



SHARP & TANNAN

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FUSION COSMECEUTICS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Fusion Cosmeceutics Private Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income / Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) 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 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with



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the financial statements or our knowledge obtained during the course of our 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 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 financial 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 system 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 the 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period 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 Section 143(3) of the Act, based on our audit we report 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.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - 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) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid remuneration to any directors, hence provisions of section 197 read with Schedule V to the Act is not applicable to the company.

- h) 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 does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company is not required to transfer any amount to Investor Education and Protection Fund.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. During the year, the Company has not declared or paid any dividend.
- vi. Based on our examination which included test checks, the company has used an 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 software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

New Delhi, May 17, 2024



SHARP & TANNAN
Chartered Accountants
Firm's Registration No.000452N
by the hand of

Rajkumar
RAJKUMAR KHULLAR
Partner
Membership No.092507

UDIN: 24092507BKFCCN9578

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Fusion Cosmeceutics Private Limited** of even date)

Report on the Internal Financial Controls with reference to Financials Statements 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 financial statements of **Fusion Cosmeceutics Private Limited** (the "Company") as of March 31, 2024 in conjunction with our audit of the 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 with reference to financial statements 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 "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 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 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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 ICAI

New Delhi, May 17, 2024



SHARP & TANNAN
Chartered Accountants
Firm's Registration No.000452N
by the hand of

Rajkumar

RAJKUMAR KHULLAR
Partner
Membership No.092507

UDIN: 24092507BKFCCN9578

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Fusion Cosmeceutics Private Limited** of even date)

(i) In respect of the Company's property, plant and equipment and intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification to cover all the items of Property, Plant and Equipment and right-of-use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed during such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not having any immovable properties.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory (excluding stocks with E-commerce Operators) has been physically verified by the management during the year. In respect of inventory lying with E-commerce Operators, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us, during the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under clause 3(iii)(a) to (f) of the Order is not applicable.



- (iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, Paragraph 3 (iv) of the Order are not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations are given to us, in respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount
Nil				

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to financial institutions, banks and other lender. The Company has, during the year, taken inter-corporate deposits/ loan amounting to Rs. 750 Lakhs (from its Holding Company) which has not been due for payment. Total loan outstanding as on the of balance sheet is Rs. 1350.00 Lakhs.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) to (f) of the Order is not applicable.



- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares during the year and the requirement of section 42 of the Companies Act, 2013 have been complied with. The amount raised has been used for the purposes for which the funds were raised.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle-blower complaints have been received by the Company during the year (and up to the date of this report).
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations given to us, the company has adequate internal audit system commensurate with the size and nature of its business; and
- (b) According to the information and explanations given to us, the company is not required to have an internal audit system under section 138 of the Companies Act 2013. Hence, reporting under clauses (xiv)(b) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions.
- (xvii) The Company has incurred cash losses amounting to Rs. 396.59 Lakhs during the financial year covered by our audit and Rs.1345.14 Lakhs during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.



- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of the 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) The provisions of Section 135 of the Act in respect of Corporate Social Responsibility are not applicable to the company. Hence, reporting under clauses 3(xx)(a) and (b) are not applicable to the company.

New Delhi, May 17, 2024



SHARP & TANNAN
Chartered Accountants
Firm's Registration No.000452N
by the hand of

Rajkumar

RAJKUMAR KHULLAR
Partner
Membership No.092507

UDIN: 24092507BK FCCN9578

Assets

Non-current assets

Property, plant and equipment
Intangible assets
Financial assets
I. Other bank balances

Current assets

Inventories
Financial assets
I. Investments
ii. Trade receivables
iii. Cash and cash equivalents
iv. Other financial assets
Other current assets

Total assets

Equity and liabilities

Equity

Equity share capital
Instruments entirely in the nature of equity
Other equity
Total equity

Non-current liabilities

Financial liabilities
i. Borrowings
Provisions

Current liabilities

Financial liabilities
I. Trade payables
(a) Total outstanding due of micro enterprises and small enterprises
(b) Total outstanding due of creditors other than micro enterprises and small enterprises.
ii. Other financial liabilities
Provisions
Other current liabilities

Total liabilities

Total equity and liabilities

Notes	As at March 31, 2024	As at March 31, 2023
3	0.87	2.15
4	-	0.04
10	28.20	-
	<u>29.07</u>	<u>2.19</u>
7	623.39	695.35
5	400.74	-
8	1,252.64	345.07
9	270.38	77.33
6	2.56	4.03
11	96.87	265.59
	<u>2,646.58</u>	<u>1,387.37</u>
	<u>2,675.65</u>	<u>1,389.56</u>
12	100.00	100.00
13A	497.18	497.18
13B	(1,895.95)	(1,497.63)
	<u>(1,298.77)</u>	<u>(900.45)</u>
14	1,350.00	800.00
16	8.00	4.69
	<u>1,358.00</u>	<u>804.69</u>
18	662.59	468.53
15	-	0.07
16	1,554.68	673.21
17	98.65	67.57
	<u>2,616.42</u>	<u>1,485.32</u>
	<u>3,974.42</u>	<u>2,290.01</u>
	<u>2,675.65</u>	<u>1,389.56</u>

As per our report of even date

For Sharp & Tannan
Chartered Accountants
Firm Registration Number: 000452N

For and on Behalf of Board of Directors of
Fusion Cosmeceutics Private Limited
CIN: U24230DL2003PTC423473

Rajkumar

Rajkumar Khullar
Partner
Membership no.: 092507
Place: New Delhi
Date: May 17, 2024



Master Zairus
Director
DIN: 09485679
Place: Gurugram
Date: May 17, 2024

Raman Preet Sohi
Director
DIN: 09450611
Place: Gurugram
Date: May 17, 2024



	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	19	11,223.52	2,705.37
Other income	20	15.39	7.29
Total income		11,238.91	2,712.66
Expenses			
Cost of raw materials consumed	21	-	217.09
Purchases of traded goods	22	3,288.23	1,316.65
Decrease / (Increase) in inventories of traded goods	23	71.95	(593.52)
Employee benefits expenses	24	318.25	133.51
Depreciation expenses	25	1.32	1.53
Finance costs	26	100.58	23.05
Other expenses	27	7,856.49	2,961.02
Total expenses		11,636.82	4,059.33
Profir/(Loss) before tax		(397.91)	(1,346.67)
Tax expenses			
Current tax		-	-
Deferred tax charge	29	-	183.89
Total tax expenses		-	183.89
Profit / (Loss) for the period		(397.91)	(1,530.56)
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans		(0.41)	2.44
Income tax effect		-	-
Other comprehensive income/(loss) for the period, net of tax		(0.41)	2.44
Total comprehensive loss for the period		(398.32)	(1,528.12)
Earnings per equity share			
Basic	28		
Equity shares, Nominal value of Rs. 10 each		(21.13)	(81.06)
Diluted			
Equity shares, Nominal value of Rs. 10 each		(21.13)	(81.06)

As per our report of even date
For Sharp & Tannan
Chartered Accountants
Firm Registration Number: 000452N

For and on Behalf of Board of Directors of
Fusion Cosmeceutics Private Limited
CIN: U24230DL2003PTC423473

Rajkumar

Rajkumar Khullar
Partner
Membership no.: 092507
Place: New Delhi
Date: May 17, 2024



Master Zairus
Director
DIN: 09485679
Place: Gurugram
Date: May 17, 2024

Raman Preet Sohi
Director
DIN: 09450611
Place: Gurugram
Date: May 17, 2024



a) Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid
As at April 01, 2022
Issued during the year
As at March 31, 2023
Issued during the period
As at March 31, 2024

No. of Shares	Amount
10,00,045	100.00
10,00,045	100.00
10,00,045	100.00

b) Instruments entirely in the nature of equity

As at April 01, 2022
Reclassified to equity during the period - Refer note below
Issued during the period
As at March 31, 2023
Issued during the period
As at March 31, 2024

No. of Shares	Amount
3,73,306	446.00
5,11,797	51.18
8,85,103	497.18
8,85,103	497.18

Note:
On adoption of Ind AS, CCPS issued upto date of transition have been reclassified from equity to liability as at transition date. Further, as on 01-04-2022 the preference share has been classified as equity because of the change in terms pertaining to payment/redemption.

Other equity

	Attributable to equity holders of the Company		
	Retained earnings	Securities premium	Total
As at April 01, 2022	(1,201.73)	283.40	(918.33)
Loss for the year	(1,530.55)	-	(1,530.55)
Other comprehensive income	2.44	-	2.44
Total comprehensive loss	(1,528.12)	-	(1,528.12)
Add: Increase during the year	-	948.82	948.82
As at March 31, 2023	(2,729.85)	1,232.22	(1,497.63)
Loss for the year	(397.91)	-	(397.91)
Other comprehensive loss	(0.41)	-	(0.41)
Total comprehensive loss	(398.33)	-	(398.33)
Add: Increase during the year	-	-	-
As at March 31, 2024	(3,128.17)	1,232.22	(1,895.95)

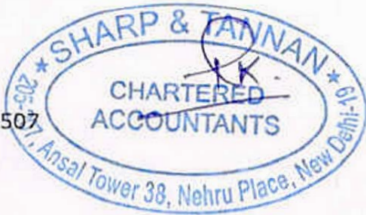
Corporate information and summary of significant accounting policies (refer note 1 & 2)
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
For Sharp & Tannan
Chartered Accountants
Firm Registration Number: 000452N

For and on Behalf of Board of Directors of
Fusion Cosmeceutics Private Limited
CIN: U24230DL2003PTC423473

Rajkumar

Rajkumar Khullar
Partner
Membership no.: 092507
Place: New Delhi
Date: May 17, 2024



Master Zairus
Director
DIN: 09485679
Place: Gurgram
Date: May 17, 2024

Raman Preet Sohi
Director
DIN: 09450611
Place: Gurgram
Date: May 17, 2024



Notes	Year ended March 31, 2024	Year ended March 31, 2023
Operating activities		
Profit/(Loss) before tax	(397.91)	(1346.67)
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Gain on sale of investments measured at FVTPL	(0.49)	-
Fair value gain on investments measured at FVTPL	(0.74)	-
Depreciation of property, plant and equipment	1.28	1.53
Amortisation of Intangible assets	0.04	-
Provision for slow moving inventory	42.42	-
Provision for Bad and Doubtful Debts	5.50	-
Interest income	(1.42)	(0.50)
Debt payable to Creditors Writeoff	9.88	-
Provision for gratuity and leave encashment	4.61	-
Finance costs	100.58	23.05
Operating cash flow before working capital changes	(236.25)	(1322.59)
Movement in working capital:		
(Increase) / Decrease in trade receivables	(913.07)	(300.88)
(Increase) / Decrease in other financial assets	1.56	(4.03)
Increase / (Decrease) in trade payables	208.74	576.75
Increase / (Decrease) in financial liabilities	(0.07)	(40.03)
Increase / (Decrease) in provisions	879.76	650.94
(Increase) / Decrease in other non-current assets	-	71.07
(Increase) / Decrease in inventories	29.54	(608.36)
Increase / (Decrease) in other current liabilities	31.08	46.57
(Increase) / Decrease in other current assets	168.72	(264.36)
	170.01	(1194.92)
Income tax paid	-	-
Net cash flow generated from / (used in) operating activities (A)	170.01	(1194.92)
Investing activities		
Purchase of property, plant and equipment	-	(2.20)
Investment in deposits	(28.20)	-
Investment in Mutual Funds	(600.00)	-
Sale of Investment	200.49	-
Interest received	1.33	0.50
Net cash flow used in investing activities (B)	(426.38)	(1.70)
Financing activities		
Proceeds from borrowings	750.00	800.00
Repayment of borrowings	(200.00)	-
Proceeds from Issue of Preference Share	-	1,000.00
Repayment of Short term borrowings	-	(224.10)
Finance cost	(100.58)	(23.05)
Net cash flow generated from financing activities (C)	449.42	1,552.85
Net increase in cash and cash equivalents (A+B+C)	193.05	356.23
Cash and cash equivalents at the beginning of the year	77.33	(278.90)
Cash and cash equivalents at the end of the year	270.38	77.33
Components of cash and cash equivalents		
Balance with banks		
- On current accounts	267.48	77.19
- Cash in hand	2.90	0.14
Total cash and cash equivalents	270.38	77.33

	Opening balance	Cash flows	Non- cash movement	Closing balance
March 31, 2024				
Borrowings- CCPS	-	-	-	-
Total liabilities from financing activities	-	-	-	-
March 31, 2023				
Borrowings- CCPS	446.00	-	(446.00)	-
Total liabilities from financing activities	446.00	-	(446.00)	-

Corporate information and summary of significant accounting policies (refer note 1&2)
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
Chartered Accountants
Firm Registration Number: 000452N

For and on Behalf of Board of Directors of
Fusion Cosmeceutics Private Limited
CIN: U24230DL2003PTC423473

Rajkumar

Raikumar Khullar
Partner
Membership no.: 092507
Place: New Delhi
Date: May 17, 2024



Master Zairus
Director
DIN: 09485679
Place: Gurugram
Date: May 17, 2024

Raman Prateet Sohi

Raman Prateet Sohi
Director
DIN: 09450611
Place: Gurugram
Date: May 17, 2024



1 Corporate Information

The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 ('the Act') on June 30, 2003 in Delhi. 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 is principally engaged in trading of dermatologist formulated skincare range, which are manufactured through third party contract manufacturers under the brand name of "DR. SHETH'S".

The Company's financial statements for the year ended March 31, 2024, were approved for issue in accordance with a resolution of the directors on May 17, 2024.

1.2 Basis of preparation

Ind AS 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 amended from time to time, notified under Section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act.

These Ind-AS Financial Statements have been prepared on a going concern basis.

The Ind-AS 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.

- defined benefit plans – plan assets measured at fair value
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Ind-AS Financial Statements are presented in Indian Rupee (Rs). All the values are rounded off to the nearest Lakhs, upto two decimal places, except when otherwise indicated.

2 Material accounting policies

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 realized or intended to be sold or consumed in normal operating cycle;
 - held primarily for the purpose of trading;
 - expected to be realized 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.

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 Company classifies all other liabilities as non-current.

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 Foreign currency translation

(i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (Rs), which is functional and presentation currency of all the entities in 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 period end exchange rates are recognised in statement of profit and loss.

(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 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 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 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.



2.4 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. 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 capitalized 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.

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	15	15
Computer & peripherals	3 to 6	3 to 6

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 derecognized.

The useful lives have been determined based on managements' judgement which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, 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.

2.5 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 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 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
Patent & Trademarks	7 years	Straight Line	Acquired

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 Companies 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 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.



2.7 Inventories

Traded goods are valued at lower of cost and net realizable 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 realizable 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.

2.8 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 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 recognized:

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.

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 recognized 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. A refund liability for the expected future rebates.

Interest income

Interest income is recognized 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. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2.11 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 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).

2.9 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 balance sheet.

Accumulated leave, which is expected to be utilized 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.

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 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 is the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.



2.10 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 recognized in OCI. However, the Company recognizes 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 categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized 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 recognized 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 recognized 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 Company 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 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) recognized during the year is recognized 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

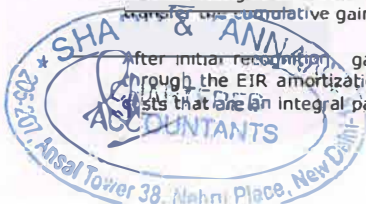
All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables, and Lease liabilities.

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 recognized 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 amortization process. Amortized 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.



2.10 Financial instruments (Continue)**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 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 realize the assets and settle the liabilities simultaneously.

2.11 Income taxes

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 recognized 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, where 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 utilized. 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.

2.12 Segment reporting**Identification of segments**

An operating segment is a component of the Company 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 Company), whose operating results are regularly reviewed by the Company'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 Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company's operating businesses are organized and managed on a single segment considering the entire beauty and personal care products 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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Board of directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

2.13 Earnings / (loss) 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.

2.14 Provisions

Provisions are recognized 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.



2.15 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 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, which are subject to an insignificant risk of changes in value.

2.17 Significant accounting judgements, estimates and assumptions

The preparation of the 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 Company's exposure to risks and uncertainties includes:

- Capital management
- Financial risk management objectives and policies
- Sensitivity analyses disclosures Notes

The Company bases its assumptions and estimates on parameters available when the 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 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 recognized in the 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 Company 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 Company uses the most likely amount methodology to determine the variable consideration.

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.

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 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.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the 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.

2.18 Significant transactions / new developments

The Board of Directors of the Company, at its meeting held on April 19, 2024, had approved a Composite Scheme of Amalgamation and Arrangement between Just4Kids Services Private Limited ('J4K') and Company into and with Honasa Consumer Limited ('Honasa') subject to the requisite statutory and regulatory approvals as on the date of these financial statement. Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 filed the Scheme with the Hon'ble National Company Law Tribunal, New Delhi Bench, New Delhi ('NCLT, New Delhi') on April 28, 2024.

The Scheme will enable the companies to realize greater synergies between their businesses, yield beneficial results and avail pooled resources in the interest of maximizing value to the shareholders and other stakeholders. Necessary accounting effect of the Scheme will be given upon receipt of the requisite regulatory approvals.



3 Property, plant and equipment

	Computer & peripherals	Office equipments	Plant and machinery	Total
Gross block				
As at April 01, 2022	2.57	0.23	0.47	3.27
Additions	2.20	-	-	2.20
As at March 31, 2023	4.77	0.23	0.47	5.47
As at April 01, 2023	4.77	0.23	0.47	5.47
Additions	-	-	-	-
As at March 31, 2024	4.77	0.23	0.47	5.47
Accumulated Depreciation				
As at April 01, 2022	1.62	0.08	0.09	1.79
Charge for the period	1.39	0.07	0.07	1.53
As at March 31, 2023	3.01	0.15	0.16	3.32
As at April 01, 2023	3.01	0.15	0.16	3.32
Charge for the period	1.16	0.06	0.06	1.28
As at March 31, 2024	4.17	0.21	0.22	4.60
Net book value				
As at March 31, 2023	1.76	0.08	0.32	2.15
As at March 31, 2024	0.60	0.02	0.25	0.87

4 Intangible assets

	Patent & Trademarks	Total intangible assets
Deemed Cost		
As at April 01, 2022	0.04	0.04
Additions	-	-
As at March 31, 2023	0.04	0.04
As at April 01, 2023	0.04	0.04
Additions	-	-
As at March 31, 2024	0.04	0.04
Amortisation		
As at April 01, 2022	-	-
Amortisation	-	-
As at March 31, 2023	-	-
As at April 01, 2023	-	-
Amortisation	0.04	0.04
Disposals	-	-
As at March 31, 2024	0.04	0.04
Net book value		
As at March 31, 2023	0.04	0.04
As at March 31, 2024	-	-



5 Investments
Current
(Carried at Fair Value through Profit and Loss Account)

Mutual Funds

Aditya Birla Sun Life Overnight Fund

As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Units	Amount	Units	Amount
30,944.03	400.74	-	-
30,944.03	400.74	-	-

Aggregate book value of quoted investment
Aggregate market value of quoted investment

400.74
400.74

6 Other financial assets

Current

Security deposits
Interest accrued on fixed deposit

As at March 31, 2024	As at March 31, 2023
2.47	4.03
0.09	-
2.56	4.03

7 Inventories

(valued at lower of cost and net realizable value)

Finished goods

As at March 31, 2024	As at March 31, 2023
623.39	695.35
623.39	695.35

8 Trade receivables

Carried at amortised cost

Trade receivables

As at March 31, 2024	As at March 31, 2023
1,252.64	345.07
1,252.64	345.07

As at March 31, 2024

Particular	0-6 months	6 months - 1 year	1-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,245.88	6.76	-	-	1,252.64
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	1,245.88	6.76	-	-	1,252.64

As at March 31, 2023

Particular	0-6 months	6 months - 1 year	1-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	345.07	-	-	-	345.07
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-
Total	345.07	-	-	-	345.07

- There are no non-current trade receivables as on March 31, 2024 (March 31, 2023 : Nil).
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. 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 45-60 days.

9 Cash and cash equivalents

Cash and cash equivalents
Cash in hand
Balance with banks
- on current accounts

As at March 31, 2024	As at March 31, 2023
2.90	0.14
267.48	77.19
270.38	77.33

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash in hand
Balance with banks
- on current accounts
Less - Bank overdraft

2.90	0.14
267.48	77.19
-	-
270.38	77.33

10 Other bank balances

Deposits with remaining maturity of more than twelve months

As at March 31, 2024	As at March 31, 2023
28.20	-
28.20	-

11 Other Assets

Current

Advance to employees
Prepaid expenses
Advance to suppliers
Other receivables
Balance with government authorities

As at March 31, 2024	As at March 31, 2023
-	0.00
3.54	1.50
31.93	57.45
31.43	-
29.97	206.64
96.87	265.59



12 Equity Share Capital

i) Authorised share capital

Equity share capital of Rs. 10 each

As at April 01, 2022
Increase during the year
As at March 31, 2023
Increase during the year
As at March 31, 2024

Numbers	Amount
11,65,000	116.50
11,65,000	116.50
11,65,000	116.50

Preference share capital of Rs. 10 each

As at April 01, 2022
Increase during the year
As at March 31, 2023
Increase during the year
As at March 31, 2024

8.86,000	88.60
8,86,000	88.60
8,86,000	88.60

ii) Issued, subscribed and fully paid up Equity share capital

Equity share capital of Rs. 10 each, fully paid up

As at April 01, 2022
Issued during the year
As at March 31, 2023
Issued during the period
As at March 31, 2024

Numbers	Amount
10,00,045	100.00
10,00,045	100.00
10,00,045	100.00

Preference share capital of Rs. 10 each, fully paid up

As at April 01, 2022
Issued during the year
As at March 31, 2023
Issued during the period
As at March 31, 2024

3,73,306	-
5,11,797	-
8,85,103	88.51
8,85,103	88.51

(iii) Terms/rights attached to shares

Terms of Equity shares - The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.
Terms of Preference shares - The compulsory convertible preference shares (CCPS) are raised as per the original subscription cum shareholders agreement dated 18th April, 2019, supplemental agreement dated 06th June, 2019 and amendment agreement thereof. Further, the CCPS shall bear cumulative dividend equal to 0.001% per annum of the face value or as per terms and conditions in the aforesaid agreements and amendment thereof. The preference shares are subject to compulsory conversion into equity.

(iv) Details of shareholding more than 5% shares in the Company:

Equity Share capital of Rs 10/- each fully paid
Honasa Consumer Limited

As at March 31, 2024		As at March 31, 2023	
10,00,045	100%	10,00,045	100%
10,00,045	100%	10,00,045	100%

Preference shares of Rs 100/- each fully paid
Honasa Consumer Limited

8,85,103	100%	8,85,103	100%
8,85,103	100%	8,85,103	100%

(v) Details of shares held by promoters:

Equity shares of Rs 10 each, fully paid

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Honasa Consumer Limited	10,00,045	-	10,00,045	100%	0%

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Dr. Ashit Sheth	2,00,000	(2,00,000)	-	0%	20%
Anand Sheth	7,92,725	(7,92,725)	-	0%	80%



13A Instrument entirely in the nature of equity

Compulsorily Convertible Preference Shares (CCPS)

As at April 01, 2022
Adjustment for Fair Valuation on the date of conversion into Equity
Issued during the year
As at March 31, 2023
Adjustment for Fair Valuation on the date of conversion into Equity
Issued during the year
As at March 31, 2024

Number	Amount
3,73,306	37.33
-	408.67
5,11,797	51.18
8,85,103	497.18
-	-
8,85,103	497.18

13B Other equity

Securities premium
Retained earnings

As at March 31, 2024	As at March 31, 2023
1,232.22	1,232.22
(3,128.17)	(2,729.85)
(1,895.95)	(1,497.63)
-	-
1,232.22	1,232.22
-	-
-	-
(2,729.85)	(1,201.73)
(397.91)	(1,530.55)
(0.41)	2.44
(3,128.17)	(2,729.85)

a) Securities premium
Opening Balance
Add: Additions during the year
Closing balance

b) Retained earnings
Opening Balance
Add: Profit/(loss) for the year
Add: Other comprehensive income / (loss)
Closing balance

- 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 Companies Act 2013.
- b) Retained earnings: Retained earnings comprises of prior and current period's and year's undistributed earnings / accumulated losses after tax.



14 Borrowings

Non Current
Carried at amortised cost
Unsecured
Honasa Consumer Limited

As at March 31, 2024	As at March 31, 2023
1,350.00	800.00
1,350.00	800.00

15 Other Financial liabilities

Current
Employee benefits payable

As at March 31, 2024	As at March 31, 2023
-	0.07
-	0.07

16 Provisions

Non-current
Provision for gratuity

Current
Provision for gratuity
Provision for leave benefits
Other provisions

As at March 31, 2024	As at March 31, 2023
8.00	4.69
8.00	4.69
0.34	0.19
5.72	4.73
1,548.62	668.28
1,554.68	673.20

17 Other liabilities

Current
Statutory dues payable
Advance from customers
Other payables

As at March 31, 2024	As at March 31, 2023
94.17	24.64
4.26	2.93
0.23	40.00
98.65	67.57

18 Trade payables

Carried at amortised cost
Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises

As at March 31, 2024	As at March 31, 2023
300.50	275.94
662.59	468.53
963.09	744.47

There are no non-current trade payables as on March 31, 2024 (March 31, 2023: Nil).
The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2024. The details in respect of such dues are as follows:

Particular	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 year:		
Principal amount due to micro and small enterprises	300.50	275.94
Interest due on the above	-	-
Total	300.50	275.94
(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 period) 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	-	-
(v) The amount of further interest remaining due and payable even in the succeeding year, 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	-	-

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 34
(c) Trade payables (outstanding for following periods from the date of transaction) ageing schedule:

	Up to 6 months	6 months to 1 year	1-3 years	More than 3 years	Total
As at March 31, 2024					
(i) MSME	300.50	-	-	-	300.50
(ii) Others	644.33	18.26	-	-	662.59
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	944.83	18.26	-	-	963.09

	Up to 6 months	6 months to 1 year	1-3 years	More than 3 years	Total
As at March 31, 2023					
(i) MSME	275.92	0.02	-	-	275.94
(ii) Others	460.50	8.03	0.00	-	468.53
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	736.42	8.05	0.00	-	744.47



19 Revenue from operations

Sale of products
Revenue from contract with customers
Sale of products (net of Goods and Service Tax)
Traded goods

Year ended March 31, 2024	Year ended March 31, 2023
11,223.52	2,705.37
11,223.52	2,705.37
11,223.52	2,705.37
11,223.52	2,705.37

19.1 Details of disaggregation of revenue
The Company derives its major revenue from trading of skin care products.

19.2 Contract balances

a) Contract Assets
Trade receivables
b) Contract Liabilities
Advance from customers

As at March 31, 2024	As at March 31, 2023
1,252.64	345.07
4.26	2.93

19.3 Timing of revenue recognition

Goods transferred at a point in time
Revenue from contract with customers

Year ended March 31, 2024	Year ended March 31, 2023
11,223.52	2,705.37
11,223.52	2,705.37

19.4 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price
Adjustments
Claims and Rebates
Provision for Sales Return
Revenue from contract with customers

Year ended March 31, 2024	Year ended March 31, 2023
12,142.17	2,976.03
(918.65)	(257.66)
-	(13.00)
11,223.52	2,705.37

19.5 Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize 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.

20 Other income

Interest income on:
Fixed deposit
Income tax refund
Staff loan
Loan - Written Off
Balances Writeoff
Fair value gain on investments measured at FVTPL
Foreign exchange fluctuation gain/ (loss) (net)
Gain on sale of investments measured at FVTPL
Others

Year ended March 31, 2024	Year ended March 31, 2023
1.42	0.50
0.39	0.11
-	0.03
-	6.24
9.88	-
0.74	-
-	(0.01)
0.49	-
2.48	0.41
15.39	7.29

21 Cost of raw materials consumed

Opening stock
Add: Packing Material
Add: Direct expenses
Less: Closing stock

Year ended March 31, 2024	Year ended March 31, 2023
-	41.36
-	103.37
-	72.36
-	-
-	217.09

22 Purchases of traded goods

Purchases (traded goods)

Year ended March 31, 2024	Year ended March 31, 2023
3,288.23	1,316.65
3,288.23	1,316.65



23 Changes in inventories of traded goods

Inventories at the beginning of the period

Finished goods
Traded goods

Inventories at the end of the period

Finished goods

Decrease / (increase) in inventories

Year ended March 31, 2024	Year ended March 31, 2023
695.35	82.72
-	19.12
695.35	101.83
623.39	695.35
623.39	695.35
71.95	(593.52)

24 Employee benefits expenses

Salaries, wages and bonus
Contribution to Provident & Other Funds
Staff welfare expenses
Provision for gratuity (Refer note - 31)
Provision for leave encashment

Year ended March 31, 2024	Year ended March 31, 2023
307.96	121.11
4.81	4.43
0.86	1.85
3.63	3.42
0.99	2.70
318.25	133.51

25 Depreciation expenses

Depreciation of property, plant and equipment
Amortisation of intangible assets

Year ended March 31, 2024	Year ended March 31, 2023
1.28	1.53
0.04	-
1.32	1.53

26 Finance costs

Interest on
Bank overdraft
Loan
Others
Bank charges

Year ended March 31, 2024	Year ended March 31, 2023
-	0.94
99.95	20.19
-	1.69
0.63	0.23
100.58	23.05



27 Other expenses

Advertisement expense
Packaging material
Professional & legal fees (Refer note (i) below)
Web development expenses
Courier, clearing & forwarding charges
Travelling and conveyance expenses
Commission charges
Warehousing expenses
Communication costs
Printing & Stationery
Repairs & maintenance
Rent
Rates & taxes
Provision for Bad and Doubtful Debts
Provision for Slow/Non moving inventory
Product Destruction charges
Bad debts
Equalisation Levy
Business Support Services
Telephone & internet expenses
Insurance expenses
R&D expense
Membership Fees
Miscellaneous expenses

(i) Payment to auditors (excluding Goods and Service tax)

Statutory Audit fee
Tax Audit
Other Services
Reimbursement of expenses

Year ended March 31, 2024	Year ended March 31, 2023
6,556.97	2,475.08
169.83	-
42.10	145.24
41.84	11.38
542.63	196.62
4.26	6.88
19.39	5.47
379.66	96.00
0.51	-
0.94	-
8.60	2.83
7.12	15.75
17.12	1.36
5.50	-
42.42	-
0.54	0.17
1.00	-
2.75	0.59
0.43	-
0.20	0.31
5.49	0.38
5.11	-
0.33	-
1.76	2.96
7,856.49	2,961.02

14.25	4.40
1.00	1.00
0.86	-
0.35	-
16.45	5.40

28 Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Net profit/(loss) for calculation of basic EPS
Net profit/(loss) for calculation of diluted EPS

Weighted average number of equity shares in calculating basic EPS
Adjustments for effect of dilution:
Weighted average number of equity shares in calculating diluted EPS

Earnings per Share

Basic
Diluted

Year ended March 31, 2024	Year ended March 31, 2023
(398.32)	(1,528.12)
(398.32)	(1,528.12)
18,85,148	18,85,148
18,85,148	18,85,148
(21.13)	(81.06)
(21.13)	(81.06)



29 Tax expense (net)
The major components of income tax expense for the period ended March 31, 2024 and March 31, 2023 are:

a) Statement of Profit and Loss
Profit or loss section

	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax:		
Current tax	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Reversal of Deferred tax created earlier	-	183.89
Total tax expense	-	183.89

b) Other comprehensive income/(loss)

Deferred tax related to items recognised in OCI during the period:

	Year ended March 31, 2024	Year ended March 31, 2023
Net loss / (gain) on remeasurements of defined benefit plans	-	-
Tax (income) / expense charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit/ (loss) before income tax	(397.91)	(1,346.67)
Applicable tax rate in India	25.17%	25.17%
Computed tax charge on accounting profit	(100.15)	(338.96)
Deferred tax not recognised	100.15	338.96
Other tax effects	-	(183.89)
Income tax expense reported in the statement of profit and loss	-	(183.89)

c) Deferred tax relates to the following:

The Company has a net deferred tax assets with respect to certain timing differences. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policy followed by the Company.

	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset		
Movement on account of WDV	-	0.29
Difference due to allowance of expenses on payment	-	2.42
Brought forward losses and unabsorbed depreciation	-	335.98
	-	338.69
Less: Deferred Tax not recognised	-	(338.69)
Net Deferred tax	-	-

Notes:

(i) 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.

d) Reconciliation of deferred tax assets (net):

	As at March 31, 2024	As at March 31, 2023
Opening balance	-	183.89
Tax income/(expense) during the period	-	-
- recognised in statement of profit and loss	-	(183.89)
Closing balance	-	-

e) Movement for the year ended March 31, 2024

	April 01, 2023	Recognised in profit or loss	Recognised in OCI	March 31, 2024
Deferred Tax Asset				
Movement on account of WDV	-	-	-	-
Difference due to allowance of expenses on payment	-	-	-	-
Brought forward losses and unabsorbed depreciation	-	-	-	-
Total	-	-	-	-
Net Deferred tax	-	-	-	-

f) Movement for the year ended March 31, 2023

	April 01, 2022	Recognised in profit or loss	Recognised in OCI	March 31, 2023
Deferred Tax Asset				
Movement on account of WDV	0.34	(0.34)	-	-
Difference due to allowance of expenses on payment	2.30	(2.30)	-	-
Brought forward losses and unabsorbed depreciation	181.25	(181.25)	-	-
Total	183.89	(183.89)	-	-
Net Deferred tax	(183.89)	183.89	-	-



30 Related party disclosures

a) Names of related parties and description of relationships:
Related party where control exists

Holding Company	Honasa Consumer Limited
Fellow Subsidiaries	Just4kids Services Private Limited (w.e.f. April 1, 2022) Bblunt Spratt Hair Dressing Private Limited (w.e.f. March 16, 2022) Bhabani Blunt Hair Dressing Private Limited (w.e.f. March 16, 2022)
Key management personnel (KMP)	Master Zairus (w.e.f July 21, 2023) Raman Preet Sohi (w.e.f July 15, 2022) Varun Alagh (w.e.f July 7, 2022) Ghazal Alagh (w.e.f July 4, 2023) Dr. Ashit Sheth (till April 7, 2022) Aneesh Sheth (till December 9, 2022) Jay Mukund Thakker (till April 7, 2022)
Dr. Ashit Sheth is Partner Shareholder is interested party	Dr. Sheth's Skin & Hair Clinics LLP (till April 7, 2022) Cheryl Laboratories Private Limited

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 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. For the year ended March 31, 2024 and March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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. There are no commitments with related parties.

Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products (net)		
Dr. Sheth's Skin & Hair Clinics LLP	-	7.33
	-	7.33
Reimbursement of expenses		
Aneesh Sheth	-	1.06
	-	1.06
Cross Charge		
Honasa Consumer Limited	200.79	-
	200.79	-
Interest expenses		
Honasa Consumer Limited	99.95	19.96
	99.95	19.96
Finished goods		
Cheryl Laboratories Private Limited	-	151.38
	-	151.38
Unsecured Loans Received		
Honasa Consumer Limited	750.00	800.00
	750.00	800.00
Labour charges		
Cheryl Laboratories Private Limited	-	7.92
	-	7.92
Remuneration paid		
Aneesh Sheth	-	27.63
	-	27.63
Raw material		
Cheryl Laboratories Private Limited	-	1.91
	-	1.91
Packing Material		
Cheryl Laboratories Private Limited	-	1.07
	-	1.07
Purchase of Services		
Just4kids Services Private Limited	-	5.25
	-	5.25
Loan Paid		
Honasa Consumer Limited	200.00	-
Dr Ashlth Sheth	-	5.00
Aneesh Sheth	-	1.24
Dr. Sheth's Skin & Hair Clinics LLP	-	57.41
	200.00	63.65



30 Related party disclosures (Continue)
b) Transactions with related parties (Continue)

The following table provides the closing balances of related parties for the relevant financial year:

	As at March 31, 2024	As at March 31, 2023
Unsecured Loans		
Honasa Consumer Limited	1,350.00	800.00
	1,350.00	800.00
Interest payable		
Honasa Consumer Limited	-	-
	-	-
Remuneration payable		
Aneesh Sheth	-	0.97
	-	0.97
Trade receivables		
Dr. Sheth's Skin & Hair Clinics LLP	-	0.34
	-	0.34
Trade payables		
Cheryl Laboratories Private Limited	-	84.03
Just4kids Services Private Limited	-	2.37
	-	86.40
Expense payable		
Honasa Consumer Limited	200.79	-
Aneesh Sheth	-	0.53
	200.79	0.53



31 Employee benefits plan

(i) Defined contribution plans - Provident Fund, ESI and labour welfare fund

The Company makes Provident Fund and Employee State Insurance Scheme 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. During the period, the Company recognised Rs. 4.81 lakhs (March 31, 2023: 2.29 lakhs) towards such contribution 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 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. 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 or holding of illiquid assets not being sold in time.
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 payouts.

	As at March 31, 2024	As at March 31, 2023
Current	0.34	0.19
Non-current	8.00	4.69
	8.34	4.88

The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:

Changes in the defined benefit obligation and fair value of plan assets

	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation (A)		
Opening balance	4.88	4.94
Current service cost	3.27	2.02
Interest cost on benefit obligation	0.35	0.37
Net actuarial (gain)/loss recognized during the period	0.41	(2.44)
	8.93	4.88
Total amount recognised in statement of profit and loss	3.63	2.38
Benefits paid	(0.59)	-
Closing balance	8.34	4.88
Remeasurement		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.22	(0.13)
Actuarial changes arising from changes in experience adjustments	0.19	(2.31)
Total amount recognised in other comprehensive income	0.41	(2.44)

Fair value of Plan assets (B)

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.25%	7.40%
Future salary increases	8.00%	8%
Normal retirement age	60 Years	60 Years
Attrition / withdrawal (per annum)	5.00%	5.00%
Mortality	Indian Assured Lives Mortality(2012-14)	

A quantitative sensitivity analysis for significant assumptions are as shown below:

Sensitivity Level	As at March 31, 2024		As at March 31, 2023		
	Defined benefit obligation on increase / decrease in assumptions				
	Increase	Decrease	Increase	Decrease	
Discount rate	+ 1% / - 1%	7.01	10.04	4.14	5.83
Future salary increase	+ 1% / - 1%	10.01	7.01	5.81	4.14
Attrition rate sensitivity	+ 1% / - 1%	8.22	8.48	4.83	4.95

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.

The following payments are expected cash flows to the defined benefit plan in future years:

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months	0.34	0.19
Between 2 and 5 years	0.91	0.55
Beyond 5 years	0.71	0.43

32 Segment Information

The Company reports this standalone financial statement 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.



33 Financial instruments- accounting classification and fair value measurement
i) The carrying value of financial assets by categories is as follows:

Measured at fair value through statement of profit and loss (FVTPL)
Investment
Total financial assets measured at FVTPL

As at March 31, 2024	As at March 31, 2023
400.74	-
400.74	-
1,252.64	345.07
270.38	77.33
28.20	-
2.56	4.03
1,553.78	426.43
1,954.52	426.43

Measured at amortised cost
Trade receivables
Cash and cash equivalents
Other bank balances
Other financial assets
Total financial assets measured at amortised cost

Total financial assets

ii) The carrying value of financial liabilities by categories is as follows:

Measured at fair value through statement of profit and loss (FVTPL)
Borrowings
Total financial liabilities measured at FVTPL

As at March 31, 2024	As at March 31, 2023
1,350.00	800.00
1,350.00	800.00
963.09	744.47
-	0.07
963.09	744.54
2,313.09	1,544.54

Measured at amortised cost
Trade payables
Other financial liabilities
Total financial liabilities measured at amortised cost

Total financial liabilities

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 categorized 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.
The Optionally Convertible Redeemable Preference Shares held by Investors is classified as liability and carried at fair value through profit and loss. The Company has valued the instrument by using the income approach
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 amortized cost. There is no significant change in fair value of such liabilities and assets.

34 Financial risk management
Objective 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 risk management is carried out by the management under the policies approved by the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken. The Board of Directors reviews and agrees 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. The Company has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end.
The Company's exposure in foreign currency at the end of reporting period :

Currency	Particulars	As at March 31, 2024		As at March 31, 2023	
		FC	Rs.	FC	Rs.
USD	Liability	-	-	-	-
	Trade payables	-	-	-	-
	Assets	-	-	-	-
	Trade receivables	-	-	-	-
	Net exposure on foreign currency risk	-	-	-	-

Sensitivity:

USD
Increases by 5%
Decreases by 5%

Impact on profit before tax	
As at March 31, 2024	As at March 31, 2023
-	-



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 Chief Financial Officer. 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 Balance Sheet.

	As at March 31, 2024	As at March 31, 2023
Trade receivables	1,252.64	345.07
Cash and cash equivalents	270.38	77.33
Other bank balances	28.20	-
Other financial assets	2.56	4.03

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 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.

ii) Cash and cash equivalents

Cash and cash equivalents including time deposits with banks and interest receivable are placed with reputable financial institutions with high credit ratings and no history of default.

iii) 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. The provision is recognised based on 12 month expected credit loss model. Counterparty credit risk is assessed by the company on an annual basis for determination of expected credit loss on these assets.

c) Commodity rate

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of Latex, Latex based gloves and Stainless wires. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles. Cost of raw materials forms the largest portion of the Group's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2024 and March 31, 2023, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

d) 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.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual discounted payments.

Particulars	On demand	Less than 1	1 to 5 years	Total
As at March 31, 2024				
Borrowings	-	-	-	-
Trade payables	-	963.09	-	963.09
Other	-	-	-	-
	-	963.09	-	963.09
As at March 31, 2023				
Borrowings	-	-	-	-
Trade payables	-	744.47	-	744.47
Other	-	0.07	-	0.07
	-	744.54	-	744.54



36 Ratio analysis and its elements

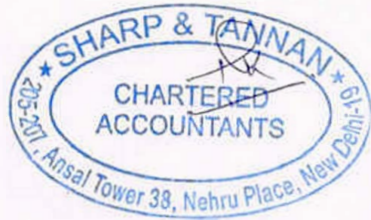
Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding period
Current ratio	Current Assets	Current Liabilities	1.01	0.93	8%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(1.04)	(0.89)	17%	
Debt Service Coverage Ratio^	Earnings for debt service = Net profit after taxes + Depreciation	Debt service = Interest & Lease Payments + Principal Repayments	0.98	6.09	-84%	Improved due to decrease in losses in comparison to previous year.
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	0.36	1.78	-80%	Improved due to decrease in losses in comparison to previous year.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	14.05	13.90	1%	
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	12.98	9.60	35%	Increase majorly due to increase in expenses.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	372.17	(27.62)	-1448%	Increase majorly due to increase in revenue.
Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	(0.04)	(0.57)	-94%	Increased primarily due to higher volume of sales revenue in current period.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	5.10	2.40	112%	Increased primarily due to higher volume of sales revenue in current period.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(7.77)	15.24	-151%	Improved due to decrease in losses in comparison to previous year.

37 Other statutory information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do 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 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
- (v) The Company have 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,
- (vi) The Company have 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).
- (vii) The Company does not have any investments/downstream companies. Hence, compliance with number of layers is not applicable to the Company.
- 38 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 39 The previous year's figures have been regrouped/reclassified, where necessary, to conform to current year's classification.

As per our report of even date
For Sharp & Tannan
Chartered Accountants
Firm Registration Number: 000452N

Rajkumar
Raikumar Khullar
Partner
Membership No.: 092507
Place: New Delhi
Date: May 17, 2024



For and on Behalf of Board of Directors of
Fusion Cosmeceutics Private Limited
CIN: U24230DL2003PTC423473

Master Zairus
Director
DIN: 09485679
Place: Gurugram
Date: May 17, 2024

Raman Preet Singh
Director
DIN: 09450611
Place: Gurugram
Date: May 17, 2024



35 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, Non-Cummulative Compulsorily Convertible Preference Shares, 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 maximize the shareholders value. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder 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.

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (including current maturities)	1,350.00	800.00
Trade Payables	963.09	744.47
Less : Cash and cash equivalents	(270.38)	(77.33)
Net adjusted debt (A)	2,042.71	1,467.14
Equity	(1,298.77)	(900.45)
Total equity capital (B)	(1,298.77)	(900.45)
Total debt and equity (C)=(A)+(B)	743.94	566.69
Gearing ratio (A)/(C)	275%	259%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets terms & 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.

