

**DISCLOSURE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA  
(SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021**

S No.	Particulars	Details				
A.	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Disclosed in Notes to Accounts – Note 39 [Employee Share Option Plan (ESOP)] to Standalone financial statements for the year ended March 31, 2024. (Disclosures are provided in accordance with Ind AS 102, Share based payment)				
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20-Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.	Diluted EPS for the year ended March 31, 2024, is disclosed in Note 34 (Earning per Share) of Standalone financial statements. Diluted earnings per share have been computed using weighted average number of shares and dilutive potential shares except where results would be antidilutive.				
C.	<b>Details related to ESOP</b>					
(i)	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP	Honasa Consumer Limited Employee Stock Option Plan 2018 ( <b>"ESOP 2018"</b> ) and Honasa Consumer Limited Employee Stock Option Plan 2021 ( <b>"ESOP 2021"</b> )				
	(a) Date of shareholders' approval	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">ESOP 2018</th> <th style="text-align: center;">ESOP 2021</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">August 13, 2018</td> <td style="text-align: center;">September 30, 2021</td> </tr> </tbody> </table>	ESOP 2018	ESOP 2021	August 13, 2018	September 30, 2021
ESOP 2018	ESOP 2021					
August 13, 2018	September 30, 2021					
	(b) Total number of options approved under ESOP	12900000				
	(c) Vesting requirements	<p><b>ESOP 2018:</b> 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.</p> <p><b>ESOP 2021:</b> 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.</p>				
	(d) Exercise price or pricing formula	<p><b>ESOP 2018:</b> Rs 25,788, Rs 54,512 and Rs 263,566 per option. During the year ended March 31, 2023, the Company has issued bonus shares, pursuant to bonus issue, exercise price has been reduced to Rs. 10 and Rs. 20.43 respectively. Exercise price for the new grant made after bonus issue is Rs. 262.41.</p> <p><b>ESOP 2021:</b> Rs 10 per option.</p>				

	(e) Maximum term of options granted	4 years	
	(f) Source of shares (primary, secondary or combination)	Primary	
	(g) Variation in terms of options	During the year, no amendment/ modification/ variation has been made in terms of options granted by the Company.	
(ii)	Method used to account for ESOP - Intrinsic or fair value.	The Stock option plans 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 in accordance with Ind AS 102. 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.	
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	NA	
(iv)	Option movement during the year (For each ESOP):	<b>ESOP 2018</b>	<b>ESOP 2021</b>
	Number of options outstanding at the beginning of the period	81,02,071	2,47,307
	Number of options granted during the year	4,73,268	NA
	Number of options forfeited / lapsed during the year	(3,94,793)	(25,771)
	Number of options vested during the year	15,96,548	1,22,952
	Number of options exercised during the year	(60,13,337)	(1,69,254)
	Number of shares arising as a result of exercise of options	60,13,337	1,69,254
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	12,54,27,929	16,92,540

	Loan repaid by the Trust during the year from exercise price received	NA		NA		
	Number of options outstanding at the end of the year	21,67,209		52,282		
	Number of options exercisable at the end of the year	3,11,579		52,282		
(v)	Weighted- average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	NA				
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –					
	(a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	Not Applicable				
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	<b>S.No.</b>	<b>Name</b>	<b>Designation</b>	<b>No of stock options granted</b>	<b>Exercise price per option</b>
		1.	Vipul Maheshwari	Senior Vice President- DA & BI	1,93,500	262.41
		2.	Nishchay Bahl	Senior Vice President- Sales offline	95,271	262.41
		3.	Pratiksha Agrawal	General Manager Finance	25,800	262.41
		4.	Ankit Saini	General Manager-process excellence	25,800	262.41
		5.	Nikhil Jain	General Manager Finance	25,800	262.41
	(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Not Applicable				
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:					
	(a) the weighted- average values of share price, exercise price, expected volatility, expected option life,	<b>Weighted average values of:</b>				
			<b>ESOP 2018</b>		<b>ESOP 2021</b>	
		Share price	337.21		NA	

	expected dividends, the risk-free interest rate and any other inputs to the model;	Exercise price	262.41	NA
		Expected volatility	45%	NA
		Expected option life	6.10	NA
		Expected dividends	0%	NA
		Risk free interest rate	7.22%-7.34%	NA
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	The Company has estimated fair value of options using Black Scholes method.		
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The Company was listed on stock exchanges on November 7, 2023, therefore required historical share price data is unavailable. Therefore, the median of annualized price volatility of the comparable companies for the period of 5 years is considered.		
	(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Not Applicable		
(vii)	<b>Disclosures in respect of grants made in three years prior to IPO under each ESOP</b> Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	<b>ESOP 2018</b>	<b>ESOP 2021</b>	
		57,81,824	3,16,259	



**Arora Shekhar & Company**  
(Practicing Company Secretaries)

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**COMPLIANCE CERTIFICATE**

*[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]*

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

I, Shashi Shekhar, Company Secretary in Practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on 25<sup>th</sup> Day of July, 2023 by the Board of Directors of **Honasa Consumer Limited** (hereinafter referred to as 'the Company'), having **CIN: U74999DL2016PLC306016** and having its registered office at **Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi 110075**. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended 31<sup>st</sup> March, 2024.

**MANAGEMENT RESPONSIBILITY:**

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**VERIFICATION:**

The Company has implemented the following plans:

- i. Honasa Consumer Limited Employees Stock Option Plan- 2018 [formulated under the provisions of Companies Act, 2013] approved by the members through Special Resolution in the Extraordinary General Meeting of the Company held on August 13, 2018 and further amended by members' resolutions in the Extra-Ordinary General Meeting held on December 17, 2022 (hereinafter referred to ESOP, 2018).



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- ii. Honasa Consumer Limited Employees Stock Option Plan- 2021 [formulated under the provisions of Companies Act, 2013] as approved by the members through Special Resolution in the Extraordinary General Meeting of the Company held on September 30, 2021 and further amended by members resolutions in the Extra-Ordinary General Meeting on December 17, 2022 (hereinafter referred to ESOP, 2021).

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. ESOP 2018 and ESOP 2021 received from the Company, as amended from time to time;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed at the General Meetings;
5. Resolution passed by Nomination and Remuneration Committee;
6. Relevant Accounting Standards as prescribed by the Central Government;
7. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
8. Disclosure by the Board of Directors;
9. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
10. Relevant document/ filing/ records/ information as sought and made available to us and the explanations provided by the Company.

**CERTIFICATION:**

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the **ESOP, 2018** and **ESOP, 2021** in accordance with the applicable provisions of the Regulations and Resolutions of the Company in the General Meetings.



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**ASSUMPTION & LIMITATION OF SCOPE AND REVIEW:**

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. 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.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

**For Arora Shekhar & Company**  
**Practicing Company Secretaries**



**Shashi Shekhar**  
**Proprietor**  
**FCS No.: 12475**  
**COP No.: 14145**  
**PR No.: 3159/2023**  
**UDIN: F012475F000434402**

**Date: 23-05-2024**

**Place: New Delhi**