particulars	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2024					
Lease liabilities	-	254.05	797.74	423.58	1,475.37
Trade payables	-	2,729.77	-	-	2,729.77
Other financial liabilities	-	199.87	-	-	199.87
	-	**3,183.69**	**797.74**	**423.58**	**4,405.01**
As at March 31, 2023					
Lease liabilities	-	158.37	492.20	232.55	883.12
Trade payables	-	1,801.54	-	-	1,801.54
Borrowings	36.09	-	-	-	36.09
Other financial liabilities	-	197.23	-	-	197.23
	36.09	**2,157.14**	**492.20**	**232.55**	**2,917.98**

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares."

The Company's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, other financial liabilities, lease liabilities less cash and cash equivalents, Bank balances other than cash and cash equivalents and fixed deposits and current investments.

Particulars	March 31, 2024	March 31, 2023
Trade Payables	2,729.77	1,801.54
Borrowings	-	36.09
Lease liabilities	1,101.92	698.41
Other Financial liabilities	199.87	197.23
Less: Bank balances other than cash and cash equivalents	(3,785.80)	(517.52)
Less: Cash and cash equivalents	(1,009.96)	(16.72)
Less: Fixed deposit with maturity of more than 12 months	(1,767.10)	(642.08)
Less: Current investments	(2,734.58)	(2,584.94)
Net adjusted debt (A)	**(5,265.88)**	**(1,027.99)**
Equity	11,244.72	6,268.78
Total equity capital (B)	**11,244.72**	**6,268.78**
Total debt and equity (C = A+ B)	**5,978.84**	**5,240.79**
Gearing ratio (A / C)*	**-**	**-**

*Disclosed as nil since the same is negative, since the Company is funded majorly through own funds and equity investments.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets terms and conditions attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

43 Ratio analysis and its elements

	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding year
A	Current ratio	Current Assets	Current Liabilities	2.83	2.39	18%	-
B	Debt- Equity Ratio*	Net debt = Total borrowings- Cash & Cash equivalents- Bank balances other than Cash & Cash equivalents- short term investments	Shareholder's Equity	-	-	-	-
C	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Depreciation+Interest	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	-
D	Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	14%	-18%	177%	Change is on account of profit in current year.
E	Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	13.51	15.57	-13%	-
F	Trade Payable Turnover Ratio	Purchases	Average Trade Payables	2.44	2.82	-13%	-
G	Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.51	4.03	-38%	Change is on account of increase in cash & cash equivalents & bank balance other than cash & cash equivalent.
H	Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	6.86%	-8.64%	-179%	Change is on account of Profit in current year.
I	Inventory Turnover Ratio	Sales	Average Inventory	16.22	16.68	-3%	-
J	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	14.68%	-16.29%	-190%	Change is on account of profit in current year.

* Net debt after adjustments is negative and hence the ratio has not been furnished.

44 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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

(iii) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not entered into 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).

(viii) The Company has not been declared any willful defaluter by any bank or financial institution or other lender.

45. Subsequent to the year ended March 31, 2024, the Board of Directors of the Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited ('Transferor Company-1') and Just4Kids Services Private Limited ('Transferor Company-2'), have approved the Scheme of Amalgamation between the Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Company. The Company has filed the scheme with the regulatory authorities and is awaiting the necessary approvals. Pending such approvals, the Scheme has not been accounted for in the accompanying standalone financial statements for the year ended March 31, 2024.

46. Subsequent to the year ended March 31, 2024, the Company has entered into an asset purchase agreement with Cosmogensis Cosmetics to acquire formulations expertise, research and development lab along with a small manufacturing facility for a purchase consideration of ₹ 40 million.

47. The Company has defined process to take daily back-up of books of account in electronic mode on servers physically located in India.

Further, 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 accounting software, except that audit trail feature is not enabled for certain changes made using administrative access rights in respect of certain accounting softwares. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

The management is in the process of taking steps to ensure that the books of account are maintained as required under the applicable statute.

48. During the year ended March 31, 2024, the Company has completed its Initial Public Offer (IPO) of 52,515,692 equity shares of face value of ₹ 10 each at an issue price of ₹ 324 per share (including a share premium of ₹ 314 per share). A discount of ₹ 30 per share was offered to eligible employees bidding in the employee's reservation portion of 22,678 equity shares. The issue comprised of a fresh issue of 11,267,530 equity shares aggregating to ₹ 3,650 Million and offer for sale of 41,248,162 equity shares by selling shareholders aggregating to ₹ 13,364.40 Million. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The utilisation of the IPO proceeds from fresh issue of ₹ 3,504.92 million (net of IPO expenses of ₹ 145.08 million) is summarised below:

Particulars	Amount to be utilised as per Prospectus (₹ million)	Utilisation upto March 31, 2024 (₹ million)	Unutilised upto March 31, 2024 (₹ million)
Advertisement expenses towards enhancing the awareness and visibility of brands	1,820.00	58.09	1,761.91
Capital expenditure to be incurred by the Company for setting up new EBOs	206.00	5.21	200.79
Investment in Subsidiary, BBlunt for setting up new salons	260.00	-	260.00
General corporate purposes and unidentified inorganic acquisition	1,218.92	-	1,218.92
Total	**3,504.92**	**63.30**	**3,441.62**

49. Absolute amounts less than ₹ 5,000 are appearing in the Standalone Financial Statements as "0.00" due to presentation in millions.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Mumbai
Date: May 23, 2024

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Gurugram
Date: May 23, 2024

Independent Auditor's Report

To the Members of **Honasa Consumer Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Honasa Consumer Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit including other comprehensive income/(loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessing the recoverability of goodwill and other intangible assets (as described in Note 4(a) and 4(b) of the consolidated financial statements)	
As at March 31, 2024 the consolidated financial statements includes goodwill of ₹527.75 million and other intangible assets of ₹1,017.51 million pertaining to acquisition of subsidiaries in earlier years. In accordance with Ind AS 36 'Impairment of Assets', the management has allocated goodwill and intangible assets to the underlying cash generating unit (CGU) and tested these for annual impairment by comparing the carrying value of CGU with their recoverable amount to determine whether an impairment is required to be recognised. Management's process for assessing and determining recoverable amount is based on judgements and assumptions relating to forecasts of future cashflows, long-term growth rates and discount rates applied to such cash flows. Since the impairment assessment involves significant estimates, assumptions and judgement, it is considered as a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • We assessed the Group's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets". • We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process. • We involved our specialists to evaluate management's identification of CGUs and the Group's valuation methodology applied in determining the recoverable amount of each CGU. We evaluated the assumptions around the key drivers of the cash flow forecasts including revenue growth rates, operating margins, discount rates, and terminal growth rates used. • In making this assessment, we also assessed the objectivity and independence of Group's specialists involved in the process. • We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We tested the arithmetical accuracy of the models. • We evaluated the adequacy of relevant disclosures made in the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income/(loss), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included

Independent Auditor's Report

in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose financial statements include total assets of ₹1,074.66 million as at March 31, 2024, and total revenues of ₹1,573.19 million and net cash outflows of ₹6.05 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
    (a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated financial statements;
    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/(Loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
    (f) The modification 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 37(b) to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the note 45 to the consolidated financial statements, 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 Holding Company or any of such subsidiaries to or in any other persons or entities, 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 respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the note 45 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company.

vi Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting softwares except that, audit trail feature is not enabled for certain changes made using administrative access rights in respect of certain accounting softwares of the Holding Company, as described in note 48 to the consolidated financial statements. Further, during the course of audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of the aforesaid softwares where audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 24213803BKGWLZ4713

Place: Mumbai
Date: May 23, 2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HONASA CONSUMER LIMTED

In terms of the information and explanations sought by us and given by the Holding 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:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 24213803BKGWLZ4713

Place: Mumbai
Date: May 23, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HONASA CONSUMER LIMTED

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

In conjunction with our audit of the consolidated financial statements of Honasa Consumer Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), to the extent applicable, incorporated in in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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, the Group has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to 4 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 24213803BKGWLZ4713

Place: Mumbai
Date: May 23, 2024

Consolidated Balance Sheet

as at March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	199.60	134.25
Capital work-in-progress	3(b)	4.63	-
Goodwill	4(a)	527.75	527.75
Other intangible assets	4(b)	1,017.51	1,036.72
Right-of-use assets	5(b)	1,242.61	825.91
Financial assets			
i. Other financial assets		2,008.29	790.00
Income tax assets (Net)	9	8.88	40.87
Other non-current assets	10	9.80	4.27
Deferred tax assets (Net)	24	17.98	-
Total non-current assets		**5,037.05**	**3,359.77**
Current assets			
Inventories	11	1,228.36	1,109.77
Financial assets			
i. Investments	7	2,917.69	2,600.38
ii. Trade receivables	12	1,593.76	1,307.79
iii. Cash and cash equivalents	13	1,070.21	82.55
iv. Bank balances other than cash and cash equivalents	14	3,786.30	598.02
v. Other financial assets	8	392.94	335.81
Other current assets	10	294.13	371.77
Total current assets		**11,283.39**	**6,406.09**
Total Assets		**16,320.44**	**9,765.86**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,242.44	1,363.36
Instruments entirely in the nature of equity	16	-	17,929.36
Other equity	17	7,710.27	(13,233.71)
Equity attributable to equity holders of the parent		**10,952.71**	**6,059.01**
Non-controlling Interest		-	-
Total equity		**10,952.71**	**6,059.01**
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	5(c)	1,124.50	739.38
Provisions	20	73.17	60.61
Deferred tax liabilities (Net)	24	30.87	14.10
Total non-current liabilities		**1,228.54**	**814.09**
Current liabilities			
Financial liabilities			
i. Borrowings	18	-	36.09
ii. Lease liabilities	5(c)	185.19	146.43
iii. Trade payables	22		
(a) Total outstanding due of micro enterprises and small enterprises		159.18	86.59
(b) Total outstanding due of creditors other than micro enterprises and small enterprises		2,781.89	1,880.13
iv. Other financial liabilities	19	226.51	373.33
Provisions	20	61.84	40.34
Other current liabilities	21	673.57	290.47
Income Tax Liability (Net)	23	51.01	39.38
Total current liabilities		**4,139.19**	**2,892.76**
Total liabilities		**5,367.73**	**3,706.85**
Total Equity and Liabilities		**16,320.44**	**9,765.86**

Corporate information and summary of material accounting policies (refer note 1 & 2.3)
The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Honasa Consumer Limited

per **Rajeev Kumar**
Partner
Membership no.: 213803

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Mumbai
Date: May 23, 2024

Place: Gurugram
Date: May 23, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Note	March 31, 2024	March 31, 2023
Income			
Revenue from operations	25	19,199.04	14,927.48
Other income	26	497.01	225.20
Total income (I)		**19,696.05**	**15,152.68**
Expenses			
Purchases of traded goods	27	5,935.66	5,024.23
(Increase) in inventories of traded goods	28	(128.38)	(556.90)
Employee benefits expenses	29	1,705.63	1,648.80
Depreciation and amortisation expenses	30	306.17	249.64
Finance costs	31	90.41	66.63
Other expenses	32	10,315.26	8,583.71
Total expenses (II)		**18,224.75**	**15,016.11**
Profit before Exceptional Items and Taxes (III=I-II)		**1,471.30**	**136.57**
Exceptional Items (IV)			
Impairment loss on goodwill and other intangible assets	4&6	-	(1,546.97)
Profit/(loss) before Tax (V)=III+IV		**1,471.30**	**(1,410.40)**
Tax expenses			
Current tax	24	368.01	171.78
Deferred tax (credit)	24	(1.99)	(72.52)
Total tax expenses (VI)		**366.02**	**99.26**
Profit/(loss) for the year (VII)=V-VI		**1,105.28**	**(1,509.66)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plans		2.41	4.36
Items that will be reclassified to profit or loss in subsequent periods:			
Net exchange loss on translation of foreign operations		(0.48)	(0.55)
Income tax effect on above	24	(0.78)	(1.02)
Other comprehensive income for the year, net of tax (VIII)		**1.15**	**2.79**
Total comprehensive income/(loss) (IX=VII+VIII)		**1,106.43**	**(1,506.87)**
Profit/(loss) for the year attributable to:		1,105.28	(1,509.66)
Equity holders of the parent		1,117.75	(1,428.09)
Non-controlling interests		(12.47)	(81.57)
Other Comprehensive Income for the year, attributable to:		1.15	2.79
Equity holders of the parent		1.15	2.77
Non-controlling interests		-	0.02
Total comprehensive income/(loss)		**1,106.43**	**(1,506.87)**
Attributable to:			
Equity holders of the parent		1,118.90	(1,425.32)
Non-controlling interests		(12.47)	(81.55)
Earnings/(Loss) per equity share	34		
Basic, computed on the basis of Profit/(loss) attributable to owners of the company			
Equity shares, Nominal value of ₹ 10 each		3.57	(4.66)
Diluted, computed on the basis of Profit/(loss) attributable to owners of the company			
Equity shares, Nominal value of ₹ 10 each		3.55	(4.66)

Corporate information and summary of material accounting policies (refer note 1 & 2.3)
The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Honasa Consumer Limited

per **Rajeev Kumar**
Partner
Membership no.: 213803

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Mumbai
Date: May 23, 2024

Place: Gurugram
Date: May 23, 2024

Consolidated Cash flow statement

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2024	March 31, 2023
Operating activities		
Profit/(Loss) before tax	1,471.30	(1,410.40)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation of property, plant and equipment ('PPE')	55.62	25.72
Amortisation of intangible assets	19.53	71.54
Depreciation of right-of-use-assets	231.02	152.38
Allowance for bad and doubtful debts	103.55	48.09
Provision for slow moving inventory	9.59	79.33
Loss on sale/disposal of PPE	11.00	-
Share based payments expenses (equity settled)	130.69	273.91
Share based payments expenses (cash settled)	-	7.59
Impairment loss on goodwill and other intangible assets	-	1,546.97
Fair value gain on investments measured at fair value through profit and loss ('FVTPL')	(167.22)	(17.12)
Gain on sale of investments measured at FVTPL	(13.35)	(77.41)
Gain on lease modification	(38.88)	-
Interest income	(254.32)	(110.02)
Provison for doubtful advance	3.94	-
Finance costs	90.41	66.63
Operating cash flow before working capital changes	**1,652.88**	**657.21**
Movement in working capital:		
(Increase) in trade receivables	(389.51)	(695.81)
(Increase) in other financial assets	(20.41)	(249.55)
Increase in trade payables	974.34	246.43
Increase in financial liabilities	95.41	22.71
Increase in provisions	36.46	42.94
(Increase) in inventories	(128.18)	(524.36)
Increase in other liabilities	383.09	150.02
Decrease/(Increase) in other current assets	73.70	(40.48)
Cash flow generated from/(used in) operating activities	**2,677.78**	**(390.89)**
Income tax paid	(324.40)	(124.65)
Net cash flow generated from/(used in) operating activities	**2,353.38**	**(515.54)**
Investing activities		
Purchase of property, plant and equipment (including capital work in progress, capital advances and payable for capital goods)"	(117.68)	(117.19)
Purchase of intangible assets, including payable for capital goods	(0.32)	-
Payment of Initial direct costs on leases	(1.88)	(8.13)
Redemption/(Investment in) of bank deposits	(4,331.57)	49.94
Purchase of current investment	(940.81)	(1,545.72)
Sale proceeds of current investment	790.72	2,424.95
Interest received	133.40	89.11
Acquisition of subsidiaries, net of cash acquired	-	(139.17)
Settlement of consideration payable	-	(20.53)
Settlement of NCI Liability	(230.08)	(4.63)
Further acquisition of NCI	-	(300.00)
Net cash flow (used in)/generated from investing activities	**(4,698.22)**	**428.63**

Consolidated Cash flow statement

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2024	March 31, 2023
Financing activities		
Repayment of borrowings	-	(24.70)
Proceeds from issuance of equity shares (net)	3,633.25	49.01
Principal repayment of lease liabilities	(174.25)	(98.23)
Interest on lease liabilities	(82.51)	(55.65)
Finance cost paid	(7.90)	(10.99)
Net cash flow generated from/ (used in) financing activities	**3,368.59**	**(140.56)**
Net increase/(decrease) in cash and cash equivalents [A+B+C]	**1,023.75**	**(227.47)**
Cash and cash equivalents at the beginning of the year	46.46	303.88
Less: Bank overdraft on date of acquisition during the year (Refer note - 43)	-	(29.95)
Cash and cash equivalents at the end of the year [D+E]	**1,070.21**	**46.46**
Components of cash and cash equivalents (refer note 13)		
Balance with banks		
- on current accounts	315.77	80.22
Cash in hand	3.74	2.33
Deposits with remaining maturity of less than or equal to three months	750.70	-
Less: Bank overdraft (Refer note 18)	-	(36.09)
Total cash and cash equivalents	**1,070.21**	**46.46**

Reconciliation between opening and closing Consolidated Balance Sheet for liabilities arising from financing activities:

Particulars	Opening balance	Additions due to acquisition	Cash flows	Non-cash movement	Closing balance
March 31, 2024					
Net movement in bank overdraft facilities	36.09	-	(36.09)	-	-
Lease liabilities (including interest)	885.81	-	(256.76)	680.64	1,309.69
Total liabilities from financing activities	**921.90**	**-**	**(292.85)**	**680.64**	**1,309.69**
March 31, 2023					
Short-term borrowings (excluding bank overdraft facilities)	2.29	22.41	(24.70)	-	-
Net movement in bank overdraft facilities	33.57	29.95	(27.43)	-	36.09
Lease liabilities (including interest)	560.43	-	(153.88)	479.26	885.81
Total liabilities from financing activities	**596.29**	**52.36**	**(206.01)**	**479.26**	**921.90**

Corporate information and summary of material accounting policies (refer note 1 & 2.3)
The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Mumbai
Date: May 23, 2024

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Gurugram
Date: May 23, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

a) Equity share capital

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

Particulars		No of shares	Amount
As at April 01, 2022		10,256	0.10
Issued during the year - Refer note (a) below		13,63,26,080	1,363.26
As at March 31, 2023		**13,63,36,336**	**1,363.36**
As at April 01, 2023		13,63,36,336	1,363.36
Issued during the year- Refer note (b) below		18,79,07,821	1,879.08
As at March 31, 2024	**A**	**32,42,44,157**	**3,242.44**

(a) During the year ended March 31, 2023, the Holding Company issued 292,936 equity shares of ₹ 10 each, 136,032,854 bonus shares of ₹ 10 each and 290 equity shares on account of share split of ₹ 10 each. Also refer note 15.

(b) During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹ 10 each on allotment of ESOP, 1,704,47,700 shares on Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") conversion and 11,267,530 shares through Initial public offer (IPO). Also refer note 15.

(ii) Equity shares of ₹ 100 each issued, subscribed and fully paid

Particulars		No of shares	Amount
As at April 01, 2022		290	0.03
Share split during the year - Refer note (a) below		(290)	(0.03)
As at March 31, 2023		**-**	**-**
As at April 01, 2023		-	-
Issued during the year		-	-
As at March 31, 2024	**B**	**-**	**-**

(iii) Equity shares of ₹ 90 each issued, subscribed and fully paid

Particulars		No of shares	Amount
As at April 01, 2022		-	-
Share split during the year - Refer note (a) below		290	0.03
Bought back during the year - Refer note (b) below		(290)	(0.03)
As at March 31, 2023		**-**	**-**
As at April 01, 2023		-	-
Issued during the year		-	-
As at March 31, 2024	**C**	**-**	**-**
Total equity share capital	**A+B+C**		**3,242.44**

(a) Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share with a face value of ₹ 100 per share was split into one equity share with a face value of ₹ 10 per share and one equity share with a face value of ₹ 90 per share, with effect from April 28, 2022.

(b) Pursuant to the approval of the Board of Directors on September 13, 2022, equity shares with a face value of ₹ 90 per share were bought back on September 22, 2022, for ₹ 90 per share.

b) Instruments entirely in the nature of equity

Particulars	No of shares	Amount
0.001% NCCCPS of ₹ 10 each, fully paid		
As at April 01, 2022	13,213	17,929.36
Increase during the year	-	-
As at March 31, 2023	**13,213**	**17,929.36**
As at April 01, 2023	13,213	17,929.36
Converted to equity shares*	(13,213)	(0.13)
Transferred to retained earnings (Refer note 17)	-	(17,929.23)
As at March 31, 2024	**-**	**-**

* The Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

c) Other equity

For the year ended March 31, 2023

	Reserves and Surplus					Other Comprehensive income	Attributable to the owners of the parent	Non-controlling interest ('NCI')	Total
	Retained earnings (Note 17)	Securities premium (Note 17)	Share Based Payment Reserve (Note 17)	Capital redemption reserve (Note 17)	Statutory reserve (Note 17)	Foreign currency translation reserve (Note 17)			
As at April 01, 2022	**(17,585.30)**	**6,504.71**	**207.34**	**-**	**-**	**-**	**(10,873.25)**	**-**	**(10,873.25)**
Profit for the year	(1,428.09)	-	-	-	-	-	(1,428.09)	(81.57)	(1,509.66)
Other comprehensive income/(loss)					-				
Re-measurement gains on defined benefit plans (net)	3.32	-	-	-	-	-	3.32	0.02	3.34
Net exchange loss on translation of foreign operations	-	-	-	-	-	(0.55)	(0.55)		(0.55)
Total comprehensive income/(loss)	**(1,424.77)**	**-**	**-**	**-**	**-**	**(0.55)**	**(1,425.32)**	**(81.55)**	**(1,506.87)**
Add: Premium received on issue of equity shares	-	58.81	-	-	-	-	58.81	-	58.81
Less: Transaction cost on issue of shares	-	(12.71)	-	-	-	-	(12.71)	-	(12.71)
Add: Share based payment (Refer note 38)	-	-	273.91	-	-	-	273.91	-	273.91
Add: Modification of Stock appreciation rights from cash settled to equity settled (Refer note 38)	-	-	27.74	-	-	-	27.74	-	27.74
Less: Transferred to securities premium on exercise of stock options	-	4.07	(4.07)	-	-	-	-	-	-
Less: Reclass for Non-controlling interest (Refer note 19)	(47.91)	-	-	-	-	-	(47.91)	47.91	-
Less: Change in fair value of non-controlling interest liability (Refer note 19)	331.87	-	-	-	-	-	331.87	-	331.87
Less: Utilised on issue of bonus share	-	(1,360.33)	-	-	-	-	(1,360.33)	-	(1,360.33)
Add: NCI portion on acquisition of subsidiary (Refer note 43)	-	-	-	-	-	-	-	127.12	127.12
Less: Acquisition of NCI (Refer note 43)	(206.52)	-	-	-	-	-	(206.52)	(93.48)	(300.00)
Add/ (less): Transfer to Capital redemption reserve on buyback of equity shares	(0.03)	-	-	0.03	-	-	-		-
As at March 31, 2023	**(18,932.66)**	**5,194.55**	**504.92**	**0.03**	**-**	**(0.55)**	**(13,233.71)**	**-**	**(13,233.71)**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

For the year ended March 31, 2024

	Reserves and Surplus					Other Comprehensive income	Attributable to the owners of the parent	Non-controlling interest ('NCI')	Total
	Retained earnings (Note 17)	Securities premium (Note 17)	Share Based Payment Reserve (Note 17)	Capital redemption reserve (Note 17)	Statutory reserve (Note 17)	Foreign currency translation reserve (Note 17)			
As at April 01, 2023	**(18,932.66)**	**5,194.55**	**504.92**	**0.03**	**-**	**(0.55)**	**(13,233.71)**	**-**	**(13,233.71)**
Profit for the year	1,117.75	-	-	-	-	-	1,117.75	(12.47)	1,105.28
Other comprehensive income/(loss)									
Re-measurement gains on defined benefit plans (net)	1.63	-	-	-	-	-	1.63	-	1.63
"Net exchange loss on translation of foreign operations"	-	-	-	-	-	(0.48)	(0.48)	-	(0.48)
Total comprehensive income/(loss)	**1,119.38**	**-**	**-**	**-**	**-**	**(0.48)**	**1,118.90**	**(12.47)**	**1,106.43**
Add: Premium received on issue of equity shares	-	3,602.52	-	-	-	-	3,602.52	-	3,602.52
Less: Transaction cost on issue of equity shares	-	(143.87)	-	-	-	-	(143.87)	-	(143.87)
Add: Share based payment expense for the year (Refer note 38)	-	-	130.69	-	-	-	130.69	-	130.69
Less: Transferred to securities premium on exercise of stock options	-	382.37	(382.37)	-	-	-	-	-	-
"Less: Reclass for Non-controlling interest (Refer note 19)"	(12.47)	-	-	-	-	-	(12.47)	12.47	-
Add: Change in fair value of non-controlling interest liability (Refer note 19)	23.21	-	-	-	-	-	23.21	-	23.21
Add: Conversion of CCPS into equity	17,929.23				-		17,929.23		17,929.23
Less: Utilised on issue of bonus share	-	(1,704.34)	-	-	-	-	(1,704.34)	-	(1,704.34)
Add: Creation of statutory reserve	-	-	-	-	0.11	-	0.11	-	0.11
Add: Lapsation of vested options	5.14	-	(5.14)	-	-	-	-	-	-
As at March 31, 2024	131.83	7,331.23	248.10	0.03	0.11	(1.03)	7,710.27	-	7,710.27

Corporate information and summary of material accounting policies (refer note 1 & 2.3)
The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Mumbai
Date: May 23, 2024

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Gurugram
Date: May 23, 2024

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

1 (a) Corporate Information

Honasa Consumer Limited ("the Company"" or ""Holding Company" or ""Parent Company""), together with its subsidiaries (collectively, the Group), is principally engaged in trading of variety of beauty and personal care products and related services with products across baby care, skin care, hair and other related personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co.', 'BBlunt', 'Aqualogica', 'Ayuga' and 'Dr. Sheth's' and services comprises of beauty salon and hair styling services (under the trademark 'BBlunt') as well as content development and influencer marketing (with its online platform 'Momspresso.com'). The Company, together with its subsidiaries, sells its products and services primarily in India. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The registered office of the Company is located at Unit No - 404, 4th floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi - 110075.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on October 26, 2022 and consequently the name of the Company has changed to Honasa Consumer Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on November 11, 2022.

The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023 (refer note 49).

The Group's Consolidated Financial Statements for the year ended March 31, 2024 were approved for issue in the meeting of the Board of directors held on May 23, 2024.

1 (b) Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of Company (Nature of Business)	CIN No.	Country of incorporation	Ownership interest as on March 31, 2024	Ownership interest as on March 31, 2023
Fusion Cosmeceutics Private Limited (acquired w.e.f. April 06, 2022) (skin care products)	U24230MH2003PTC141101	India	100.00%	100.00%
Just4Kids Services Private Limited (content development and Influencer marketing services)	U80302HR2010PTC107239	India	100.00%	77.19%
PT Honasa Consumer Indonesia	Not Applicable	Indonesia	100.00%	100.00%
Honasa Consumer General Trading L.L.C. (incorporated on June 16, 2022)	Not Applicable	UAE	100.00%	100.00%
Bhabani Blunt Hairdressing Private Limited (hair styling salon and academy)	U93020MH2004PTC148187	India	100.00%	100.00%
B:Blunt Spratt Hairdressing Private Limited (hair styling salon and academy) (100% subsidiary of Bhabani Blunt Hairdressing Private Limited) (hair styling salon and academy)	U93000KA2011PTC058323	India	100.00%	100.00%

* The subsidiary is not operational, has no transactions and infusion of capital has not yet been completed.

2 Basis of Preparation and Material accounting policies

2.1 Statement of compliance and basis of preparation

Consolidated financial statements of the Group as at and for the year ended March 31, 2024 are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act (Ind-AS compliant Schedule III as applicable to the consolidated financial statements).

These Consolidated Financial Statements have been prepared on a going concern basis.

The Consolidated Financial Statements have been prepared on an accrual basis under the historical cost convention except for certain assets and liabilities that are measured at fair value as mentioned below.

- share-based payments – measured at fair value

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The Consolidated Financial Statements are presented in Indian Rupee (₹). All the values are rounded off to the nearest millions, upto two decimal places except when otherwise indicated.

2.2 Basis of Consolidation

The Consolidated financial statements comprises of the financial information of the Holding Company and its subsidiaries as at March 31, 2024. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Holding Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to the consolidated financial statements to ensure conformity with the group's accounting policies."

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of Profit and Loss resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the summary statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities
- Recognise that distribution of shares of subsidiary to Holding Company in Holding Company's capacity as owners"

2.3 Material Accounting Policies

2.3.1 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

A liability is current when:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred tax liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.3.2 Foreign currency translation

(i) Functional and presentation currency:

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Indian Rupee (₹). For each entity the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity, such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment."

iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.3.3 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 in the principal market or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of an asset or a liability is measured using the assumptions that market participants would use

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised 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 recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3.4 Business combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition- related costs are expensed as incurred."

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit or loss or OCI, as appropriate"

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss.

If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Liability for Non-Controlling Interests

Liability for put option issued to non-controlling interests which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to put option is derecognised and the difference between the derecognised and present value of the redemption based on the valuation, which is recorded as a financial liability, is accounted for as an equity transaction.

2.3.5 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Such cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Depreciation on property, plant and equipment is calculated on a written down value over the useful lives of assets estimated by the management, as below:

Asset category	Useful lives estimated by the management (years)	Useful lives as per schedule II of the Act (years)
Office equipment	5	5
Plant and Machinery	3 to 8	15
Furniture and fixtures	10	10
Computer & peripherals	3 to 6	3 to 6

Leasehold improvements are amortised on a straight line basis over the remaining period of the lease or estimated useful life of the assets, whichever is lower.

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. Any gain or loss arising on de-recognition of the asset (calculated as

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

The useful lives have been determined based on managements' judgement, based on technical assessment, which in certain instances are different from those specified by Schedule II to the Act, in order to reflect the actual usage of the assets. The assets residual values, method of depreciation and useful life are reviewed, and adjusted if appropriate, prospectively at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever 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 lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 consolidated statement of profit and loss. when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Franchise agreements	5 years	Straight Line	Acquired
Non-compete agreement	3 years	Straight Line	Acquired
Trademark	5-7 years	Straight Line	Acquired
Brand	Indefinite*	No Amortisation	Acquired
Design and Formulation	0.5 - 1 year	Straight Line	Acquired
Software	1-10 years	Straight Line	Acquired
Goodwill	Indefinite*	No Amortisation	Acquired

* Tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

2.3.7 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and brand are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill and brand by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill and brand relate to. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired."

2.3.8 Inventories

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

Obsolete, slow moving and defective/ damage/ near expiry inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.3.9 Revenue recognition

Revenues are recognised when, or as, control of a promised goods or services transfers to customers, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring those goods or services. To recognise revenues the following five step approach is applied: (i) identify the contract with a customer, (ii) identify the performance obligation in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

recognise revenues when a performance obligations is satisfied.

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from sale of products

Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives. Revenue is measured at amount of ""Transaction Price"" as per Ind AS 115.

Revenue from sale of services

Revenue from Hair Styling services is recognised on rendering services. Revenue from franchises is recognised as per the terms of the agreements. The amount recognised is at the predetermined price, the collection of which is reasonably certain. Revenue from educating students in hair styling is recognised on a time proportion basis. Revenue from listing services is received in the form of fees which is recognised prorate over the subscription / advertising agreement, usually ranging between one to twelve months.

Non Cash consideration

The Group measures the non-cash consideration at fair value to determine the transaction price for contracts in which a customer promises consideration in a form other than cash. In case the fair value cannot be resonably estimated, the company measures the consideration indirectly by reference to the stand alone selling price of the goods promised to the customer in exchange for the consideration.

Variable consideration

If the consideration in a contract includes a variable amount (discounts and incentives), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services to the customer and such discounts and incentives are estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of return and volume rebates give rise to variable consideration.

Rights of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

Volume rebates

The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Customer wallet points

The Group has a wallet points programme, which allows customers to accumulate points that can be redeemed for subsequent purchase. The wallet points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on each reporting date and any adjustments to the contract liability balance are charged against revenue.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head ""other income"" in the consolidated statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2.13 Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A trade receivable is recognised if an amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from the customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.3.10 Leases

The Group 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.

The Group as a lessee

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

Right-of-use assets

The Group 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 shorter of the lease term and the estimated useful lives of the assets as follows:

Particulars	Useful lives (years)
Buildings	2-9 years
Computer & Peripherals	3 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects exercising of the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate for Right of use assets at the lease commencement date. 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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (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 that are 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.

2.3.11 Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Group presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Defined benefit plans - Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

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 term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the consolidated statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme is the defined contribution plans. The Group has no obligation, other than the contribution payable. The Group recognises contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.3.12 Employee share based payments

The Stock option plan of the Group is classified as equity settled transaction based on the constructive obligation for settlement of option in equity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black Scholes model.

That cost is recognised, together with a corresponding increase in share based payment reserve 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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss 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 recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. 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 Holding Company's employees are granted share appreciation rights (SAR) settled in cash upto May 30, 2022 and w.e.f. May 31, 2022 the scheme is modified as equity settled scheme. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SAR by applying an option pricing model, taking into account the terms and conditions on which the SAR were granted, and the extent to which the employees have rendered services to date.

When the terms of a cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the consolidated statement of profit and loss.

Subsequently w.e.f December 15, 2022, SAR Scheme was further amended and rechristened by the Holding Company to Employee stock options plan 2021 (ESOP scheme 2021) (""December 2022 Amendment") to redesignate the erstwhile SAR as ESOP with a fixed conversion ratio. When the terms the equity-settled share-based payment transaction are modified, pre-modification valuation and post modification valuation is compared and if the value of post modification is lower than pre-modification, then the cost would be recognised based on original plan, however if the value of post modification is higher than pre-modification, then the original cost would continue to be accounted and for the additional fair value to the extent of vested options recognised in the statement of profit and loss and to the extent of unvested options, additional fair value is accounted over the remaining vesting period.

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

2.3.13 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.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive income (FVTOCI)
- Debt instruments and equity instruments at Fair Value Through Profit and Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

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

(ii) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) 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. Fair value movements are recognised in OCI. However, the Group recognises interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

De-recognition

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 balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value. The Group's financial liabilities include trade and other payables, and Lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and 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 recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

After initial recognition, gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities.

For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

2.3.14 Income taxes

Income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Group has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate. The Group 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.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognised for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset 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
- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and associate, 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 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 credits and unused tax losses 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the consolidated statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

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 taxes relate to the same taxable entity and the same taxation authority.

2.3.15 Segment reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group's operating businesses are organised and managed on a single segment considering the entire beauty and personal care products and related services as one single operating segment. The analysis of geographical segments is based on the location in which the customers are situated.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

The Board of directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of Group as a whole for the purpose of making decisions about resource allocation and performance assessment.

2.3.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) 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."

2.3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. 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 recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates."

2.3.18 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 Group 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 Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

2.3.19 Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet and consolidated statement of cash flows comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the Consolidated 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 Group's cash management."

2.3.20 Borrowing costs

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.3.21 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (Note 42)
- Financial risk management objectives and policies (Note 41)
- Sensitivity analysis disclosures (Notes 35 and 40).

The Group bases its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions, if any, about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognised in the consolidated financial statements are as below.

Revenue from contracts with customers

Sale of goods includes expected discounts and incentives that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group uses the most likely amount methodology to determine the variable consideration.

The Group determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Group's past experience regarding these amounts may not be representative of actual amounts in the future.

Leases

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, the Group uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate (IBR) for Right of use assets at the lease commencement date.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Impairment of financial assets

Provision for expected credit loss on trade receivables

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future."

Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group."

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38.

Business combination

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgements, estimates, and assumptions can materially affect the results of operations.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated financial statement cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. 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.

2.3.22 Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company has applied these amendments for the first-time.:

(i) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had no impact on the Group's disclosures of accounting policies or on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

3(a). Property, plant and equipment ('PPE')

	Computer and peripherals	Furniture and fixtures	Office equipments	Plant and machinery	Leasehold Improvements	Total
Gross Block						
Cost or valuation						
As at April 01, 2022	**2.31**	**30.44**	**10.27**	**10.20**	**-**	**53.22**
Additions	1.80	53.14	14.83	1.12	45.22	116.11
Additions through acquisition (Refer note 43)	0.09	-	0.02	0.04	-	0.15
Disposals	-	-	-	-	-	-
As at March 31, 2023	**4.20**	**83.58**	**25.12**	**11.36**	**45.22**	**169.48**
As at April 01, 2023	**4.20**	**83.58**	**25.12**	**11.36**	**45.22**	**169.48**
Additions	2.65	46.31	10.14	3.31	60.63	123.04
Disposals	(4.63)	-	-	-	-	(4.63)
As at March 31, 2024	**2.22**	**129.89**	**35.26**	**14.67**	**105.85**	**287.89**
Accumulated depreciation						
As at April 01, 2022	**1.38**	**1.84**	**2.51**	**3.78**	**-**	**9.51**
Charge for the year	1.07	11.77	5.03	3.72	4.13	25.72
Disposals	-	-	-	-	-	-
As at March 31, 2023	**2.45**	**13.61**	**7.54**	**7.50**	**4.13**	**35.23**
As at March 31, 2023	**2.45**	**13.61**	**7.54**	**7.50**	**4.13**	**35.23**
Charge for the year	0.80	19.22	5.15	2.02	28.43	55.62
Disposals	(2.56)	-	-	-	-	(2.56)
As at March 31, 2024	**0.69**	**32.83**	**12.69**	**9.52**	**32.56**	**88.29**
Net book value						
As at March 31, 2023	**1.75**	**69.97**	**17.58**	**3.86**	**41.09**	**134.25**
As at March 31, 2024	**1.53**	**97.06**	**22.57**	**5.15**	**73.29**	**199.60**

3(b). Capital work in progress*

	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at March 31, 2024					
Projects in progress	4.63	-	-	-	4.63
Projects temporarily suspended	-	-	-	-	-
Total	**4.63**	**-**	**-**	**-**	**4.63**

*There are no overdue or cost overrun projects compared to its original plan and no capital work in progress which are temporarily suspended, on the above mentioned reporting dates.

	Total
As at April 01, 2022	-
Add: Additions during the year	54.64
Less: Capitalised during the year	(54.64)
As at March 31, 2023	**-**
As at April 01, 2023	-
Add: Additions during the year	44.99
Less: Capitalised during the year	(40.36)
As at March 31, 2024	**4.63**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

4(a). Goodwill*

Goodwill acquired pertains to the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Acquisition of business:		
B-Blunt Business Purchase	8.89	8.89
Acquisition of subsidiary		
Just4Kids Services Private Limited	1,360.63	1,360.63
Bhabani Blunt Hairdressing Private Limited	363.38	363.38
Fusion Cosmeceutics Private Limited (Refer note 43)	155.48	155.48
Less: Provision for impairment on Just4Kids Services Private Limited (Refer note 6)	(1,360.63)	(1,360.63)
	527.75	**527.75**

* Refer note 6 for impairment testing of Goodwill

4(b). Intangible assets

Particulars	Brand*	Design and Formulation	Software	Trademarks	Franchise agreements	Non-compete agreement	Total
Cost							
As at April 01, 2022	**820.80**	**20.50**	**22.72**	**206.19**	**4.40**	**43.20**	**1,117.81**
Additions	-	-	18.83	-	-	-	18.83
Acquisitions (Refer note 43)	168.49	-	-	-	-	-	168.49
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	**989.29**	**20.50**	**41.55**	**206.19**	**4.40**	**43.20**	**1,305.13**
As at April 01, 2023	**989.29**	**20.50**	**41.55**	**206.19**	**4.40**	**43.20**	**1,305.13**
Additions	-	-	-	0.32	-	-	0.32
Acquisitions (Refer note 43)	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2024	**989.29**	**20.50**	**41.55**	**206.51**	**4.40**	**43.20**	**1,305.45**
Accumulated Amortisation/Impairment							
As at April 01, 2022	**-**	**1.01**	**0.62**	**8.23**	**0.04**	**0.63**	**10.53**
Amortisation	-	19.49	6.27	30.51	0.88	14.39	71.54
Disposals	-	-	-	-	-	-	-
Impairment (Refer note 6)	-	-	19.14	167.20	-	-	186.34
As at March 31, 2023	**-**	**20.50**	**26.03**	**205.94**	**0.92**	**15.02**	**268.41**
As at April 01, 2023	**-**	**20.50**	**26.03**	**205.94**	**0.92**	**15.02**	**268.41**
Amortisation	-	-	4.25	0.01	0.88	14.39	19.53
Disposals	-	-	-	-	-	-	-
Impairment (Refer note 6)	-	-	-	-	-	-	-
As at March 31, 2024	**-**	**20.50**	**30.28**	**205.95**	**1.80**	**29.41**	**287.94**
Net book value							
As at March 31, 2023	**989.29**	**-**	**15.52**	**0.25**	**3.48**	**28.18**	**1,036.72**
As at March 31, 2024	**989.29**	**-**	**11.27**	**0.56**	**2.60**	**13.79**	**1,017.51**

* Refer note 6 for impairment testing of brand

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

5. Right-of-use assets and lease liabilities

(a) Group as a lessee

The Group has lease contracts for office premises, warehouses, retail stores, computer and peripherals used in its operations. The lease term of the lease contracts are ranging from 2 years to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group has applied exemptions as per paragraph 6 of Ind AS 116 with respect to short term leases/low value leases.

(b) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buildings	Computer and Peripherals	Total
Cost			
As at April 01, 2022	**567.29**	**29.86**	**597.15**
Additions	396.66	49.49	446.16
Disposals	-	-	-
As at March 31, 2023	**963.95**	**79.35**	**1,043.30**
As at April 01, 2023	**963.95**	**79.35**	**1,043.30**
Additions	941.81	28.54	970.35
Modification	(376.12)	-	(376.12)
Disposals	(25.93)	(20.38)	(46.31)
As at March 31, 2024	**1,503.71**	**87.51**	**1,591.22**
Accumulated Depreciation			
As at April 01, 2022	**55.45**	**9.56**	**65.01**
Charge for the year	129.65	22.73	152.38
Disposal	-	-	-
As at March 31, 2023	**185.10**	**32.29**	**217.39**
As at April 01, 2023	**185.10**	**32.29**	**217.39**
Charge for the year	208.18	22.84	231.02
Modification	(91.90)		(91.90)
Disposal	-	(7.90)	(7.90)
As at March 31, 2024	**301.38**	**47.23**	**348.61**
Net book value			
As at March 31, 2023	**778.85**	**47.06**	**825.91**
As at March 31, 2024	**1,202.33**	**40.28**	**1,242.61**

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

Carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Non current		
Lease liabilities	1,124.50	739.38
Total non-current lease liabilities (A)	**1,124.50**	**739.38**
Current		
Lease liabilities	185.19	146.43
Total current lease liabilities (B)	**185.19**	**146.43**
Total lease liabilities (C=A+B)	**1,309.69**	**885.81**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(d) Following are the amounts recognised in Profit and loss account:

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation of right-of-use-assets	231.02	152.38
Interest expense on lease liability	82.51	55.65
Rent expenses for short term lease (included in other expenses)	46.09	34.87
	359.62	**242.90**

(e) Impact on Statement of cash flow (decrease)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease payments (Including interest portion)	256.76	153.88
	256.76	**153.88**
Payment of principal portion of lease liabilities	174.25	98.23
Payment of interest portion of lease liabilities	82.51	55.65
	256.76	**153.88**

(f) Movement in lease liabilities for year ended March 31, 2024 and March 31, 2023:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	885.81	560.43
Add: Additions	945.91	423.92
Less: Modification	(321.12)	-
Add: Interest on lease liability	82.51	55.65
Less: Payment of lease liabilities	(256.76)	(153.88)
Less: Disposal	(26.66)	(0.31)
Balance at the end of the year	**1,309.69**	**885.81**

(g) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	296.62	201.42
one to five years	930.30	621.75
more than five years	456.20	248.73
Total	**1,683.12**	**1,071.90**

6. Impairment testing of goodwill and brand

Carrying amount of goodwill and brand allocated to each of the CGUs:

Particulars	Fusion Cosmeceutics Private Limited	Just4Kids Services Private Limited	B Blunt	Total
Intangible assets				
Goodwill	155.48	1,360.63	372.27	1,888.38
Brand	168.49	-	820.80	989.29
Less: Provision for impairment*	-	(1,360.63)	-	(1,360.63)
Net Carrying value	**323.97**	**-**	**1,193.07**	**1,517.04**

The Group tests whether goodwill and indefinite life brand has suffered any impairment on an annual basis or more frequently when there is an indication that the unit may be impaired. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations uses cash flow projections based on financial budgets approved by the management.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The Group assessed the carrying value of its goodwill and indefinite life brand at CGU level to which they are attributable, based on future operational plan, projected cash flows and carried out valuation. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill and indefinite life brand is appropriate for the CGUs- Fusion Cosmeceutics Private Limited and Bblunt.

Particulars	Fusion Cosmeceutics Private Limited	B Blunt Services Business
Terminal growth rate	5%	5%
Discount rate	16.00%	16.00%

Sensitivity change in assumptions

Except for Just4Kids Services Private Limited above, no impairment was identified as the recoverable value of the CGUs exceeded the carrying value. A sensitivity analysis to a change in the key parameters (revenue growth and discount rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGUs recoverable amount would fall below their carrying amount.

Impairment (CGU-Just4Kids Services Private Limited):

*The business of Just4kids Services Private Limited ("Momspresso") was acquired to expand content and influencer management capabilities and to strengthen content creation capabilities by enabling the access to a large and ready library of the relevant content of Momspresso. However, the performance and profitability of Momspresso was deteriorating with the business significantly underperforming vis-à-vis the business plan during the year ended March 31, 2023. Further the business synergies envisaged from the investment could not be realised despite best efforts of the management. Accordingly, the Group has accounted for an Impairment loss of ₹ 1,360.63 Million attributable to Goodwill, ₹ 19.14 Million attributable to Software and ₹ 167.20 Million attributable to trademarks and the same has been disclosed as an exceptional item during the year ended March 31, 2023 [Refer note 4(a) and 4(b)].

Computation of impairment:

Particulars	Carrying value	Fair value	Impairment
Assets			
Non-current assets			
Property, plant and equipment	1.11	1.11	-
Goodwill	1,360.63	-	1,360.63
Trademarks	167.20	-	167.20
Software	19.14	-	19.14
Total (A)	**1,548.08**	**1.11**	**1,546.97**
Current assets			
Cash & Cash Equivalents	172.14	172.14	-
Trade receivables	110.19	110.19	-
Other current assets	16.33	16.33	-
Loans(TDS Receivable)	14.27	14.27	-
Total (B)	**312.93**	**312.93**	**-**
Current Liabilities			-
Trade Payables	23.35	23.35	-
Other Liabilities	3.24	3.24	-
Provisions	24.45	24.45	-
Total (C)	**51.04**	**51.04**	**-**
Net Assets= A+B-C	**1,809.97**	**263.00**	**1,546.97**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

7 Investments

Current

	No of units		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Quoted Bonds and Debentures				
State Bank Of India Series-1, 9.56%, NCD Perpetual	-	100	-	111.82
Total quoted bonds and debentures valued at amortised cost [A]			**-**	**111.82**
(valued at fair value through profit and loss)				
Quoted Mutual Funds				
UTI MMMF Direct - Growth	1,675	1,675	4.75	4.41
SBI Magnum Ultra Short Duration Direct - Growth	16,781	16,781	93.00	86.57
SBI Corporate Bond Fund Direct-G	30,08,137	30,08,137	43.16	40.09
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund Direct-G	28,87,580	28,87,580	32.25	30.08
HDFC Corporate Bond Direct - Growth*	62,98,078	62,98,078	188.21	173.95
ICICI Prudential Corporate Bond Direct - Growth	82,53,324	82,53,324	232.29	214.82
DSP Short Term Direct - Growth	36,85,984	36,85,984	167.87	155.86
HDFC Short Term Debt Direct - Growth	35,50,981	35,50,981	105.44	97.63
Kotak Bond Short-term Direct - Growth	32,13,016	32,13,016	165.54	153.34
HDFC Money Market Direct - Growth	24,238	24,238	128.46	119.29
HDFC Floating Rate Debt Direct - Growth	5,91,244	5,91,244	27.11	25.05
HDFC Nifty G-sec Dec 2026 Index Direct-G	38,89,834	38,89,834	43.03	40.06
HDFC Nifty G-Sec Jun 2027 Index Direct-G	29,36,222	29,36,222	32.24	30.00
Axis Banking & PSU Debt Direct - Growth*	12,250	12,250	30.06	28.04
Axis Strategic Bond Fund Direct - Growth*	37,96,366	37,96,366	104.19	95.86
Kotak Corporate Bond Direct - Growth*	29,390	29,390	103.90	96.29
Kotak Equity Arbitrage Direct-G	4,61,629	9,03,463	16.80	30.31
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct-G	19,53,657	19,53,657	21.70	20.26
HSBC Corporate Bond Direct-Growth (L&T Triple Ace Bond Direct-Growth)*	11,31,887	11,31,887	79.23	73.64
ICICI Pru Short Term Direct - Growth	7,65,761	7,65,761	45.13	41.63
ICICI Pru Long Short Fund II	7,99,960	4,99,975	83.11	81.53
Bharat Bond FOF - April 2030 Direct - Growth	24,19,838	24,19,384	32.74	30.28
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	19.42	19.60
Powergrid Infrastructure Investment Trust	3,22,385	3,22,385	30.53	39.53
ICICI Prudential Corporate Credit Opportunities AIF I	4,77,939	1,72,765	53.18	38.44
ICICI Pru Floating Interest Direct-G	65,359	65,359	27.24	25.05
Nippon India Corporate Bond Direct - Growth*	3,16,628	3,16,628	17.86	16.50
Nippon India ETF Nifty SDL - 2026 Maturity - Growth	5,00,000	5,00,000	59.90	55.93
Edelweiss Credit Plus Fund AIF	1,818	2,275	19.53	30.77
Edelweiss Arbitrage Direct-G	19,66,659	11,57,725	37.20	20.20
Aditya Birla SL Money Manager Direct-G	3,04,822	-	103.88	-
Aditya Birla SL Floating rate Direct - Growth	66,889	66,889	21.63	20.04
Aditya Birla SL Overnight Fund Direct-G	38,680	25,240	50.09	30.60
Aditya Birla SL Corporate Bond Direct-G	3,14,491	3,14,491	32.47	30.07
Aditya Birla SL CRISIL IBX Gilt - April 2026 Index Fund Direct-G	48,33,724	48,33,724	53.86	50.20
Bandhan Corporate Bond Direct-G	6,07,706	6,07,706	10.83	10.09
Bandhan Dynamic Bond Direct-G	9,72,065	9,72,065	33.38	30.40
Bandhan Bond Short Term Direct-G	23,54,846	23,54,846	129.34	120.17

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

	No of units		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
UTI Overnight Fund	11,144	-	36.52	-
Kotak Savings Fund-Direct Plan - Growth	4,287	-	20.92	-
UTI liquid fund- Direct - Growth	10,567	-	41.82	-
ABSL Floating Rate Fund - Direct Growth	1,07,352	-	41.83	-
Bandhan Bank	-	1,492	-	4.05
Aditya Birla Sun Life Money Manager Fund	1,02,932	3,538	34.98	6.09
Aditya Birla Sun Life Overnight Fund	33,560	-	43.46	-
Axis Overnight Fund	-	30	-	0.04
SBI Over Night Fund	-	775	-	2.58
HDFC overnight fund	-	707	-	2.58
Total [B]			**2,700.08**	**2,221.92**
Muthoot Fincorp Limited - Market Linked Debenture - Non Convertible	10	-	11.46	-
Asirvad Microfin Limited MLD	-	20	-	22.86
Mahindra & Mahindra Financial Services Ltd. NCD TR II 19DEC24 (INE774D07UO2)	100	100	110.11	102.78
Shriram City Union MLD	80	80	95.94	87.09
Vivriti Capital Pvt. Ltd.	-	50	-	53.81
Total [C]			**217.51**	**266.54**
Total Quoted investments valued at fair value [D=B+C]			**2,917.59**	**2,488.46**
Total Quoted investments [E=A+D]			**2,917.59**	**2,600.28**
Unquoted other investments				
Beauty Wellness Association India			0.10	0.10
Total Unquoted investments [F]			**0.10**	**0.10**
Total Investments [E+F]			**2,917.69**	**2,600.38**
Aggregate book value of quoted investments [D]			2,917.59	2,600.28
Aggregate market value of quoted investments [D]			2,917.59	2,600.28
Aggregate value of unquoted investments [F]			0.10	0.10

* Includes an amount of ₹ 215.42 million (March 31, 2023: ₹ 294.12 million) at cost secured against bank guarantees limit with the bank.

8 Other financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Carried at amortised cost		
Non-current		
Security deposits	91.81	64.59
Fixed deposit with maturity of more than 12 months*#	1,869.92	713.28
Interest accrued	46.56	12.13
	2,008.29	**790.00**
Current		
Security deposits	43.97	7.22
Expense recoverable from shareholders **	-	197.06
Recoverable from payment partners	226.69	70.96
Unbilled revenue	2.65	14.84
Interest accrued	119.63	45.73
	392.94	**335.81**

* Includes an amount of ₹ 150.15 million (March 31, 2023: ₹ 65.26 million) lien against bank guarantees issued .

Includes 243.85 million (March 31, 2023: ₹ 193.85 million) lien against overdraft facility with the banks.

** Expense recoverable from shareholders of ₹ 197.06 million as at March 31, 2023 have been incurred by the Company is towards proposed Initial Public Offering (IPO) of the equity shares held by the selling shareholders. As per the offer agreement with the selling shareholders, these expenses are recoverable in proportion to the shares that are expected to be offered to the public in the offering, which has been recovered during the year ended March 31, 2024.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
March 31, 2024						
Undisputed unbilled revenue-considered good	2.65	-	-	-	-	2.65
Total	**2.65**	**-**	**-**	**-**	**-**	**2.65**
March 31, 2023						
Undisputed unbilled revenue-considered good	14.84	-	-	-	-	14.84
Total	**14.84**	**-**	**-**	**-**	**-**	**14.84**

There are no disputed dues for the year ended March 31, 2024 and year ended March 31, 2023.

9 Income tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance tax (Net)	8.88	40.87
	8.88	**40.87**

10 Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital advances	9.80	4.27
	9.80	**4.27**
Current		
Balance with government authorities	171.18	212.52
Right to receive inventory on provision for sales return	44.23	29.50
Advance to employees	2.17	3.17
Prepaid expenses*	39.57	74.83
Advance to suppliers	33.49	51.24
Other receivables	3.49	0.51
	294.13	**371.77**

*Includes IPO expense of ₹ 32.08 million as at March 31, 2023 carried forward as prepaid expenses pertaining to Company's share and the aforesaid amount in accordance with requirements of Section 52 of the Act, has been adjusted with securities premium during the year ended March 31, 2024 on issue of equity shares.

11 Inventories

(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Traded goods [includes goods in transit of ₹ 59.78 million (March 31, 2023: ₹ 17.68 million)]	1,322.16	1,208.96
Less: Provision for slow moving inventories*	(93.80)	(99.19)
	1,228.36	**1,109.77**

*Includes ₹ 7 million of provision for the year ended March 31, 2023 acquired through Business Transfer agreement with Godrej Consumer Private Limited on March 16, 2022 to acquire its Product business under the brand name Bblunt. During the year ended March 31, 2024, ₹ 15.00 Million has been reclassified from provision for slow moving inventories to provision for doubtful advances.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

12 Trade receivables

Carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	1,593.76	1,307.79
	1,593.76	**1,307.79**
Break-up for security details		
Trade receivables		
Unsecured, considered good	1,593.76	1,307.79
Trade receivables - credit impaired	160.08	56.54
	1,753.84	**1,364.33**
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(160.08)	(56.54)
	(160.08)	**(56.54)**
Total trade receivables	**1,593.76**	**1,307.79**
Movement in impairment allowance (allowance for bad and doubtful debts)		
Opening balance	56.54	16.34
Add: Charge for the year	103.55	48.09
Less: Reversal/write off during the year	(0.01)	(7.89)
Closing balance	**160.08**	**56.54**

As at March 31, 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	1,289.09	304.02	0.53	0.12	-	-	1,593.76
Undisputed trade receivable - credit impaired	14.36	85.59	34.90	25.23	-	-	160.08
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,303.45**	**389.61**	**35.43**	**25.35**	**-**	**-**	**1,753.84**
Less: Allowance for bad and doubtful debts	(14.36)	(85.59)	(34.90)	(25.23)	-	-	(160.08)
Total trade receivables	**1,289.09**	**304.02**	**0.53**	**0.12**	**-**	**-**	**1,593.76**

As at March 31, 2023

	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	1,124.62	183.17	-	-	-	-	1,307.79
Undisputed trade receivable - credit impaired	-	18.82	30.22	6.76	0.74	-	56.54
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,124.62**	**201.99**	**30.22**	**6.76**	**0.74**	**-**	**1,364.33**
Less: Allowance for bad and doubtful debts	-	(18.82)	(30.22)	(6.76)	(0.74)	-	(56.54)
Total trade receivables	**1,124.62**	**183.17**	**-**	**-**	**-**	**-**	**1,307.79**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

- There are no non-current trade receivables as on March 31, 2024 and March 31, 2023
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, other than those disclosed in Note 35. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 30-60 days.

13 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash in hand	3.74	2.33
Balance with banks		
- on current accounts	315.77	80.22
Deposits with remaining maturity of less than or equal to three months	750.70	-
	1,070.21	**82.55**
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash in hand	3.74	2.33
Balance with banks		
- on current accounts	315.77	80.22
Deposits with remaining maturity of less than or equal to three months	750.70	-
Less - Bank overdraft (Refer note 18)	-	(36.09)
	1,070.21	**46.46**

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with remaining maturity of more than three months but less than or equal to twelve months	3,786.30	598.02
	3,786.30	**598.02**

15 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹ 10 each		
As at April 01, 2022	**40,000**	**0.40**
Increase during the year	33,99,60,000	3,399.60
As at March 31, 2023	**34,00,00,000**	**3,400.00**
As at April 01, 2023	**34,00,00,000**	**3,400.00**
Increase during the year	-	-
As at March 31, 2024	**34,00,00,000**	**3,400.00**
Equity share capital of ₹ 100 each		
As at April 01, 2022	580	0.06
Increase during the year	-	-
As at March 31, 2023	**580**	**0.06**
As at April 01, 2023	580	0.06
Increase during the year	-	-
As at March 31, 2024	**580**	**0.06**
Equity share capital of ₹ 90 each		
As at April 01, 2022	-	-
Increase during the year	290	0.03
As at March 31, 2023	**290**	**0.03**
As at April 01, 2023	290	0.03
Increase during the year	-	-
As at March 31, 2024	**290**	**0.03**

b) Issued, subscribed and fully paid up Equity share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹ 10 each, fully paid up		
As at April 01, 2022	10,256	0.10
Issued during the year- Refer note (i) below	2,92,936	2.93
Bonus Issue during the year- Refer note (ii) below	13,60,32,854	1,360.33
Shares split during the year- Refer note (iii) below*	290	0.00
As at March 31, 2023	**13,63,36,336**	**1,363.36**
As at April 01, 2023	13,63,36,336	1,363.36
Issued during the year- Refer note (v) below	1,74,60,121	174.60
Conversion of NCCCPS into equity shares (Refer Note (vi) below)	13,213	0.13
Bonus Issue on conversion of NCCCPS into equity shares (Refer Note (vi) below)	17,04,34,487	1,704.35
As at March 31, 2024	**32,42,44,157**	**3,242.44**
* Represents amount of ₹ 2,900.		
Equity share capital of ₹ 100 each, fully paid up		
As at April 01, 2022	**290**	**0.03**
Issued during the year	-	-
Share split during the year- Refer note (iii) below	(290)	(0.03)
As at March 31, 2023	**-**	**-**
As at April 01, 2023	-	-
Issued during the year	-	-
As at March 31, 2024	**-**	**-**
Equity share capital of ₹ 90 each, fully paid up		
As at April 01, 2022	-	-
Issued during the year	-	-
Share split during the year- Refer note (iii) below	290	0.03
Buy back during the year (Refer Note (iv) below)	(290)	(0.03)
As at March 31, 2023	**-**	**-**
As at April 01, 2023	-	-
Issued during the year	-	-
As at March 31, 2024	**-**	**-**

Notes:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(i) During the year ended March 31, 2023, the Company issued 292,936 equity shares of ₹ 10 each.

(ii) During the year ended March 31, 2023, the Company has issued 136,032,854 bonus shares in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹ 10 each on May 11, 2022.

(iii) Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share of face value of ₹ 100 per share was split into one equity share of face value of ₹ 10 per share and one equity share of face value of ₹ 90 per share, with effect from April 28, 2022.

(iv) Pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of ₹ 90 per share was bought back on September 22, 2022 for ₹ 90 per share.

(v) During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹ 10 each on allotment of ESOP and 11,267,530 shares through Initial public offer (IPO).

(vi) During the year ended March 31, 2024, the Company issued 13,213 equity shares on conversion of NCCCPS and 170,434,487 equity shares on Bonus Issue on conversion of NCCCPS (Refer note 16).

c) Terms/rights attached to equity shares

(i) The Holding Company has equity shares having par value of ₹ 10 and ₹ 100 per share. Each shareholder of equity shares is entitled to have one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, as proportion to their holdings.

Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share of face value of ₹ 100 per share was split into one equity share of face value of ₹ 10 per share and one equity share of face value of ₹ 90 per share, with effect from April 28, 2022. Further, pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of ₹ 90 per share was bought back on September 22, 2022 for ₹ 90 per share.

d) Details of shareholders holding more than 5% shares in the Holding Company:

	As at March 31, 2024		As at March 31, 2023	
	Nos.	Holding %	Nos.	Holding %
Equity shares of ₹ 10 each, fully paid				
Varun Alagh	10,35,50,850	32%	10,67,37,650	78%
Ghazal Alagh	-	-	1,00,65,200	7%
Peak XV Partners Investments VI	6,06,04,200	19%	-	-
Sofina Ventures S.A.	1,99,74,026	6%	-	-
Fireside Ventures Investment Fund-I	1,71,26,192	5%	-	-
	20,12,55,268		**11,68,02,850**	
Equity shares of ₹ 100/- each fully paid*				
Shilpa Shetty Kundra	-	-	-	-
Evolvence Fund III LTD	-	-	-	-
Evolvence India Coinvest PCC	-	-	-	-
	-	**-**	**-**	**-**

* Refer note (c) above

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

e) Details of shares held by promoters:

Equity shares of ₹ 10 each, fully paid

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change on account of Bonus issue	(Change during the year)	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	10,67,37,650	-	(31,86,800)	10,35,50,850	32%	-3%
Ghazal Alagh	1,00,65,200	-	(1,00,500)	99,64,700	3%	-1%

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change on account of Bonus issue	(Change during the year)	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	8,282	10,68,29,518	(1,00,150)	10,67,37,650	78%	0%
Ghazal Alagh	788	1,01,64,412	(1,00,000)	1,00,65,200	7%	-1%

f) Shares reserved for issue under options

For details of shares reserved for issue on conversion of NCCCPS, Refer note 16.

For details of shares reserved for issue against share warrants, Refer note 37 (a).

For details of shares reserved for issue under the employee stock option plan (ESOP) and erstwhile Share appreciation rights (SARs), Refer note 38.

g) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) During the year ended March 31, 2023, the Company has issued bonus shares aggregating to 136,032,854 in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹ 10 each on May 11, 2022.

(ii) Pursuant to the approval of the Board of directors on September 13, 2022, 290 equity shares of face value of ₹ 90 per share were bought back on September 22, 2022 for ₹ 90 per share.

16 Instrument entirely in the nature of equity

Preference shares

a) Authorised share capital

	NCCCPS	
	Numbers	Amount
0.001% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹ 10 each		
As at April 01, 2022	26,730	0.27
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2023	**26,730**	**0.27**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

	NCCCPS	
	Numbers	Amount
As at April 01, 2023	26,730	0.27
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2024	**26,730**	**0.27**

ii) Issued, subscribed and fully paid up shares

	NCCCPS	
	Numbers	Amount
NCCCPS of ₹ 10 each		
As at April 01, 2022	**13,213**	**17,929.36**
Increase during the year	-	-
As at March 31, 2023	**13,213**	**17,929.36**
As at April 01, 2023	13,213	17,929.36
Converted to equity shares*	(13,213)	(0.13)
Transferred to retained earnings (Refer note 17)	-	(17,929.23)
As at March 31, 2024	**-**	**-**

* The Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

(iii) Terms/rights attached to NCCCPS

The Holding Company has issued NCCCPS - Class A, B, C, D, E & F shares of ₹ 10 each fully paid-up. NCCCPS Class A, B, C, D, E & F shares carry a minimum preferential dividend @ 0.001% p.a. proportionately for the period for which the shares are being held and it shall be paid in preference to any dividend or distribution payable upon shares of any other class. Each holder of NCCCPS Class A, B, C, D, E & F shares is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPS Class A, B, C, D, E & F shares. The holders of the NCCCPS shall be entitled to exercise voting rights on an as if converted basis i.e., assuming conversion of the NCCCPS in the manner set out in the shareholders agreement.

Each holder of NCCCPS Class A, B, C, D, E &F shares may convert the shares at the option of the holder into 1 equity share (post bonus 12,900 equity shares) of the Holding Company at the earlier of the following events:

1) Anytime at the option of the holder
2) Immediately upon the expiry of 20 years from the date of allotment; or
3) Qualified Initial Public Offering (IPO) as acceptable to the holder.

In the event of liquidation of the Company before conversion, the holder of NCCCPS Class A, B, C, D, E & F shares would be paid prior and in preference to any payment or distribution to equity share holders.

During the year ended March 31, 2023, the Company has issued bonus shares in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shares of ₹ 10 each on May 11, 2022. Consequently, the Company has converted the NCCCPS into equity shares of ₹ 10/- each in the coversion ratio of 1:12,900 on October 3, 2023.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(iv) Details of shareholders holding more than 5% shares in the Holding Company:

	As at March 31, 2024		As at March 31, 2023	
	Nos.	Holding %	Nos.	Holding %
Class A NCCCPS of ₹ 10 each, fully paid				
Suhail Sameer	-	-	116	20%
SCI Investments VI	-	-	209	36%
Sofina Ventures S.A.	-	-	64	11%
Sequoia Capital Global Growth Fund III – U.S./ India Annex Fund, L.P.	-	-	33	6%
Kanwaljit Singh (Managing trustee of Fireside Venture Trust)	-	-	108	19%
	-		**530**	
Class B NCCCPS of ₹ 10 each, fully paid				
Fireside Ventures Investment Fund-I	-	-	199	11%
SCI Investments VI	-	-	454	24%
Sofina Ventures S.A.	-	-	1,062	56%
	-		**1,715**	
Class C NCCCPS of ₹ 10 each, fully paid				
Fireside Ventures Investment Fund-I	-	-	1,780	37%
Stellaris Venture Partners	-	-	1,764	36%
Rishabh Mariwala	-	-	642	13%
Sofina Ventures S.A.	-	-	252	5%
	-		**4,438**	
Class D NCCCPS of ₹ 10 each, fully paid				
SCI Investments VI	-	-	3,346	80%
Fireside Ventures Investment Fund-I	-	-	363	9%
Stellaris Venture Partners	-	-	363	9%
	-		**4,072**	
Class E NCCCPS of ₹ 10 each, fully paid				
SCI Investments VI	-	-	82	9%
Sofina Ventures S.A	-	-	656	73%
Evolvence Fund III LTD	-	-	164	18%
	-		**902**	
Class F NCCCPS of ₹ 10 each, fully paid				
Sequoia Capital Global Growth Fund III – U.S./ India Annex Fund, L.P.	-	-	839	100%
	-		**839**	

17 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	7,331.23	5,194.55
Retained earnings	131.83	(18,932.66)
Share based payment reserve	248.10	504.92
Capital redemption reserve	0.03	0.03
Foreign currency translation reserve	(1.03)	(0.55)
Statutory reserve	0.11	-
	7,710.27	**(13,233.71)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Securities premium		
Opening balance	5,194.55	6,504.71
Add: Premium on issue of equity shares	3,602.52	58.81
Less: Transaction cost on issue of shares	(143.87)	(12.71)
Add: Transferred to securities premium on exercise of stock options	382.37	4.07
Less: Utilised on issue of bonus share	(1,704.34)	(1,360.33)
Closing balance	**7,331.23**	**5,194.55**
(b) Retained earnings		
Opening balance	(18,932.66)	(17,585.30)
Add:(Loss)/profit for the year	1,117.75	(1,428.09)
Add: Other comprehensive income	1.63	3.32
Less: Change in fair value of non-controlling interest liability (Refer note 19)	23.21	331.87
Less: Reclass for Non-controlling interest (Refer note 19)	(12.47)	(47.91)
Less: Transfer to capital redemption reserve on buyback of shares	-	(0.03)
Add: Conversion of NCCCPS into equity	17,929.23	-
Less: Excess payment over carrying value of non controlling interests	-	(206.52)
Add: Lapsation of vested options	5.14	-
Closing balance	**131.83**	**(18,932.66)**
(c) Share based payment reserve		
Opening balance	504.92	207.34
Add: Share based payment expense for the year (Refer note 38)	130.69	273.91
Add: On account of modification of stock appreciation rights liability to equity (Refer note 38)	-	27.74
Less: Transferred to securities premium on exercise of stock options	(382.37)	(4.07)
Less: Lapsation of vested options	(5.14)	-
Closing balance	**248.10**	**504.92**
(d) Capital redemption reserve		
Opening balance	0.03	-
Add: Transfer from retained earnings	-	0.03
Closing balance	**0.03**	**0.03**
(e) Foreign currency translation reserve		
Opening balance	(0.55)	-
Add: Impact of translation of foreign subsidiary	(0.48)	(0.55)
Closing balance	**(1.03)**	**(0.55)**
(e) Statutory Reserve		
Opening balance	-	-
Add: Creation of statutory reserve	0.11	-
Closing balance	**0.11**	**-**

Nature and purpose of reserves

a) Securities premium:

Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Act.

b) Retained earnings:

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

c) Share based payment reserve:

Share based payment reserve is used to recognise the fair value of equity-settled share based payment transactions with employees.

Stock appreciation rights ('SAR') were considered as cash settled till May 30, 2022. With effect from May 31, 2022, the Group has removed the cash settlement option and these SARs would be settled through issuance of equity shares, pursuant to this modification the plan is treated as equity settled and hence on the date of modification the differential between fair value as on previous reporting date and as on the date of modification in scheme has been charged to Consolidated Statement of Profit and Loss. The fair value as on the date of modification has been transferred to Share based payment reserve. The scheme was further converted to ESOP Scheme 2021 (Refer note 38)

d) Capital redemption reserve:

The capital redemption reserve represents the reserve created by the Holding Company on buy back of equity shares.

e) Foreign currency translation reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

f) Statutory Reserve

Statutory reserve is created by allocating 5% of the net profit of the subsidiary company, Honasa Consumer General Trading L.L.C as required by U.A.E. Federal Law No. 32 of 2021 ("Companies Law"), concerning Commercial Companies in the U.A.E. The subsidiary company can discontinue such annual transfers when this reserve totals 50% of the paid-up share capital. The reserve is not available for distribution, except as provided in the Federal Law.

18 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Carried at amortised cost		
Bank overdraft*	-	36.09
	-	**36.09**

* The aforesaid bank overdraft is secured by Fixed deposits with HDFC bank and Kotak Mahindra bank and is repayable on demand. The facility carries interest @ FD rate+0.25% to 0.50% p.a.

19 Other financial liabilities

Current

Particulars	As at March 31, 2024	As at March 31, 2023
Carried at fair value		
Non-controlling interest liability*	-	253.29
	-	253.29
Carried at amortised cost		
Employee benefits payable	163.73	101.60
Security deposits	0.75	1.68
Payable for capital goods	17.15	6.10
Other financial liabilities	36.56	
Other payables	8.32	10.66
	226.51	**120.04**
	226.51	**373.33**

"*Pursuant to the Shareholders Agreement between the Holding Company and erstwhile shareholders of Just4kids Services Private Limited the Holding Company acquired 74.32% shareholding in Just4kids Services Private Limited and both the parties have the obligation to purchase and sell the remaining shares of the existing shareholders at a pre-agreed valuation. At the end of each

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

reporting period, the non-controlling interests subject to put option is derecognised and the difference between the derecognised and present value of the redemption based on the valuation, which is recorded as a financial liability, is accounted for as an equity transaction. Accordingly, the Group has recognised the present value of future obligation amounting to ₹ 579.00 million as a financial liability as on date of acquisition.

During the year ended March 31, 2023 the Holding company has entered into a non binding term sheet with NCI holders to acquire the remaining stake at net cash balance of Just4kids Services Private Limited as at the closing date. Hence, the Group has accounted for the NCI liability as at March 31, 2023 as equivalent to the estimated settlement and has reversed the NCI liability of ₹ 331.87 million during the year ended March 31, 2023 through retained earnings in respect of the Non-controlling interests liability. The Group has also settled NCI liability of ₹ 4.63 million during the year ended March 31, 2023.

During the year ended March 31, 2024 the group has settled the NCI liability on September 12, 2023 based on the Share Purchase Agreement entered on August 25, 2023 for a consideration of ₹ 230.08 million and the differential gain of ₹ 23.21 million has been recognised in equity.

Further, the promoters of Momspresso were also entitled to retention bonus from the Holding Company in the form of employee stock options of the Holding Company, subject to vesting conditions. Subsequently, the promoters of Momspresso have resigned from their employment and the vesting conditions of the employee stock options were not fulfilled. Accordingly, the Group has reversed the share based payment expense of ₹ 47.47 Million during the year ended March 31, 2024.

20 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for Gratuity (Refer note 35)	73.17	60.61
	73.17	**60.61**
Current		
Provision for Gratuity (Refer note 35)	3.44	1.99
Provision for Leave benefits	58.40	38.35
	61.84	**40.34**

21 Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Statutory dues payable	432.43	121.21
Advance from customers	69.18	44.91
Provision for sales return	152.48	101.71
Deferred revenue	19.48	22.64
	673.57	**290.47**

Movement during the year	Advance from customers	Provision for sales return	Deferred revenue
Balance as at April 01, 2022	**38.94**	**13.64**	**19.93**
Arising during the year	44.91	101.71	22.64
Utilised during the year	(38.94)	(13.64)	(19.93)
Balance as at March 31, 2023	**44.91**	**101.71**	**22.64**
Balance as at April 01, 2023	44.91	101.71	22.64
Arising during the year	69.18	152.48	19.48
Utilised during the year	(44.91)	(101.71)	(22.64)
Balance as at March 31, 2024	**69.18**	**152.48**	**19.48**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

22 Trade payables

Carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises ('MSME')	159.18	86.59
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,781.89	1,880.13
	2,941.07	**1,966.72**

There are no non-current trade payables as on March 31, 2024 and March 31, 2023

The amount due to Micro, small and medium enterprise in the "Micro, small and medium Enterprise Development Act, 2006" (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosure relating to micro, small and medium enterprises are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period:		
Principal amount due to micro and small enterprises	155.65	84.24
Interest due on the above	3.53	2.35
Total	**159.18**	**86.59**
(ii) 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	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	1.18	1.18
(v) 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	3.53	2.35

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/ suppliers.

(a) Trade payables are non-interest bearing and are generally settled up to 60 days.

(b) For explanations on the Group's credit risk management processes, refer to Note 41.

Trade payables (outstanding for following years from the date of transaction) ageing schedule:

	Current but not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024						
(i) Undisputed dues - MSME	7.00	151.60	0.58	-	-	159.18
(ii) Undisputed dues - Others	1,321.41	1,446.42	11.78	2.28	-	2,781.89
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,328.41**	**1,598.02**	**12.36**	**2.28**	**-**	**2,941.07**
As at March 31, 2023						
(i) Undisputed dues - MSME	-	86.59	-	-	-	86.59
(ii) Undisputed dues - Others	783.57	1,094.28	2.28	-	-	1,880.13
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**783.57**	**1,180.87**	**2.28**	**-**	**-**	**1,966.72**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

23 Income tax liability (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Income tax liability (net of advance tax)	51.01	39.38
	51.01	**39.38**

24 Tax expense (net)

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

a) Statement of Profits and Losses

Profit or loss section

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax:		
Current tax	368.01	171.78
Deferred tax:		
Relating to origination and reversal of temporary differences	(1.99)	(72.52)
Total tax expense	**366.02**	**99.26**

b) Other comprehensive income/(loss)

Deferred tax related to items recognised in OCI during the year:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax charge on remeasurements of defined benefit plans	0.78	1.02
Tax expense charged to OCI	**0.78**	**1.02**

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit/(loss) before income tax	1,471.30	(1,410.40)
Applicable tax rate in India	25.17%	25.17%
Computed tax charge/(credit)	370.33	(355.00)
Impact of income taxable at lower rate	-	(2.17)
Deferred tax asset not recognised in subsidiaries/ not recognised in previous years	(7.09)	103.15
Expenses not deductible under income tax	2.24	407.13
Deferred tax liabilities written back on assets impaired (Refer note 6)	-	(55.12)
Others	0.54	1.27
Income tax expense reported in the Consolidated Statement of Profit and Loss	**366.02**	**99.26**

d) (i) Deferred tax balances

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities after set off	30.87	14.10
Deferred tax assets after set off	17.98	-
	12.89	**14.10**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

d) (ii) Deferred tax relates to the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liability		
Investments - Fair value	92.65	51.74
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	56.30	40.03
	148.95	**91.77**
Deferred tax asset		
Allowance for bad and doubtful debts	40.14	12.59
Property, plant and equipment: Impact of difference between tax depreciation and depreciation charged for the financial reporting		
Provision for Gratuity	17.03	15.98
Provision for leave encashment	14.18	9.53
Provision for bonus	0.49	0.66
Provision for deferred revenue	3.69	5.70
Leases, net	11.22	5.28
Provision for slow moving inventory	22.54	26.66
Security deposits, net	8.79	6.14
Brought forward losses and unabsorbed depreciation	46.41	35.22
	164.49	**117.76**
	(15.54)	**(25.99)**
Less: Deferred tax not recognised (Refer note (i) below)	46.41	40.09
Net Deferred tax liability	**30.87**	**14.10**
Deferred tax asset		
Provision for Gratuity	1.98	-
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	10.34	-
Right of Use Asset, net	5.66	-
Net Deferred tax asset	**17.98**	**-**

e) Reconciliation of deferred tax liabilities (net):

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	14.10	85.60
Tax income/(expense) during the year		
- recognised in Consolidated Statement of Profit and Loss	(1.99)	(72.52)
- recognised in OCI	0.78	1.02
- Acquisition (Refer note 43)	-	-
Closing balance	**12.89**	**14.10**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

f) The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2024 is as follows:

Particulars	April 01, 2023	Recognised in profit or loss	Recognised in OCI	March 31, 2024
Deferred tax asset/(liability) in relation to				
Investments - Fair value	(51.74)	(40.91)	-	(92.65)
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	(40.94)	(15.36)	-	(56.30)
Allowance for bad and doubtful debts	12.59	27.55	-	40.14
Provision for Gratuity	15.03	2.78	(0.78)	17.03
Provision for leave encashment	9.53	4.65	-	14.18
Provision for bonus	0.66	(0.17)	-	0.49
Provision for deferred revenue	5.70	(2.01)	-	3.69
Brought forward losses and unabsorbed depreciation	35.22	11.19	-	46.41
Leases, net	5.78	5.44	-	11.22
Provision for slow moving inventory	26.66	(4.12)	-	22.54
Security deposits, net	6.14	2.65	-	8.79
Net Deferred tax (asset)/liability	**24.63**	**(8.31)**	**(0.78)**	**15.54**
Deferred tax not recognised (Refer note (i))	40.09	6.32	-	46.41
Net Deferred tax liability	**15.46**	**14.63**	**0.78**	**30.87**
Deferred tax asset/(liability) in relation to				
Provision for Gratuity	0.95	1.03	-	1.98
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.91	9.43	-	10.34
Right of Use Asset, net	(0.50)	6.16	-	5.66
Net deferred tax asset/(liability)	**1.36**	**16.62**	**-**	**17.98**
Deferred tax (liability) (net)	**(14.10)**	**1.99**	**(0.78)**	**(12.89)**

Notes:

(i) No deferred tax asset has been recognised in certain subsidiaries in the absence of reasonable certainty that sufficient future taxable income will be available in the foreseeable future against which such deferred tax can be utilised.

(ii) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

g) Movement for the year ended March 31, 2023

Particulars	April 01, 2022	Recognised in profit or loss	Recognised in OCI	March 31, 2023
Deferred tax asset/(liability) in relation to				
Investments - Fair value	(50.64)	(1.10)	-	(51.74)
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	(74.03)	34.00	-	(40.03)
Deferred tax asset				
Allowance for bad and doubtful debts	2.22	10.37	-	12.59
Provision for Gratuity	7.18	9.82	(1.02)	15.98
Provision for leave encashment	5.59	3.94	-	9.53
Provision for bonus	0.58	0.08	-	0.66
Provision for deferred revenue	5.02	0.68	-	5.70
Brought forward losses and unabsorbed depreciation	2.05	33.17	-	35.22
Leases, net	3.24	2.04	-	5.28
Provision for slow moving inventory	0.73	25.93	-	26.66
Security deposits, net	12.46	(6.32)	-	6.14
Total	**(85.60)**	**112.61**	**(1.02)**	**25.99**
Less: Deferred tax not recognised (Refer note (i) above)		40.09		40.09
Net Deferred tax asset/(liability)	**(85.60)**	**72.52**	**(1.02)**	**(14.10)**

25 Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Sale of products	18,815.24	14,255.12
Sale of services	383.80	672.36
Revenue from operations	**19,199.04**	**14,927.48**
Sale of products (net of Goods and Service Tax)		
Traded goods	18,815.24	14,255.12
	18,815.24	**14,255.12**
Sale of services (net of Goods and Service Tax)		
Content creation and influencer marketing	40.50	367.80
Hair care	343.30	304.56
	383.80	**672.36**

25.1 Details of disaggregation of revenue

The Group derives its major revenue from sale of baby care, skin care, hair care and other related products and services, which is a single line of business.

25.2 Contract balances

Particulars	As at March 31, 2024	As at March 31, 2023
Contract assets		
Trade receivables	1,593.76	1,307.79
Unbilled revenue (Refer note 8)	2.65	14.84
Right to recover inventory on sales return	44.23	29.50
	1,640.64	**1,352.13**
Contract Liabilities		
Advance from customers (Refer note 21)	69.18	44.91
Deferred revenue (Refer note 21)	19.48	22.64
Provision for sales return (Refer Note 21)	152.48	101.71
	241.14	**169.26**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

25.3 Timing of revenue recognition

Particulars	March 31, 2024	March 31, 2023
Revenue recognised at a point in time	19,158.54	14,559.68
Revenue recognised over a period of time	40.50	367.80
Revenue from contract with customers	**19,199.04**	**14,927.48**

25.4 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2024	March 31, 2023
Revenue as per contracted price	20,760.66	15,963.87
Adjustments		
Claims and rebates	(1,564.78)	(1,033.67)
Deferred revenue	3.16	(2.72)
Revenue from contract with customers	**19,199.04**	**14,927.48**

25.5 Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or lesser.

26 Other income

Particulars	March 31, 2024	March 31, 2023
Interest income on:		
Investments	75.47	72.22
Deposits with bank	165.29	34.19
Income tax refund	0.97	1.35
Unwinding of discount on security deposits	12.60	2.26
Fair value gain on investments measured at FVTPL	167.22	17.12
Gain on sale of investments measured at FVTPL	13.35	77.41
Foreign exchange gain (net)	2.26	-
Gain on lease modification	38.88	-
Others	20.97	20.65
	497.01	**225.20**

27 Purchases of traded goods

Particulars	March 31, 2024	March 31, 2023
Purchases (traded goods)	5,935.66	5,024.23
	5,935.66	**5,024.23**

28 (Increase) in inventories of traded goods

Particulars	March 31, 2024	March 31, 2023
Inventories at the beginning of the year	1,208.96	667.42
Right to receive inventory on provision for sales return at the beginning of the year	29.50	3.96
Inventory acquired during the year from:		
- Acquisition (Refer note 43)	-	10.18
	1,238.46	**681.56**
Inventories at the end of the year	1,322.61	1,208.96
Right to receive inventory on provision for sales return at the end of the year	44.23	29.50
	1,366.84	**1,238.46**
(Increase) in inventories of traded goods	**(128.38)**	**(556.90)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

29 Employee benefits expenses

Particulars	March 31, 2024	March 31, 2023
Salaries, wages and bonus	1,478.12	1,278.31
Contribution to provident fund and other funds (Refer note 35)	25.72	19.56
Gratuity (Refer note 35)	23.95	31.03
Share based payments expenses (equity settled) (Refer note 38)	130.69	273.91
Share based payments expenses (cash settled) (Refer note 38)	-	7.59
Staff welfare expenses	47.15	38.40
	1,705.63	**1,648.80**

30 Depreciation and amortisation expense

Particulars	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (refer note 3(a))	55.62	25.72
Depreciation of right-of-use-assets (refer note 5(b))	231.02	152.38
Amortisation of intangible assets (refer note 4(b))	19.53	71.54
	306.17	**249.64**

31 Finance costs

Particulars	March 31, 2024	March 31, 2023
Interest on		.
Lease liabilities	82.51	55.65
Borrowings from bank	1.13	5.37
Others	2.88	-
Bank charges	3.89	5.61
	90.41	**66.63**

32 Other expenses

Particulars	March 31, 2024	March 31, 2023
Advertisement expense	6,612.80	5,302.78
Freight and forwarding charges	1,795.02	1,442.41
Software support expenses	267.92	260.93
Sales Commission	560.54	442.28
Packaging materials and other consumables	182.97	219.14
Influencer expense	18.26	104.72
Content creation expense	4.34	53.39
Activation expenses	5.76	39.35
Power and fuel	14.29	8.35
Rent (Refer note 5)	46.09	34.87
Rates and taxes	7.59	5.16
Contract Labour charges	192.65	106.11
Insurance	10.25	5.99
Repairs and maintenance	44.75	23.42
Travelling and conveyance	113.22	78.13
Communication costs	5.64	3.43
Printing and stationery	2.63	3.49
Legal and professional charges (Refer note (i) below)	252.61	231.76
Bad Debts	2.07	-
Provision for doubtful advances	3.94	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2024	March 31, 2023
Payment gateway charges	14.09	16.44
Research and insights expense	2.94	35.34
Loss on sale/disposal of PPE	11.00	-
Foreign exchange fluctuation loss (net)	(0.39)	0.45
Provision for slow moving inventory	9.59	79.33
Corporate social responsibility expenses (Refer note (ii) below)	7.69	3.15
Allowance for bad and doubtful debts	103.55	48.09
Miscellaneous expenses	16.05	27.80
Directors sitting fees	7.40	7.40
	10,315.26	**8,583.71**
(i) Payment to auditor (included under legal and professional charges)		
Audit fee paid to statutory auditors of Standalone and Consolidated financial statements	5.00	5.50
Limited review fees	3.00	-
Audit fees relating to subsidiary companies	3.17	1.10
Other services fees relating to subsidiary companies	0.19	0.07
Reimbursement of expenses	1.08	-
Certification fees	0.63	-
Other services (IPO related services)	12.31	20.00
Other adjustments *	(12.31)	(20.00)
	13.07	**6.67**

* Refer note 8 and 10 for share issue expenses.

(ii) Details of CSR Expenditure

Consequent to the requirements of section 135 and Schedule VII of the Act the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility ('CSR') policy.

The Group has incurred ₹ 9.00 million in the year ended March 31, 2024 (March 31, 2023: ₹ 3.15 million) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent by the Group during the year	7.69	3.15
b) Amount approved by the Board to be spent during the year	9.00	3.15

c) Amount spent during the year ended March 31, 2024

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	9.00	-	9.00

d) Amount spent during the year ended March 31, 2023

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	3.15	-	3.15

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Details of ongoing project and other than ongoing project for the year ended March 31, 2024

In case of Section 135(6) (Ongoing project)						
Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In separate CSR Unspent A/C		From Company's bank A/C	From separate CSR unspent A/C	With Company/In separate CSR Unspent A/C	
-	-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
1.13	-	7.69	9.00	2.44

Details of ongoing project and other than ongoing project for the year ended March 31, 2023

In case of Section 135(6) (Ongoing project)						
Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In separate CSR Unspent A/C		From Company's bank A/C	From separate CSR unspent A/C	With Company/In separate CSR Unspent A/C	
-	-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
4.28	-	3.15	-	1.13

33 Earnings/(loss) per share

Basic Earnings/(loss) per share ('EPS') amounts are calculated by dividing the Consolidated Profit/(loss) for the period attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the Consolidated Profit/(loss) attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2024	March 31, 2023
(Loss)/Profit after tax attributable to equity holders of the Parent (a)	1,117.75	(1,428.09)
Equity shares of ₹ 10 each	1,117.75	(1,428.09)
Weighted average number of shares outstanding during the year for basic EPS (b)		
Equity shares of ₹ 10 each	31,32,88,253	30,66,44,272
Weighted average number of shares outstanding during the year for diluted EPS (c)*		
Equity shares of ₹ 10 each	31,48,94,859	31,44,47,560
Basic earnings/(loss) per share (in ₹) (a/b)		
Equity shares of ₹ 10 each	3.57	(4.66)
Diluted earnings/(loss) per share (in ₹) (a/c)*		
Equity shares of ₹ 10 each	3.55	(4.66)
Equity share reconciliation for EPS - Face value ₹ 10		
Equity shares of ₹ 10 each	31,32,88,253	13,61,96,572
NCCCPS as equity	-	17,04,47,700
Total considered for basic EPS	**31,32,88,253**	**30,66,44,272**
Add: Employee stock options	16,06,606	78,03,288
Total considered for diluted EPS	**31,48,94,859**	**31,44,47,560**

*Employee stock options are anti-dilutive in nature during the year ended March 31, 2023.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

34 Related party disclosures

Note 1(b) of Material accounting policies forming part of Consolidated Financial Statements provides the information about the Group's structure including the details of the subsidiaries. Names of related parties and related party relationship, irrespective of whether transaction have occurred or not is given below:

Entities where control exists	Nature of relationship
Just4Kids Services Private Limited	Subsidiary
Bhabani Blunt Hairdressing Private Limited	Subsidiary
Bblunt Spratt Hair dressing Private Limited	Subsidiary of subsidiary
PT Honasa Consumer Indonesia	Subsidiary
Honasa Consumer General Trading L.L.C. (w.e.f. June 23, 2022)	Subsidiary
Fusion Cosmeceutics Private Limited (w.e.f. April 06, 2022)	Subsidiary

Key management personnel (KMP) of Holding company

Directors	
Varun Alagh	Director and Chief Executive Officer
Ghazal Alagh	Director
Ishaan Mittal	Director
Vivek Gambhir	Independent Director
Namita Gupta (w.e.f. June 08, 2022)	Independent Director
Subramaniam Somasundaram	Independent Director
Rahul Chowdhri (Resigned w.e.f. June 08, 2022)	Director
Vettakkorumakankav Siva Subramaniam Sitaram (Resigned w.e.f. October 20, 2022)	Director
Other KMP	
Raman Preet Sohi (w.e.f. July 26, 2022)	Chief Financial Officer
Dhanraj Dagar (w.e.f. May 11, 2022)	Company Secretary

Transactions with related parties

"Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-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 Group has not recorded any impairment of receivables relating to amounts owed by related parties as at March 31, 2024 and March 31, 2023. This assessment is undertaken at each financial period through examining the financial position of the related party and the market in which the related party operates. There are no commitments with related parties.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

Nature of transactions	March 31, 2024	March 31, 2023
Reimbursement of expenses		
Varun Alagh	0.60	0.78
Ghazal Alagh	0.34	0.17
	0.94	**0.95**
Remuneration paid*		
Varun Alagh	19.98	14.98
Ghazal Alagh	14.38	9.98
Ramanpreet Sohi	147.39	10.94
Dhanraj Dagar	3.85	2.09
	185.60	**37.99**

*The remuneration to the Key Management Personnel does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Nature of transactions	March 31, 2024	March 31, 2023
Directors sitting fees		
Vivek Gambhir	2.20	2.20
Namita Gupta	2.20	2.20
Subramaniam Somasundaram	3.00	3.00
	7.40	**7.40**
Share based payment expenses		
Ramanpreet Sohi	0.36	1.02
Dhanraj Dagar	0.38	0.62
	0.74	**1.64**

The following table provides the closing balances of related parties for the relevant year:

Nature of transactions	As at March 31, 2024	As at March 31, 2023
Expense payable		
Varun Alagh	-	0.02
	-	**0.02**
Other receivables		
Ghazal Alagh	-	0.07
	-	**0.07**
No. of Employee Stock Options Outstanding		
Ramanpreet Sohi	30,637	4,38,600
Dhanraj Dagar	2,787	4,955
	33,424	**4,43,555**

35 Employee benefits plan

(i) Defined contribution plans - Provident Fund, ESI and labour welfare fund

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group recognised ₹25.72 million (March 31, 2023: ₹19.56 million) towards such contributions in the Consolidated Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(ii) Defined benefit plans (unfunded):

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The plan is unfunded benefit plan for qualifying employees.

Gratuity is a defined benefit plan and Group is exposed to the following risks:

Interest risk The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity risk This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities.

Salary escalation risk The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.

Regulatory risk Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023
Current	3.44	1.99
Non-current	73.17	60.61
	76.61	**62.60**

The following table sets out movement in defined benefits liability and the amount recognised in the consolidated financial statements:

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2024:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2023	**62.60**	**-**	**62.60**
Amount recognised in Statement of Profit and Loss:			
Current service cost	20.27	-	20.27
Interest cost on benefit obligation	3.68	-	3.68
Total amount recognised in statement of profit and loss	**23.95**	**-**	**23.95**
Benefits paid	(7.53)	-	(7.53)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	3.57	-	3.57
Experience adjustments	(5.98)	-	(5.98)
Total amount recognised in other comprehensive income	**(2.41)**	**-**	**(2.41)**
Contributions by employer	-	-	-
As at March 31, 2024	**76.61**	**-**	**76.61**

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2023:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2022	**37.22**	**-**	**37.22**
Acquisition related obligation (Refer note 43)	0.49	-	0.49
Amount recognised in Statement of Profit and Loss:			
Current service cost	28.40	-	28.40
Interest cost on benefit obligation	**2.63**	**-**	**2.63**
Total amount recognised in statement of profit and loss	31.03	-	31.03
Benefits paid	(1.78)	-	(1.78)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	9.99	-	9.99
Experience adjustments	**(14.35)**	**-**	**(14.35)**
Total amount recognised in other comprehensive income	(4.36)	-	(4.36)
Contributions by employer	**-**	**-**	**-**
As at March 31, 2023	**62.60**	**-**	**62.60**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.20% - 7.50%	7.20% - 7.50%
Future salary increases	5% - 10%	7% - 10%
Normal retirement age	60 years	58-60 years
Attrition / withdrawal (per annum)	5% - 35%	1% - 10%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

A quantitative sensitivity analysis for significant assumptions are as shown below:

	Sensitivity Level	March 31, 2024		March 31, 2023	
		Impact on Defined benefit obligation			
		Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase / decrease	(6.14)	8.64	(2.46)	6.50
Future salary increase	0.5% increase / decrease	5.81	(3.95)	5.30	(1.66)
Attrition rate	0.5% increase / decrease	(0.33)	2.06	(0.82)	2.73

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the defined benefit liability recognised in the Consolidated Balance Sheet.

The following payments are expected cash flows to the defined benefit plan in future years:

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 to 20 years (March 31, 2023: 4 years to 20 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Within the next 12 months	3.44	1.99
Between 2 and 5 years	4.95	9.29
Beyond 5 years	313.66	230.76

36 Segment information

The Group is principally engaged in trading of variety of beauty and personal care products and related services with products across baby care, skin care, hair and other personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co.', 'BBlunt', 'Aqualogica', 'Ayuga' and 'Dr. Sheth's' and services comprises of beauty salon and hair styling services (under the trademark 'BBlunt') as well as content development and influencer marketing (with its online platform 'Momspresso.com'). The Company, together with its subsidiaries, sells its products and services primarily in India. The Board of Directors being the Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segment results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risks and returns hence, CODM reviews them as one component. Further, the economic environment in which the Group operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit/(loss) as per the Consolidated Statement of Profit and Loss represents the revenue, total expenses and net profit/(loss) of the sole reportable segment.

Geographical Information

The operations of the Group are managed on a worldwide basis and they operate in two principal geographical areas of the world, in India and outside India. The following table describes the segment information of the Group.

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) The amount of revenue from external customers broken down by location of customers is shown below:		
India	18,748.85	14,611.14
Outside India	450.19	316.34
	19,199.04	**14,927.48**

(ii) The non-current assets of the Group are located in the country of domicile i.e. India. Hence no specific disclosures have been made. The overseas subsidiaries do not have any non current assets outside India as at the reporting date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

37 Commitments & Contingent Liabilities

a) a. The Holding Company has entered into a celebrity endorsement agreement ('Agreement') dated April 04, 2018 with Shilpa Shetty Kundra ('Celebrity') and an addendum to the Agreement dated May 30, 2020. As per the first addendum, the Holding Company is obliged to issue a warrant certificate of ₹10 million to the celebrity against the services to be provided by the celebrity. The celebrity at her sole discretion shall be entitled to exercise the warrant on expiry of the term of the agreement or on earlier termination of the agreement. The warrant subscription price is based on the price equivalent to the fair value of the equity share of the Holding Company as on the date of exercise of the warrant. Basis further negotiation, the Celebrity and the Holding Company have agreed to issue additional share warrants certificate of ₹20.47 million with respect to agreement dated May 30, 2020 with similar terms as per the earlier warrant certificate.

The Holding Company has also entered into a second addendum in the financial year ended March 31, 2022. As per the addendum, the Holding Company is obliged to issue the shares worth ₹30 million against the services to be provided by the celebrity. The share subscription price is based on the price equivalent to the fair value of the Holding Company as on the date of exercise.

The Holding Company has settled the said commitment during the year ended March 31, 2023 by issuing the equity shares (Refer note 15) and there are no outstanding share warrants as at March 31, 2023 and March 31, 2024."

b. Refer note 5 for lease commitments

b) Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as debts*	-	-
Bank guarantee**	365.56	201.99
Disputed statutory demands pending before the Appellate Authorities#	0.47	9.05

*RSM General Trading LLC ('RSM'), an overseas distributor of the Holding Company had filed a legal suit against the Holding Company in the Court of First Instance in UAE on the grounds that the Distributorship Agreement between RSM and the Holding Company has been terminated illegally by the Holding Company without complying with provisions of the Distributorship Agreement and RSM has claimed damages to the tune of AED 45 million (equivalent to ₹1,001.25 million) citing various reasons such as loss of future business opportunities, moral damage, recovery towards damaged inventory etc. An expert was appointed by the Court to support on factual commercial matters. The expert in his final report had held that termination of the distributor was in accordance with the terms of Agreement. Subsequent to the year ended March 31,2024, the Court in its hearing held on May 16, 2024, has ordered the Holding Company to pay an amount of AED 25.07 million (equivalent to ₹576.65 million) plus interest at the rate of 5% from the date of order till the date of payment. The management is in the process of filing an appeal. The Holding Company's counsel are of the view that the Court Order is devoid of merits and erroneous on several points and have completely disregarded the favourable expert report. Accordingly, the Holding Company is confident of a favourable decision on conclusion of the appeal and does not expect any material financial impact.

* The Group has certain disputes, lawsuits and claims, which arise in from time to time in the ordinary course of business. The Group believes these matters are not expected to have material impact on the consolidated financial statements.

**Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt. Ltd. against laptops taken on lease amounting to ₹72.22 million (March 31, 2023: ₹48.79 million), performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department amounting to ₹153.20 million (March 31, 2023: ₹153.20 million) and National stock exchange of India ₹140.14 million (March 31, 2023:Nil)

Represents demands raised by Income tax and service tax authorities pending before appellate authorities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

38 Share based payments

A. Employee Share Option Plan (ESOP) of the Holding Company

Employees Stock Option Plan 2018

On August 02, 2018, the Board of Directors approved the equity settled ""Honasa Consumer Private Limited Employees Stock Option Plan 2018"" for issue of stock options to various employees of the holding company. According to the scheme, the employees will be entitled to options, subject to their continued employment with the Group. There would be graded vesting on annual basis for the next 4 years. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the resignation of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares ₹10 each (as amended vide board meeting held on August 02, 2018).
Ownership	Legal and Beneficial Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 25% in the first year and 6.25% each quarter from the first quarter of the second year and become fully exercisable, subject to employee being in the employment of the Holding Company.
Exercise Price	Exercisable at an exercise price of ₹25,788, ₹54,512 and ₹263,566 per option. During the year ended March 31, 2023, the Company has issued bonus shares [Refer note 16], pursuant to bonus issue, exercise price has been reduced to ₹2, ₹4.23 and ₹20.43 respectively. Exercise price for the grant made during the year ended March 31, 2023 is ₹262.41
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Holding Company (as approved by the shareholders at the meeting held on August 13, 2018).

Movements during the year

The following are the number and weighted average exercise prices ('WAEP') of, and movements in, share options during the year:

Particulars	March 31, 2024		March 31, 2023	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year*	81,02,071	33.85	75,33,600	15.74
Granted during the year	4,73,268	262.41	10,60,424	163.01
Forfeited during the year	(3,94,793)	142.00	(4,80,558)	34.10
Exercised during the year	(60,13,337)	18.68	(62,501)	20.43
Outstanding at the end of the year	21,67,209	106.17	80,50,965	34.00
Exercisable at the end of the year	3,11,579	65.24	47,61,713	13.20
Weighted Average Remaining Contractual Life	4.84 years		4.42 years	

The weighted average fair value of the options granted during the year is ₹215.47 (March 31, 2023: 78.41 million) (Refer note 15)

*Change in opening number of options and WAEP on account of bonus issue .

Share appreciation rights (SAR) [equity settled effective May 31, 2022 and cash settled upto May 30, 2022]

On September 30, 2021 the board of directors approved the Honasa Consumer Private Limited Share Appreciation Rights Plan 2021 for issue of appreciation rights to the permanent employees of the Company. The Company's employees are granted share appreciation rights (SARs), to be settled in cash. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Stock appreciation rights were considered as cash settled till May 30, 2022. With effect from May 31, 2022, the Group has removed the cash settlement option and these SARs would be settled through issuance of equity shares, pursuant to this modification the plan is treated as equity settled and hence on the date of modification the differential between fair value as on previous reporting date and as on the date of modification in scheme has been charged to Consolidated statement of profit and loss. The change in fair value of ₹27.74 million upto the date of modification has been transferred to share based payment reserve.

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) ("December 2022 Amendment"). Except for the adjustments made to the number of stock options and the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same.

Movements during the year

The following are the number and WAEP of, and movements in, equity settled SAR during the year:

Particulars	March 31, 2024		March 31, 2023	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	-	-	-	-
Transferred during the year*	-	-	5,97,915	10.00
Forfeited during the year	-	-	(49,278)	10.00
Exercised during the year	-	-	-	-
Less: transferred to ESOP scheme 2021	-	-	(5,48,637)	10.00
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted Average Remaining Contractual Life	NA		0.58 years	

*on account of SAR scheme modification from cash settled to equity settled.

Employees Stock Option Plan 2021

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) ("December 2022 Amendment"). Except for the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the resignation of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares (as amended vide board meeting held on December 17, 2022).
Ownership	Legal and beneficial Ownership
Vesting Pattern	Two-year vesting term and vest at the rate of 40% in the first year and 60% in second year and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹10 per option.
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company (as approved by the shareholders at the meeting held on December 17, 2022).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Movements during the year

The following are the number and WAEP of, and movements in, share options during the year:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	2,47,307	10.00	-	-
Transferred from SAR plan 2021	-	-	5,48,637	10.00
Modified during the year*	-	-	(2,60,438)	10.00
Forfeited during the year	(25,771)	10.00	(40,892)	10.00
Exercised during the year	(1,69,254)	10.00	-	-
Outstanding at the end of the year	52,282	10.00	2,47,307	10.00
Exercisable at the end of the year	52,282	10.00	98,923	10.00
Weighted Average Remaining Contractual Life	NA		0.58 years	

* Modified during the year represents the change of SAR scheme to ESOP scheme 2021

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	ESOP-2018	ESOP-2021*	ESOP-2018	ESOP-2021
Weighted average fair values at the measurement date	78.41	327.87	78.41	327.87
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	45.00%	45.00%	45.00%	45.00%
Risk-free interest rate (%)	7.22%-7.34%	6.80%	7.06%-7.50%	6.80%
Expected life of the options/SARs granted (in years)	4.84	0.60	6.35	0.60
	337.21	**337.21**	**297.71**	**337.21**

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 expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

* No new options has been granted under the ESOP scheme 2021 during the year ended March 31,2024

B. The promotors of Just4Kids Services Private Limited are entitled to retention bonus from the Holding Company in the following manner:

Particulars	Total Shares	Vesting period
- Three equity shares to each Promoters of Just4Kids Services Private Limited*	1,16,100	2 years
- Equity shares equity shares worth ₹10.83 million to each Promoters of Just4Kids Services Private Limited**	38,700	4 years

* Pre bonus entitled for 9 equity shares of ₹10 each, adjusted for bonus issue.

** Pre bonus entitled for 3 equity shares of ₹10 each, adjusted for bonus issue.

Movements during the year

The following are the movements in share options during the year:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	No. of shares	No. of shares
Outstanding at the beginning of the year*	1,80,837	154,800
Granted during the year	-	-
Forfeited during the year***	(1,80,837)	-
Exercised during the year	-	-
Modification during the year**	-	26,037
Outstanding at the end of the year	-	1,80,837

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	No. of shares	No. of shares
Exercisable at the end of the year	-	-
Weighted Average Remaining Contractual Life	NA	2.5 years

* During the year ended March 31, 2023, the Holding Company has issued bonus shares in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shares of ₹10 each on May 11, 2022, consequently there has been a corresponding increase in the number of shares entitlement.

** Amended via Memorandum of Understanding ('MOU') executed at October 20, 2022, wherein rights to retention bonus granted previously via share subscription and purchase agreement have been removed and fresh grants of 60,279 options each have been agreed, with exercise price of ₹10 per share.

***During the year ended March 31, 2024, the promoters of Just4Kids Services Private limited have resigned from their employment and the vesting conditions of the employee stock options were not fulfilled, hence Company has forfeited the options (refer note 19).

C. The promotors of Bhabani Blunt Hairdressing Private Limited are entitled to retention bonus from the Holding Company in the following manner:

Particulars	Total Shares	Vesting period	Exercise Price
- Two equity shares to CEO of Bhabani Blunt Private Limited*	25,800	2 years	20.39
- Three Equity shares to CEO of Bhabani Blunt Private Limited*	38,700	4 years	20.39

Movements during the year

The following are the movements in share options during the year:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	No. of shares*	WAEP *	No. of shares	WAEP
Outstanding at the beginning of the year	64,500	20.39	64,500	20.39
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(10,000)	20.39	-	-
Outstanding at the end of the year	54,500	20.39	64,500	20.39
Weighted Average Remaining Contractual Life	1 years		2 years	

*During the year ended March 31, 2023, the Holding Company has issued bonus shares in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shares of ₹10 each on May 11, 2022, consequently there has been a corresponding increase in the number of shares entitlement.

The expense recognised for employee services received by the Holding Company during the year is shown in the following table:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity-settled share-based payment transactions	130.69	273.91
Expense arising from cash-settled share-based payment transactions	-	7.59
Total expense arising from share-based payment transactions	**130.69**	**281.51**

39 Employee Share Option Plan (ESOP) of the Subsidiary Company

Just4Kids Services Private Limited

The Subsidiary Company instituted the Employee Stock Option and Share Plan 2012 to grant equity - based incentives to its eligible employees. According to the Scheme 2012, the employee selected by the committee headed by the Managing Director from time to time will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions, viz. continuing employment up to date of vesting. The equity shares covered under the scheme shall vest over a period of three years; vesting shall vary based on the meeting of the performance criteria. The Option holder may exercise their vested options at any moment after the earliest applicable vesting date and prior to the completion of seven years from the date of vesting of options. The contractual life (comprising the vesting period and the exercise period) of options granted is 10-11 years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The relevant terms of the grants are below:

Scheme 1

Class of Share	Equity Share
Vesting terms	Three-year vesting term and vest at the rate of 33.33% in the first year, 33.33% in the second year and 33.33% in the third year, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹10 per option.

Scheme 2

Class of Share	Equity Share
Vesting terms	Four-year vesting term and vest at the rate of 10% in the first year, 30% in the second year, 30% in the third year and 30% in the fourth year subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹10 per option.

Movement during the year

The following are the number, WAEP and movements in share options post acquisition:

	March 31, 2024			
	Scheme I		Scheme II	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the date of acquisition/beginning of the year	335	10.00	301	2,787.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(280)	2,787.00
Exercised during the year	(335)	10.00	(21)	2,787.00
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	-		-	

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2024	March 31, 2023
Expected dividend yield	-	-
Expected Annual Volatility of Shares	-	-
Risk-free interest rate (%)	-	-
Exercise price (₹) - Scheme I	-	-
Exercise price (₹) - Scheme II	-	-
Expected life of the options granted (in years) - Scheme I	-	-
Expected life of the options granted (in years) - Scheme II	-	-

* There are no new grants during the year ended March 31, 2024 and March 31, 2023. Further, there are no outstanding grants as at March 31 ,2024

40 Financial instruments by category and Fair value hierarchy

i) The carrying value of financial assets by categories is as follows:

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Measured at fair value through statement of profit and loss ('FVTPL')			
Investment in mutual funds and Bonds (Level 1)	1	2,917.59	2,488.46
Total financial assets measured at FVTPL		**2,917.59**	**2,488.46**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost			
Investment in bonds and commercial paper		0.10	111.92
Trade receivables		1,593.76	1,307.79
Cash and cash equivalents		1,070.21	82.55
Bank balances other than cash and cash equivalents		3,786.30	598.02
Other financial assets		2,401.23	1,125.81
Total financial assets measured at amortised cost		**8,851.60**	**3,226.09**
Total financial assets		**11,769.19**	**5,714.55**

ii) The carrying value of financial liabilities by categories is as follows:

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Measured at fair value through statement of profit and loss ('FVTPL')			
Other financial liabilities	3	-	253.29
Total financial liabilities measured at FVTPL		**-**	**253.29**
Measured at amortised cost			
Lease liabilities		1,309.69	885.81
Trade payables		2,941.07	1,966.72
Borrowings		-	36.09
Other financial liabilities		226.51	120.04
Total financial liabilities measured at amortised cost		**4,477.27**	**3,008.66**
Total financial liabilities		**4,477.27**	**3,261.95**

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.

Notes:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

a. Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Group can assess at the measurement date

b. Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

c. Level 3 - Unobservable inputs for the assets or liabilities.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire management.

The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets(current), other financial liability (current), lease liabilities (current) and advance to employees approximates their fair value largely due to short-term maturities of these instruments.

The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortised cost. There is no significant change in fair value of such liabilities and assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

Valuation techniques and significant unobservable inputs - Level 3

March 31, 2023

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Non-controlling interests liability	Estimated settlement based on revised term sheet	Estimated settlement based on revised term sheet	Increase/(decrease) in estimated settlement by 5% would result in increase/(decrease) in NCI liability by ₹12.66 million/(₹12.66 million).

Below is the reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy:

	Stock Appreciation Rights	Borrowings - NCCCPS	Non-controlling interests liability
As at April 01, 2022	**20.15**	**-**	**589.79**
Charge to Profit and Loss	7.59	-	-
Additions (Refer note - 17 &19)	(27.74)	-	(331.87)
Accounted in equity	-	-	(4.63)
As at March 31, 2023	**-**	**-**	**253.29**
As at April 01, 2023	-	-	253.29
Charge to Profit and Loss	-	-	-
Accounted in equity (Refer note 17)	-	-	(23.21)
Paid during the year	-	-	(230.08)
As at March 31, 2024	**-**	**-**	**-**

41 Financial risk management Objectives & Policies

The Group's principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations.

The Group's activities exposes it to market risk, credit risk and liquidity risk. The Group's senior management overseas the management of these risks. The senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financials risks are identified, measured and managed in accordance with Group's policies and risk objectives. The Group reviews and agrees on 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 comprises three types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include investments, loans and borrowings, trade receivables, trade payables and lease liabilities

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group does not have any significant borrowings, the impact of change in interest rate is not significant.

ii. 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 Group's exchange risk arises from its foreign currency assets and liabilities. The Group's exposure to the risk of changes in foreign exchange rates arises on account of purchases from foreign countries and export sales. The Group has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The Group's exposure in foreign currency at the end of reporting year:

	Particulars	As at March 31, 2024		As at March 31, 2023	
		FC	₹	FC	₹
AED					
Liability	Trade payables	(0.17)	(3.91)	(0.15)	(3.29)
Assets	Trade receivables	(0.02)	(0.48)	-	-
Net exposure on foreign currency risk		**(0.19)**	**(4.38)**	**(0.15)**	**(3.29)**
EUR					
Liability	Trade payables	(0.19)	(16.07)	(0.01)	(0.74)
		(0.19)	**(16.07)**	**(0.01)**	**(0.74)**
QAR					
Assets	Trade receivables	0.48	10.09	0.42	9.40
		0.48	**10.09**	**0.42**	**9.40**
GBP					
Liability	Trade payables	0.00	0.00	0.00	0.00
Assets	Trade receivables	(0.00)	(0.21)	0.00	0.01
Net exposure on foreign currency risk		**(0.00)**	**(0.21)**	**0.00**	**0.01**
USD					
Liability	Trade Payables	(0.52)	(43.64)	(0.16)	(13.01)
Assets	Trade receivables	0.19	16.01	0.23	18.95
Net exposure on foreign currency risk		**(0.33)**	**(27.64)**	**0.07**	**5.94**
CAD	Assets				
	Trade receivables	0.08	4.85	0.01	0.87
		0.08	**4.85**	**0.01**	**0.87**

Sensitivity (impacting profit/loss before tax):

		As at March 31, 2024	As at March 31, 2023
AED	Increases by 5%	(0.22)	(0.16)
	Decreases by 5%	0.22	0.16
EUR	Increases by 5%	(0.80)	(0.04)
	Decreases by 5%	0.80	0.04
QAR	Increases by 5%	0.50	0.47
	Decreases by 5%	(0.50)	(0.47)
GBP	Increases by 5%	(0.01)	0.00
	Decreases by 5%	0.01	(0.00)
USD	Increases by 5%	(1.38)	0.30
	Decreases by 5%	1.38	(0.30)
CAD	Increases by 5%	0.24	0.04
	Decreases by 5%	(0.24)	(0.04)

iii. Price risk

The Group invests surplus funds in liquid mutual funds. The Group is exposed to market price risk arising from uncertainties about future values of the investment. The Group manages the equity price risk through investing surplus funds in liquid mutual funds on a short term basis.

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (primarily deposits with banks and investment in mutual funds). Further, other significant assets for the Group include security deposits for leased assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

The Group monitors the exposure to credit risk on an ongoing basis through ageing analysis and historical collection experience. Outstanding customer receivables are regularly monitored by the senior management.

The maximum credit risks is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet.

Particulars	March 31, 2024	March 31, 2023
Trade receivables (refer note (i) below)	1,593.76	1,307.79
Other financial assets (refer note (ii) below)	2,401.23	1,125.81
Cash and cash equivalents	1,070.21	82.55
Bank balances other than cash and cash equivalents	3,786.30	598.02

i) Trade receivables

Customer credit risk is managed by the Group subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivable. The Group creates allowance for all trade receivables based on lifetime expected credit loss model (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

The following table summarises the change in the loss allowance

Particulars	March 31, 2024	March 31, 2023
Opening balance	56.54	16.34
Allowance made during the year (net)	103.55	48.09
Reversal/write off during the year	(0.01)	(7.89)
Closing balance	**160.08**	**56.54**

ii) Other financial assets

Other financial assets includes security deposits and deposits with banks. Cash and cash equivalents and interest receivable are placed with a reputable financial institution with high credit ratings and no history of default.

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Group's operations. Typically the Group ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Group manages its surplus funds centrally by placing them with reputable financial institution with high credit rating and no history of default.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Particulars	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2024					
Borrowings	-	-	-	-	-
Lease liabilities	-	296.62	930.30	456.20	1,683.12
Trade payables	-	2,941.07	-	-	2,941.07
Other financial liabilities	-	226.51	-	-	226.51
	-	**3,464.20**	**930.30**	**456.20**	**4,850.70**
As at March 31, 2023					
Borrowings	36.09	-	-	-	36.09
Lease liabilities	-	201.42	621.75	248.73	1,071.90
Trade payables	-	1,966.72	-	-	1,966.72
Other financial liabilities	-	373.33	-	-	373.33
	36.09	**2,541.47**	**621.75**	**248.73**	**3,448.04**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

42 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, Non-Cumulative Compulsorily Convertible Preference Shares, securities premium, all other equity reserves attributable to the shareholders of the Group and borrowings. The primary objective of the Group's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximise the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, interest bearing borrowings, trade and other payables, other financials liabilities, lease liabilities less cash and cash equivalents, bank balances other than cash and cash equivalents, fixed deposits and current investments.

Particulars	March 31, 2024	March 31, 2023
Borrowings	-	36.09
Trade Payables	2,941.07	1,966.72
Other financial liability	226.51	373.33
Lease liability	1,309.69	885.81
Less: Cash and cash equivalents	(1,070.21)	(82.55)
Less: Other bank balances	(3,786.30)	(598.02)
Less: Fixed deposit with maturity of more than 12 months	(1,869.92)	(713.28)
Less: Current investments	(2,917.69)	(2,600.38)
Net adjusted debt (A)	**(5,166.85)**	**(732.28)**
Equity	10,952.71	6,059.01
Total equity capital (B)	**10,952.71**	**6,059.01**
Total debt and equity (C)=(A)+(B)	**5,785.86**	**5,326.73**
Gearing ratio (A)/(C)**	**-**	**-**

** Disclosed as nil for year ended March 31, 2024 and March 31, 2023 since the same is negative as the Group is funded majorly through own funds and equity investments.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets terms and conditions attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

43 Business combinations and Business Acquisition

Acquisitions during the year ended March 31, 2023

A. Acquisition of Subsidiary - Fusion Cosmeceutics Private Limited

On April 06, 2022, the Holding Company acquired 65.49% of the voting shares of Fusion Cosmeceutics Private Limited ('Fusion'), a company based in India, with the strategic objective of acquiring the brand Dr. Sheth's. The Holding Company acquired this business for achieving inorganic growth through the brand Dr. Sheth's owned by Fusion, and hence the management concluded this transaction to be a business combination as per Ind AS 103.

(i) The Group had conducted the fair valuation on the date of acquisition and accordingly have recognised the following assets and liabilities on the acquisition date:

Particulars	Purchase price allocated
Property, plant and equipment	0.15
Intangible assets	168.49
Cash and cash equivalents	2.06
Trade receivables	4.42
Inventories	10.18
Other assets	5.75
Total assets (a)	**191.05**
Trade payables	16.77
Borrowings	52.36
Provisions	2.94
Other liabilities	6.11
Total liabilities (b)	**78.18**
Net assets acquired (a-b)	**112.87**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(ii) Goodwill arising on acquisition:

Particulars	Amount
Purchase consideration	141.23
Non-controlling Interest	127.12
Less: Carrying amount of net assets acquired	(112.87)
Goodwill arising on acquisition	**155.48**

(iii) Nature of consideration and terms of payment:

The fair value of purchase consideration is ₹141.23 million. The details are as follows:

Nature of consideration and terms of payment	Amount
Cash consideration	141.23
	141.23

On December 9, 2022, the Company further acquired balance 34.51% stake of 650,534 shares for a consideration of ₹300 million in accordance with the share purchase agreement and hence the loss on acquisition of NCI has been adjusted in other equity as below:

Particulars	Amount
Non-Controlling Interest on acquisition	127.12
Less: Non-Controlling Interest loss for the period till the date of balance acquisition	(33.64)
Net Non-Controlling Interest as on the date	**93.48**
Consideration paid	300.00
Loss on acquisition of NCI	**(206.52)**

(iv) From the date of acquisition, Fusion contributed ₹270.54 million of revenue from operations and loss of ₹153.01 million to consolidated profit/loss of the Group during the year ended March 31,2023. The impact on the Group's revenue from operations and the consolidated profit before tax is not considered material if the combination had taken place at the begining of the year ended March 31,2023 considering the acquisition date of April 06, 2022.

The goodwill of ₹155.48 million comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated entirely to the CGU of business owned under the brand 'Dr. Sheth's'. None of the goodwill and intangible assets recognised on business combination are deductible for income tax purposes.

B. Incorporation of Subsidiary - Honasa Consumer General Trading L.L.C.

On June 23, 2022, the Holding Company incorporated Honasa Consumer General Trading L.L.C., a company based in UAE. The Holding company subscribed to the 100% share capital and invested an amount of ₹2.34 million during FY 22-23.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

44. Statutory Group Information

As at March 31, 2024

Name of the Entity in the Group	Country of Incorporation	Relationship as at March 31, 2024	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	India	-	102.67%	11,244.72	109.44%	1,209.66	201.62%	2.32	109.54%	1,211.98
Subsidiaries										
Fusion Cosmeceutics Private Limited	India	Subsidiary	(1.19)%	(129.88)	(3.60)%	(39.79)	-3.60%	(0.04)	(3.60)%	(39.83)
Just4Kids Services Private Limited	India	Subsidiary	1.95%	213.67	(0.43)%	(4.72)	-	-	(0.43)%	(4.72)
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	1.58%	172.52	2.39 %	26.43	-29.49%	(0.34)	2.36%	26.09
B:Blunt Spratt Hairdressing Private Limited	India	Subsidiary	0.73%	80.34	2.29 %	25.29	-27.14%	(0.31)	2.26 %	24.98
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	-	-	-	-	-	-	-	-
Honasa Consumer General Trading LLC.	UAE	Subsidiary	(0.05)%	(5.72)	0.14 %	1.55	-	-	0.14%	1.55
Adjustment arising on consolidation			(5.69)%	(622.94)	(10.23)%	(113.14)	(41.39)%	(0.48)	(10.27)%	(113.62)
TOTAL			**100.00%**	**10,952.71**	**100.00%**	**1,105.28**	**100.00%**	**1.15**	**100.00%**	**1,106.43**

As at March 31, 2023

Name of the Entity in the Group	Country of Incorporation	Relationship as at March 31, 2023	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	India	-	103.46%	6,268.78	79.86%	(1,205.56)	83.63%	2.34	79.85%	(1,203.22)
Subsidiaries										
Fusion Cosmeceutics Private Limited	India	Subsidiary	(1.49)%	(90.04)	10.14%	(153.01)	8.73%	0.24	10.14 %	(152.77)
Just4Kids Services Private Limited	India	Subsidiary	4.33%	262.48	13.92%	(210.09)	2.70 %	0.08	13.94 %	(210.01)
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	2.38%	143.97	0.58%	(8.73)	6.83%	0.19	0.57%	(8.54)
B:Blunt Spratt Hairdressing Private Limited	India	Subsidiary	0.90%	54.47	(1.31)%	19.83	17.45%	0.49	(1.35)%	20.32
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	-	-	-	-	-	-	-	-
Honasa Consumer General Trading LLC.	UAE	Subsidiary	(0.11)%	(6.86)	0.57%	(8.66)	-	-	0.57%	(8.66)
Adjustment arising on consolidation			(9.47)%	(573.79)	(3.76)%	56.56	(19.34)%	(0.55)	(3.72)%	56.01
TOTAL			**99.99%**	**6,059.01**	**100.00%**	**(1,509.66)**	**100.00%**	**2.79**	**100.00%**	**(1,506.87)**

45. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial period.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

(vii) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).

(viii) The Group is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The company has not been declared any willful defaluter by any bank or financial institution.

46. Subsequent to the year ended March 31, 2024, the Board of Directors of the Holding Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited ('Transferor Company-1') and Just4Kids Services Private Limited ('Transferor Company-2'), have approved the Scheme of Amalgamation between the Holding Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Holding Company. The Holding Company has filed the scheme with the regulatory authorities and is awaiting the necessary approvals. Pending such approvals, the Scheme has not been accounted for in the accompanying consolidated financial statements for the year ended March 31, 2024.

47. Subsequent to the year ended March 31, 2024, the Holding Company has entered into an asset purchase agreement with Cosmogensis Cosmetics to acquire formulations expertise, research and development lab along with a small manufacturing facility for a purchase consideration of ₹40 million.

48. The Group has defined process to take daily back-up of books of account in electronic mode on servers physically located in India.

Further, the Group 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 accounting software, except that audit trail feature is not enabled for certain changes made using administrative access rights in respect of certain accounting softwares. Further no instance of audit trail feature being tampered with was noted in respect of the accounting softwares.

The management is in the process of taking steps to ensure that the books of account are maintained as required under the applicable statute.

49. During the year ended March 31, 2024, the Holding Company has completed its Initial Public Offer (IPO) of 52,515,692 equity shares of face value of ₹10 each at an issue price of ₹324 per share (including a share premium of ₹314 per share). A discount of ₹30 per share was offered to eligible employees bidding in the employee's reservation portion of 22,678 equity shares. The issue comprised of a fresh issue of 11,267,530 equity shares aggregating to ₹3,650 Million and offer for sale of 41,248,162 equity shares by selling shareholders aggregating to ₹13,364.40 Million. Pursuant to the IPO, the equity shares of the Holding Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023.

The utilisation of the IPO proceeds from fresh issue of ₹3,504.92 million (net of IPO expenses of ₹145.08 million) is summarised below:

Particulars	Amount to be utilised as per Prospectus (₹ million)	Utilisation upto March 31, 2024 (₹ million)	Unutilised upto March 31, 2024 (₹ million)
Advertisement expenses towards enhancing the awareness and visibility of brands	1,820.00	58.09	1,761.91
Capital expenditure to be incurred by the Company for setting up new EBOs	206.00	5.21	200.79
Investment in Subsidiary, BBlunt for setting up new salons	260.00	-	260.00
General corporate purposes and unidentified inorganic acquisition	1,218.92	-	1,218.92
Total	**3,504.92**	**63.30**	**3,441.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

All amount in ₹ Million, unless otherwise stated

50. Absolute amounts less than ₹5,000 are appearing in the Standalone Financial Statements as "0.00" due to presentation in millions.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Mumbai
Date: May 23, 2024

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Place: Gurugram
Date: May 23, 2024

Notice

NOTICE is hereby given that the **8th Annual General Meeting ("AGM")** of the members of Honasa Consumer Limited **("the Company")** will be held on Thursday, August 29, 2024 at 10.30 AM, Indian Standard Time (IST), through Video Conferencing **("VC")**/Other Audio Visual Means **("OAVM")**.

The venue of the meeting shall be deemed to be the Registered Office of the Company at Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector - 12, Dwarka, New Delhi - 110075, India. The following businesses will be transacted at the AGM:

ORDINARY BUSINESS:

1. a. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended on March 31, 2024 together with the reports of the Board of Directors and Auditors thereon;

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company comprising of the balance sheet as at March 31, 2024, the statement of profit and loss, cash flow statement and statement of equity, for the financial year ended on March 31, 2024, together with the notes thereto, report of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

b. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended on March 31, 2024 together with the reports of Auditors thereon;

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company comprising of the balance sheet as at March 31, 2024, the statement of profit and loss, cash flow statement and statement of equity, for the financial year ended on March 31, 2024, together with the notes thereto and report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To appoint a director in place of Ms. Ghazal Alagh (DIN: 07608292) who retires by rotation and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, and in accordance with the Articles of Association of the Company, Ms. Ghazal Alagh (DIN: 07608292), who retires by rotation at this Annual General Meeting and being eligible, has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To appoint S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) as Statutory Auditors of the Company and to fix their remuneration.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 13th Annual General Meeting of the Company to be held in the year 2029, at such remuneration as may be decided by the Board of Directors of the Company (or any committee thereof) in consultation with the Statutory Auditors.

RESOLVED FURTHER THAT any one of the Director, the Chief Executive Officer and the Chief Financial Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. To re-appoint Mr. Varun Alagh, (DIN: 07597289) as a Whole Time Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V read with other applicable provisions, if any, of the Companies Act, 2013 **("the Act")** and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Varun Alagh (DIN: 07597289) as the Whole Time Director (designated as Executive Chairman) of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from January 01, 2025 on the terms and conditions including remuneration, as contained in the draft of the agreement to be entered into between the Company and Mr. Varun Alagh, material terms of which are set out in the explanatory statement attached hereto, with liberty to the Board of Directors (hereinafter referred to as **"the Board"**, which term shall include the Nomination and Remuneration Committee of the Board constituted for the purpose) to alter and vary from time to time, the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit and as may be acceptable to Mr. Varun Alagh, subject to the same not exceeding the applicable limits as specified in Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment thereto.

RESOLVED FURTHER THAT Mr. Varun Alagh shall be designated as the Executive Chairman or such other designation as may be approved by the Board from time to time, the same not being inconsistent with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

RESOLVED FURTHER THAT Mr. Varun Alagh shall have substantial powers of management and be in charge of general management of the Company within the provisions of Articles of Association but subject to superintendence, control and direction of the Board.

RESOLVED FURTHER THAT Mr. Varun Alagh shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board and Committee(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and/or modify the terms and conditions of re-appointment and remuneration and perquisites payable to Mr. Varun Alagh so as not to exceed 5% of the Net Profit of that financial year calculated as per the applicable provisions of Section 198 read with Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to by the Board and Mr. Varun Alagh.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to this resolution."

5. To re-appoint Ms. Ghazal Alagh, (DIN: 07608292) as a Whole Time Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V read with other applicable provisions, if any, of the Companies Act, 2013 **("the Act")** and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the re-appointment of Ms. Ghazal Alagh (DIN: 07608292) as the Whole Time Director of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from January 01, 2025 on the terms and conditions including remuneration, as contained in the draft of the agreement to be entered into between the Company and Ms. Ghazal Alagh, material terms of which are set out in the explanatory statement attached hereto, with liberty to the Board of Directors (hereinafter referred to as **"the Board"**, which term shall include the Nomination and Remuneration Committee of the Board constituted for the purpose) to alter and vary from time to time, the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Ms. Ghazal Alagh, subject to the same not exceeding the applicable limits as specified in Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment thereto.

RESOLVED FURTHER THAT Ms. Ghazal Alagh shall be designated as the Whole Time Director or such other designation as may be approved by the Board from time to time and will work under the superintendence, control and direction of the Board.

RESOLVED FURTHER THAT Ms. Ghazal Alagh shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board and Committee(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and/or modify the terms and conditions of re-appointment and remuneration and perquisites payable to Ms. Ghazal Alagh so as not to exceed 5% of the Net Profit of that Financial Year calculated as per the applicable provisions of Section 198 read with Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to by the Board and Ms. Ghazal Alagh.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to this resolution."

6. To approve continuation of Mr. Ishaan Mittal (DIN: 07948671) as a Non-Executive Nominee Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 (hereinafter referred to as **"the Act"**) (including any statutory modifications or re-enactments thereof, for the time being in force), Regulation 17 (1D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, if any, pursuant to the Articles of Association of the Company and on the basis of the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Ishaan Mittal (DIN: 07948671) be and is hereby ratified to continue as a Non-Executive Nominee Director of the Company for a further period of five years with effect from January 03, 2025.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to this resolution."

By Order of the Board
For Honasa Consumer Limited

Dhanraj Dagar
Company Secretary &
Compliance Officer
Membership No. A33308

Place: Gurugram
Date: May 23, 2024

NOTES

CDSL e-Voting System – For e-voting and Joining Virtual meetings

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs **("MCA")** vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming Annual General Meeting **("AGM")** will thus be held through video conferencing **("VC")** or other audio visual means **("OAVM")**. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited **("CDSL")** for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.honasa.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation to this Ministry's General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023, it has been decided to allow companies whose AGMs are due in the year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before September 30, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated May 05, 2020.

9. Mr. Shashi Shekhar, Practicing Company Secretary (FCS No. 12475, COP No. 14145), has been appointed as "Scrutiniser" to scrutinise the e-Voting process in a fair and transparent manner and he has communicated his willingness to be appointed as the Scrutiniser.

10. The Scrutiniser shall, immediately after the conclusion of e-voting at the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days of conclusion of the AGM, a Scrutiniser Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

11. The Results declared along with the Scrutiniser's Report shall be placed on the website of the Company at www.honasa.in and on the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL at www.evotingindia.com, immediately after the declaration of Result by the Chairman or any person authorised by him in writing.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on Monday, August 26, 2024 at 09:00 a.m. and ends on Wednesday, August 28, 2024 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Friday, August 23, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple E-Voting Service Providers **("ESPs")** providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the ESPs for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all ESPs, so that the user can visit the ESPs website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a Mobile. Once the home page of e-services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a Mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN of "HONASA CONSUMER LIMITED" on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on "Forgot Password" & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutiniser for verification.

(xvii) Additional Facility for Non–Individual Shareholders and Custodians – For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; dhanraj.d@honasa.in, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING MEETING ARE AS UNDER

1. The procedure for attending meeting and e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **Two (2) days prior to meeting** i.e., on or before August 26, 2024, mentioning their name, demat account number/folio number, email id, mobile number at dhanraj.d@honasa.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast **Two (2) days prior to meeting** i.e., on or before August 26, 2024, mentioning their name, demat account number/folio number, email id, mobile number at dhanraj.d@honasa.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to einward.ris@kfintech.com.
2. For Demat shareholders - Please update your email ID & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email ID and mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM and e-voting from the CDSL e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT

[Pursuant to the provisions of Section 102 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Item No. 3:

S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) was appointed as the Statutory Auditors of the Company on September 30, 2019 for a period of first term of 5 (five) consecutive years from the conclusion of 3rd Annual General meeting of the Company held on September 30, 2019 till the conclusion of the 8th Annual General Meeting of the Company to be held in the year 2024.

Pursuant to the provisions of Section 139 (2) of the Companies Act, 2013 **("the Act")**, read with applicable Rules framed thereunder, the term of the present Statutory Auditors expires at the conclusion of this AGM. The Board of Directors place on record their appreciation for the services rendered by S.R. Batliboi & Associates LLP, Chartered Accountants.

Accordingly, the Board of Directors of the Company has, after considering the experience and expertise and based on the recommendation of the Audit Committee, at its meeting held on May 23, 2024, proposed the appointment of S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company for a second and remaining term of five consecutive years, to hold office from the conclusion of this AGM till the conclusion of 13th AGM to be held in the year 2029.

S.R. Batliboi & Associates LLP, Chartered Accountants have consented to the aforesaid appointment and confirmed that their appointment, if made, will be in accordance with the provisions of the Sections 139, 141 and other relevant provisions the Act and the Companies (Audit and Auditors) Rules, 2014.

Details as required under Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

The fee proposed to be paid to S.R. Batliboi & Associates LLP, Chartered Accountants towards statutory audit for financial year 2024-25 shall not exceed ₹ 1,12,00,000/- excluding taxes and out of pocket expenses, with the authority to the Board to make revisions as it may deem fit for the balance term, based on the recommendation of the Audit Committee. The fee for services in the nature of statutory certifications and other permissible non-audit services will be in addition to the statutory audit fee as above and will be decided by the management in consultation with the Statutory Auditors. The provision of such permissible non-audit services will be reviewed and approved by the Audit Committee.

There is no material change in the proposed fee for the auditor from that paid to the outgoing auditor.

The Audit Committee and the Board of Directors, while recommending the appointment of S.R. Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditor of the Company, have taken into consideration, among other things, the credentials of the firm and partners, proven track record of the firm and eligibility criteria prescribed under the Act.

S.R. Batliboi & Associates LLP, Chartered Accountants **("the Firm")** is a Limited Liability Partnership Firm incorporated in India and is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India **("ICAI")** with Registration No. 101049W/E300004. The Firm is having its registered office in Bengaluru and has strong presence in major cities of the country. The Firm has a valid Peer Review certificate.

All the network firms including the Firm are primarily engaged in providing audit and assurance services, certain tax and financial accounting advisory services to its clients. They audit several large listed and private companies across diverse market segments including Industrial, Infrastructure, Consumer Products, Financial Services, Technology, Media and Entertainment, Telecommunications and Professional Services.

None of the Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution.

The Board of Directors recommends the resolution for approval of the Members of the Company, as set out at Item No. 3 of the Notice.

Item No. 4:

Mr. Varun Alagh was appointed as a Whole Time Director of the Company effective January 01, 2020, for a term of 5 (five) years until December 31, 2024. Based on the recommendation of the Nomination and Remuneration Committee **("NRC")**, the Board of Directors **("the Board")** of the Company, at its meeting held on May 23, 2024 has, subject to the approval of Members of the Company at the ensuing Annual General Meeting, re-appointed Mr. Varun Alagh (DIN: 07597289) as Whole Time Director designated as Executive Chairman, for a further period of 5 (five) years from the expiry of his present term, i.e. with effect from January 01, 2025, on the terms and conditions as recommended by the NRC.

The Board considers Mr. Varun Alagh's experience and expertise to be beneficial to the Company and the Company has shown exceptional growth under his leadership since inception and therefore the Board recommends his re-appointment as Whole Time Director designated as Executive Chairman, for a period of 5 (five) years.

The principal terms and conditions of re-appointment of Mr. Varun Alagh and the main clauses of the agreement to be executed between the Company and Mr. Varun Alagh, are as follows:

He shall perform such duties as shall from time to time be entrusted to him by the Board, subject to superintendence, guidance and control of the Board.

The details of remuneration and other perquisites of Mr. Varun Alagh for the financial year 2024-25 is as under:

Particulars	Remuneration Details (Gross in ₹)
Basic Salary	1,10,00,000 per annum
Fixed Remuneration (inclusive of basic salary, allowances & retirals)	2,20,00,000 per annum
Maximum Bonus (100% of Fixed Remuneration)	2,20,00,000 per annum
Total	4,40,00,000 per annum
Gratuity Pay	As per Regulation
Commission	Not entitled

The Maximum bonus payable is linked to performance and profitability of the Company, which in any case shall not exceed ₹ 2,20,00,000 per annum.

He shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 **("the Act")** with regard to duties of directors. He shall adhere to the Company's Code of Conduct.

Mr. Varun Alagh satisfies all the conditions set out in Part-I of Schedule V to the Act and Section 196(3) of the Act for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Approval of members is sought for the re-appointment of Mr. Varun Alagh as Whole Time Director of the Company and his continuation as a director liable to retire by rotation in terms of the applicable provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The requisite details and information pursuant to the provisions of (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to the Notice. Mr. Varun Alagh is interested in the resolution set out at Item No. 4 of the Notice. Ms. Ghazal Alagh and the other relatives of Mr. Varun Alagh may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5:

Ms. Ghazal Alagh was appointed as a Whole Time Director of the Company effective January 01, 2020, for a term of 5 (five) years until December 31, 2024. Based on the recommendation of the Nomination and Remuneration Committee **("NRC")**, the Board of Directors **("the Board")** of the Company, at its meeting held on May 23, 2024 has, subject to the approval of Members of the Company at the ensuing Annual General Meeting, re-appointed Ms. Ghazal Alagh (DIN: 07608292) as Whole Time Director for a further period of 5 (five) years from the expiry of her present term, i.e. with effect from January 01, 2025, on the terms and conditions as recommended by the NRC.

The Board considers Ms. Ghazal Alagh's experience and expertise to be beneficial to the Company and the Company has shown exceptional growth under her leadership since inception and therefore the Board recommends her re-appointment as Whole Time Director for a period of 5 (five) years.

The principal terms and conditions of re-appointment of Ms. Ghazal Alagh and the main clauses of the agreement to be executed between the Company and Ms. Ghazal Alagh, are as follows:

She shall perform such duties as shall from time to time be entrusted to her by the Board, subject to superintendence, guidance and control of the Board.

The details of remuneration and other perquisites of Ms. Ghazal Alagh for the financial year 2024-25 is as under:

Particulars	Remuneration Details (Gross in ₹)
Basic Salary	79,20,000 per annum
Fixed Remuneration (inclusive of basic salary, allowances & retirals)	1,58,40,000 per annum
Maximum Bonus (25% of Fixed Remuneration)	39,60,000 per annum
Total	1,98,00,000 per annum
Gratuity Pay	As per Regulation
Commission	Not entitled

The Maximum bonus payable is linked to performance and profitability of the Company, which in any case shall not exceed ₹ 39,60,000 per annum.

She shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 **("the Act")** with regard to duties of directors. She shall adhere to the Company's Code of Conduct.

Ms. Ghazal Alagh satisfies all the conditions set out in Part-I of Schedule V to the Act and Section 196(3) of the Act for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Approval of members is sought for the re-appointment of Ms. Ghazal Alagh as Whole Time Director of the Company and her continuation as a director liable to retire by rotation in terms of the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The requisite details and information pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to the Notice. Ms. Ghazal Alagh is interested in the resolution set out at Item No. 5 of the Notice. Mr. Varun Alagh and the other relatives of Ms. Ghazal Alagh may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No. 6:

Pursuant to Regulation 17(1D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from April 01, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be. Provided that the continuation of the director serving on the board of directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024.

In view of the above requirements Mr. Ishaan Mittal (DIN: 07948671) was appointed as a Nominee Director on the Board of the Company w.e.f January 03, 2020 and will be completing the term of 5 years on January 02, 2025, therefore the appointment of Mr. Ishaan Mittal will require the approval of the members of the Company in this Annual General Meeting of the Company.

Approval of members is sought for the continuation of Mr. Ishaan Mittal as Non-Executive Nominee Director of the Company for another period of 5 (five) years in terms of the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The requisite details and information pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to the Notice. Mr. Ishaan Mittal is interested in the resolution set out at Item No. 6 of the Notice. Peak XV partners Advisors India LLP (formerly, Sequoia Capital India LLP)/Sequoia Capital Global Growth Fund III - U.S./India Annex Fund, L.P. and the other shareholders may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board
For Honasa Consumer Limited

Dhanraj Dagar
Company Secretary &
Compliance Officer
Membership No. A33308

Place: Gurugram
Date: May 23, 2024

Annexure

Additional information on Directors seeking election/appointment/re-appointment at this Annual General Meeting

[under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. Varun Alagh	Ms. Ghazal Alagh	Mr. Ishaan Mittal
Director Identification Number (DIN)	07597289	07608292	07948671
Date of Birth	February 01, 1984	September 22, 1988	December 23, 1987
Age	40 years	35 years	36 years
Date of first appointment on the Board	September 16, 2016	September 16, 2016	January 03, 2020
Date of re-appointment by the members	January 01, 2020	January 01, 2020	NA
Qualification	(i) Bachelor's degree of engineering (electrical) from the University of Delhi (ii) Post-graduate diploma in business management from XLRI, Jamshedpur	(i) Bachelor's degree of computer applications from Panjab University, Chandigarh (ii) Certification in software engineering from the academic council of the NIIT Academy, New Delhi	(i) Bachelor's degree of technology in mechanical engineering from the Indian Institute of Technology, Delhi (ii) Master's degree in business administration from Harvard University, Commonwealth of Massachusetts
Experience (including expertise in specific functional area) / Brief Resume	Driven by purpose and passion, Mr. Varun Alagh co-founded Honasa Consumer Limited in 2016. With over 16 years of leadership experience in sales and marketing roles with world-renowned FMCG brands, he has mastered the art of building a brand and making it profitable. He started his career with Hindustan Unilever, and then went on to become the Senior Brand Manager at Diageo followed by a 4 year stint at Coca Cola wherein he managed the ATL, BTL, Digital & amp; Trade activations for Smirnoff and has been instrumental in launching Coke Zero in India. During his corporate stint, he has won multiple recognitions including Business Unit Presidents Award, Above and Beyond Award and I am Diageo Award. Establishing Mamaearth, the flagship brand of Honasa Consumer, followed by launching like The Derma Co, Aqualogica, Ayuga and acquiring established brands like BBlunt and Dr. Sheths and scaling them to greater heights, he has established himself as the vanguard of the digital-first beauty and personal care sector.	A corporate trainer turned artist-cum-entrepreneur Ms. Ghazal Alagh co-founded Mamaearth, driven by the passion for making early parenting stress-free. She spearheads innovation, community, and new brand initiatives. She works closely with a large number of consumers, and mom-communities, who are central to the innovation strategy, and are pivotal in the product development lifecycle. Ghazal's overarching vision is to make this world a better place through purpose-driven brands that solve consumer concerns and serve a greater purpose. With a bachelor's in information technology and Intensive Courses in Modern Art, Design and Applied Arts from New York Academy of Arts, she started her career with NIIT as a Corporate Trainer followed by pursuing art and her entrepreneurial journey with two ventures before Mamaearth. She has been recognised amongst top 10 women artists in India, nationally and internationally. Along with being a celebrated artist, her entrepreneurial journey has many milestones.	Mr. Ishaan Mittal has worked with the Boston Consulting Group (India) Private Limited for a period of over a year and is working with Peak XV Partners Advisors India LLP (formerly, Sequoia Capital India LLP) for a period of over eight years where he is currently working as "Managing Director".

Name of the Director	Mr. Varun Alagh	Ms. Ghazal Alagh	Mr. Ishaan Mittal
	He has been awarded with prestigious awards like Economic Times 40 Under 40 and Forbes Tycoons of Tomorrow, among others.	She was one of the pioneering sharks on Shark Tank Season 1 India and has been awarded as Fortune Most Powerful Women in Business 2022 & amp; 2023, Forbes Asia's Power Businesswomen, GQ Young Influential India, ET 40 under 40, Business World 40 under 40 Awards and many more. Having straddled three different roles —a corporate trainer, an artist, and a mother— She is identified as a trailblaser and an inspiration to women entrepreneurs.	
Terms and Conditions of appointment/ re-appointment	5 Years	5 Years	5 Years
Remuneration last drawn (FY 2023-2024)	40 million	18 million	NA
Remuneration proposed to be paid	44 million	19.8 million	NA
Other Companies in which he/ she is a Director	1. Fusion Cosmeceutics Private Limited 2. Just4Kids Services Private Limited 3. Bhabani Blunt Hair Dressing Private Limited 4. B:Blunt-Spratt Hairdressing Private Limited	1. Fusion Cosmeceutics Private Limited 2. Just4Kids Services Private Limited 3. Bhabani Blunt Hair Dressing Private Limited 4. B:Blunt-Spratt Hairdressing Private Limited	1. Finova Capital Private Limited 2. Girnar Software Private Limited
Names of the Listed entities from which the Director has resigned in past 3 years	None	None	None
Number of Board Meetings attended during the year	14	14	13
Shareholding in the Company as on March 31, 2024	103550850	9964700	0
Relationship with other Directors, Manager or Key Managerial Personnel, if any	Spouse of Ghazal Alagh	Spouse of Varun Alagh	None
Membership/Chairmanship of Board Committees in other companies	NA	NA	NA

Note

Note

Corporate Information

BOARD OF DIRECTORS

Mr. Varun Alagh

Chairman, CEO & Whole-time Director

Ms. Ghazal Alagh

Whole-time Director

Mr. Subramaniam Somasundaram

Independent Director

Mr. Vivek Gambhir

Independent Director

Ms. Namita Gupta

Independent Director

Mr. Ishaan Mittal

Nominee Director

KEY MANAGERIAL PERSONNEL

(Other than Directors)

Mr. Raman Preet Sohi

Chief Financial Officer

Mr. Dhanraj Dagar

Company Secretary & Compliance Officer

STATUTORY AUDITORS

S.R Batliboi & Associates LLP

SECRETARIAL AUDITORS

Arora Shekhar & Company

BANKERS

HDFC Bank Limited

REGISTERED OFFICE

Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector-12, Dwarka, New Delhi – 110075

CORPORATE OFFICE

10th & 11th Floor, Capital Cyberscape Ullahwas, Bhondsi, Gurgaon, Haryana – 122102

REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited
Selenium Building, Tower-B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana - 500 032

CORPORATE IDENTIFICATION NUMBER

U74999DL2016PTC306016

WEBSITE

www.honasa.in

Statutory Committees

Audit Committee

Mr. Subramaniam Somasundaram, Chairman

Mr. Vivek Gambhir, Member

Mr. Ishaan Mittal, Member

Nomination and Remuneration Committee

Mr. Vivek Gambhir, Chairman

Ms. Namita Gupta, Member

Mr. Ishaan Mittal, Member

Corporate Social Responsibility Committee

Ms. Ghazal Alagh, Chairperson

Mr. Varun Alagh, Member

Ms. Namita Gupta, Member

Risk Management Committee

Mr. Subramaniam Somasundaram, Chairman

Mr. Varun Alagh, Member

Mr. Ishaan Mittal, Member

Stakeholders Relationship Committee

Ms. Namita Gupta, Chairperson

Mr. Subramaniam Somasundaram, Member

Ms. Ghazal Alagh, Member

HONASA

Honasa Consumer Limited

Registered office address

Unit No. 404, 4th Floor, City Centre,
Plot No. 05, Sector – 12, Dwarka, New Delhi – 110075

Corporate address

10th and 11th Floor, Capital Cyberscape,
Ullahwas, Bhondsi, Gurgaon, Haryana – 122102

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