

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BHABANI BLUNT  
HAIRDRESSING PRIVATE LIMITED**

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying standalone financial statements of **BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2022, and its loss(financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexure to Board's report, 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 the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the standalone 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.

A further description of our responsibilities for the audit of the financial statements is included in appendix A of this auditor's report.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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



2. As required by Section 143 (3) of the Act, we report 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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, the Company being a private limited company, the provisions of Section 197 are 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 has no pending litigation which could have impact on its financial position in the financial statements except as stated in Note 27(E) to the Standalone Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
    - iv. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



(b) As represented to us by the management and 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; and

(c) Based on such 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. The Company has neither declared nor paid any dividend during the year.

for M M Nissim & Co LLP

*Chartered Accountants*

*Firm Regn. No. 107122W/W100672*

  
N. Kashinath

*Partner*

Mem. No.: 036490

Mumbai, 24th June, 2022

UDIN: 22036490ANXPWU2316



Appendix A- Auditor's Responsibilities for the Audit of the Financial Statements

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

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) 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.

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.



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

- i) In respect of its Property, Plant & Equipment:
- a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and right-of-use assets;
  - B. The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Assets have been physically verified by the management in accordance with a regular programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification;
  - c) The Company does not own any immovable properties, hence clause 3(i)(c) of the order is not applicable to the Company.
  - d) The Company has not revalued any of its property, Plant and Equipment (including of right-of-use assets and intangible assets) during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.
- ii) a) The inventory has been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account.
- b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly clause 3(ii)(b) of the order is not applicable to the Company.
- iii) The company has made investments in its wholly owned subsidiary company. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clauses (iii)(a),(c),(d),(e) and (f) of the order are not applicable.
  - b) In our opinion, the investments made in wholly owned subsidiary is prima facie, not prejudicial to the company's interest.



- iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended. Accordingly, the provisions of clause 3(v) of Para 3 of the Order are not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, cost record pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act is not applicable to the Company.
- vii)
  - a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods & Services Tax, Duty Of Customs, Duty Of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.
  - b) According to the records of the company, the dues outstanding in respect of income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, goods and services tax, value added tax and cess on account of any dispute, are as follows;

Statute and nature of dues	Financial year to which the matter pertains	Forum where dispute is pending	Amount in Rs.
<b>Finance Act 1994</b>			
Service tax	2014-15	Deputy Commissioner	2,22,874
<b>Income Tax Act, 1961</b>	2017-18	Commissioner of Income Tax	65,42,530
	2018-19	Assessing Officer	22,83,385

- viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix)
  - a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
  - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) The Company has not availed any term loans during the year. Hence, provisions of clause 3(ix)(c) of the Order is not applicable to the Company.



- d) The Company has not raised funds during the year. Hence reporting under clause (ix)(d) of the Order is not applicable to the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- x) a) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments) during the year. Hence, provisions of Clause 3(x) of the aforesaid order is not applicable to the Company.
- b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, *prima facie*, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- xi) a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- b) To the best of our knowledge, 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.
- c) The provision of Section 177 of the Companies Act is not applicable to the Company. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- xii) The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in Note 27C of the standalone financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013. Accordingly, provisions of clause (xiv)(b) of Para 3 of the Order are not applicable to the company.





- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the company.
- xvi) a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.
- b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi)(b) of Para 3 of the Order are not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi) of Para 3 of the Order is not applicable to the Company.
- d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.
- xvii) The Company has incurred cash loss amounting to Rs. 293.12 Lacs during the Financial Year covered by our audit but has not incurred cash losses in 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 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 Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, provisions of clause (xx) of Para 3 of the Order are not applicable to the Company.



xxi) According to the information and explanations given to us, the Company being an intermediate holding company, the consolidated financial statements are presented by the ultimate holding company and accordingly, provisions of clause (xxi) of Para 3 of the Order are not applicable to the Company.

for M M Nissim & Co LLP

*Chartered Accountants*

*Firm Regn. No. 107122W/W100672*



N. Kashinath

*Partner*

Mem. No.: 036490

Mumbai, 24th June, 2022

UDIN: 22036490ANXPWU2316



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

Standalone Balance Sheet as at 31st March 2022

(Amount in Lacs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2a(1)	90.86	109.51
Right of Use Assets	2a(2)	539.94	489.72
Other Intangible Assets	2b	5.20	7.15
<b>Financial Assets</b>			
Investments	3	1,095.53	128.69
Loans	4	43.66	61.58
Deferred Tax Assets (Net)	5	85.42	-
Other non-current assets	6	5.76	5.50
<b>Current Assets</b>			
Inventories	7	78.16	60.13
<b>Financial Assets</b>			
Trade Receivables	8	64.14	149.05
Cash and cash Equivalents	9	565.32	435.22
Bank Balances other than Above	10	5.00	105.00
Loans	4	31.50	24.97
Other Financial Assets	11	0.00	0.34
Current Tax Assets (Net)		149.75	108.70
Other current assets	6	70.23	28.47
<b>TOTAL ASSETS</b>		<b>2,830.47</b>	<b>1,714.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	SOCE	2.35	2.08
Other Equity	SOCE	1,466.28	903.96
<b>Total Equity</b>		<b>1,468.63</b>	<b>906.04</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liability		450.88	346.38
Provisions	12	22.65	13.04
Deferred Tax Liabilities (Net)	5	-	9.47
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liability		150.77	183.80
Trade Payables	13		
(A) total outstanding dues of micro & small enterprises		10.24	7.92
(B) total outstanding dues other than micro & small enterprises		472.90	138.94
Other Financial Liabilities	14	108.53	30.83
Other Current Liabilities	15	140.52	69.87
Provisions	12	5.33	7.74
<b>Total Liabilities</b>		<b>1,361.83</b>	<b>807.99</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,830.47</b>	<b>1,714.03</b>

Significant Accounting Policies

1

Accompanying Notes are an integral part of these Financial Statements

This is the Balance Sheet referred to in our report of even date

For M M NISSIM & CO LLP  
Chartered Accountants  
Firm Reg.No.107122W / W100672

N. Kashinath  
Partner  
Mem.No.036490  
Mumbai  
Dated 24th June, 2022



For and on behalf of the Board of Directors

Varun Alagh  
Director  
DIN: 07597289  
Gurugram  
Dated 24th June, 2022

Raman Preet Sohi  
Director  
DIN: 09450611  
Gurugram  
Dated 24th June, 2022

**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**Standalone Statement of Profit and Loss for the year ended 31st March 2022**

(Amount in Lacs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from Operations	16	1,541.22	987.54
Other Income	17	31.18	29.83
<b>TOTAL INCOME</b>		<b>1,572.40</b>	<b>1,017.37</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade	18	252.79	118.75
Changes in inventories of Stock-in-Trade	19	(18.03)	30.98
Employee Benefits expense	20	491.02	172.02
Finance Costs	21	30.16	26.96
Depreciation and Amortisation expenses	22	202.32	253.41
Other Expenses	23	729.38	558.72
<b>TOTAL EXPENSES</b>		<b>1,687.65</b>	<b>1,160.84</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS</b>		<b>(115.25)</b>	<b>(143.47)</b>
<b>EXCEPTIONAL ITEMS</b>	271	385.32	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(500.57)</b>	<b>(143.47)</b>
<b>TAX EXPENSE</b>			
Deferred Tax		(111.01)	5.94
Earlier Year Adjustments		1.15	-
<b>TOTAL TAX EXPENSE</b>		<b>(109.86)</b>	<b>5.94</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(390.71)</b>	<b>(149.40)</b>
<b>OTHER COMPREHENSIVE INCOME(OCI)</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of Defined benefit plans		(3.30)	(3.93)
Income Tax relating to items that will not be reclassified to Profit or Loss		0.83	0.96
<b>Items that will be reclassified to Profit or Loss</b>			
Gains/(Losses) on Investments in Equity Instruments classified as FVOCI		65.83	(22.96)
Income Tax relating to items that will be reclassified to Profit or Loss		(16.95)	5.62
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>46.41</b>	<b>(20.31)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(344.30)</b>	<b>(169.72)</b>
<b>EARNINGS PER EQUITY SHARE</b>			
Basic		(2,168.10)	(840.82)
Diluted		(2,168.10)	(840.82)

Significant Accounting Policies 1

Accompanying Notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For M M NISSIM & CO LLP  
Chartered Accountants  
Firm Reg.No.107122W / W100672

N. Kashinath  
Partner  
Mem.No.036490  
Mumbai  
Dated 24th June, 2022



For and on behalf of the Board of Directors

*Varun Alagh*

Varun Alagh  
Director  
DIN: 07597289  
Gurugram  
Dated 24th June, 2022

*Raman Preet Sohi*

Raman Preet Sohi  
Director  
DIN: 09450611  
Gurugram  
Dated 24th June, 2022

**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**Standalone Statement of Changes in Equity (SOCE) for the year ended 31st March, 2022**

	As at 31.03.2022		As at 31.03.2021	
	No.	Amount	No.	Amount
<b>EQUITY SHARE CAPITAL</b>				(Amount in Lacs)
Authorised Share Capital	50,000		50,000	5.00
Issued Share Capital	17,769		17,769	2.08
Subscribed Share Capital	17,769		17,769	2.08
Fully Paid-up Share Capital	17,769		17,769	2.08
<b>Balance at the beginning of the reporting year</b>	<b>17,769</b>	<b>2.08</b>	<b>17,769</b>	<b>2.08</b>
Changes in equity share capital due to prior period errors				
<b>Restated balance as at the beginning of the reporting year</b>	<b>17,769</b>	<b>2.08</b>	<b>17,769</b>	<b>2.08</b>
Changes in Equity Share Capital during the reporting year				
Conversion of Convertible Debentures into Equity	3,060	-	-	-
Issued during the year	2,692	0.27	-	-
<b>Balance at the end of the reporting year</b>	<b>23,521</b>	<b>2.35</b>	<b>17,769</b>	<b>2.08</b>

a) Rights, preferences and restrictions attached to shares  
 The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

b) During the year, 3,060 12% Unsecured Compulsory Convertible Debentures of Rs. 10/- each has been converted to 3060 equity shares of Rs. 10 Each on 14th February, 2022

c) During the Financial Year 18-19 year, the Company has bought back 741 equity shares of Rs. 10 at Rs. 39,250/- each from existing shareholders in terms of Section 68 to 70 of the Companies Act, 2013. The buy back of shares has been adjusted from Securities Premium

**d) Shares in the Company held by each shareholder holding more than five percent shares**

	As at 31.03.2022		As at 31.03.2021	
	No.	%	No.	%
Honasa Consumer Private Limited	23,520	100.00%		
Ashoke Bhabani	-	-	2,945	16.57
Adhuna Bhabani Akhtar	-	-	2,176	12.25
Avan Contractor	-	-	1,280	7.20
STRB Holdings	-	-	6,401	36.02
Godrej Consumer Products Limited	-	-	4,967	27.95

e) Shares in the Company held by Promoters\*

	As at 31.03.2022	% Change during the year	As at 31.03.2021	% Change during the year
Ashoke Bhabani	-	(100.00)%	2,945	NIL
Adhuna Bhabani Akhtar	-	(100.00)%	2,176	NIL

\* During the year, Honasa Consumer Private Limited entered into Share Purchase Agreement with the existing shareholders of the Company for purchase of 100% shareholding and has subscribed to additional 2692 shares of Rs. 100 each at a premium of Rs. 33,112/-

f) **Employee stock based compensation**  
 In accordance with the employee agreement which has been approved by the Holding Company, the CEO is eligible to receive five stock options under Honasa Consumer Product Limited's Employee Stock Options Plan which will vest overtime in Four years with one year cliff and thereafter quarterly vesting. Current Fair Market Value is Rs. 33.84 Lacs per option

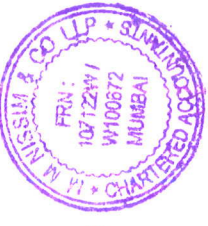


**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
Standalone Statement of Changes in Equity (SOCE) for the year ended 31st March, 2022

**B. OTHER EQUITY**

	Reserves and Surplus					Other Comprehensive Income	TOTAL	
	Securities Premium	Capital Redemption Reserve	Reserve for Brand Development Expenditure	Share Option Outstanding Account	Retained Earnings			Remeasurements of Defined Benefit Plans
Balance for the comparative year - 1st April 2020	409.99	0.07	100.17		506.06	2.02	59.40	1,073.68
Changes in Accounting Policy or Correction of Prior Period Errors								
Restated balance as at 1st April 2020	409.99	0.07	100.17		506.06	2.02	59.40	1,073.68
Profit for the Comparative year ended 31st March, 2021					149.40			149.40
Other Comprehensive Income for the Comparative year ended 31st March, 2021						2.97	17.34	20.31
<b>Total Comprehensive Income for the Comparative Year</b>					149.40	2.97	17.34	169.72
Transactions with owners in their capacity as owners:								
Balance at the beginning of the reporting year	409.99	0.07	100.17		356.66	4.98	42.06	903.96
Changes in Accounting Policy or Correction of Prior Period Errors								
Restated balance as at 1st April 2021	409.99	0.07	100.17		356.66	4.98	42.06	903.96
Profit for the Current Reporting year ended 31st March, 2022					390.71			390.71
Other Comprehensive Income for the Current Reporting year ended 31st March, 2022						2.47	48.88	46.41
<b>Total Comprehensive Income for the Reporting Year</b>					390.71	2.47	48.88	344.30
Transactions with owners in their capacity as owners:								
Compensation cost related to employee share based payment (Refer Note 20)				7.18				7.18
Add: Shares issued during the year	899.44							899.44
<b>Balance at the end of the reporting year ending 31st March 2022</b>	1,309.43	0.07	100.17	7.18	34.05	7.45	90.94	1,466.28
*Loss of Rs 2.47 Lacs and Rs 2.97 Lacs on re-measurement of defined benefit plans (net of tax) is recognised as part of Reserves and Surplus for the year ended 31st March 2022 and 31st March 2021, respectively								
<b>Balance at the end of the reporting year ending 31st March 2021</b>	13,09,43,041	7,410	1,00,16,793	7,18,047	34,04,649	7,44,656	90,93,973	14,66,27,959
<b>Nature and Purpose of each component of equity</b>	<b>Nature and Purpose</b>							
Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium							
Capital Redemption Reserve	Face Value of shares bought back during the year has been credited to capital Redemption Reserve.							
Reserve for Brand Development Expenditure	In accordance with the Scheme of reduction of Capital (Securities Premium Account), which was sanctioned by the Hon'ble High Court of Judicature at Bombay, an amount of Rs. 9,50,00,000/- was reduced from Securities Premium Account and transferred to Reserve for Brand Development Expenditure. The said reserve to be utilised for Brand Development expenditure.							
Retained Earnings	Retained Earnings are the profits that the company has earned till date.							
Remeasurements of Defined Benefit Plans	Gains/Losses arising on Remeasurements of Defined Plan at the end of each reporting period is separately disclosed under Reserves and Surplus and shall not be reclassified to the Statement of Profit or Loss in the Subsequent years.							
Gains and Losses on Investments in Equity Instruments classified as FVOCI	Gains / Losses arising on Fair Value of Equity Instruments are recognised in the Other Comprehensive Income as per IND AS-109 and shall be reclassified to the Statement of Profit or Loss in the subsequent years.							
Share Options Outstanding Account	The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium reserve upon exercise of stock options by employees							
Significant Accounting Policies	1							

Accompanying Notes are an integral part of these Financial Statements  
This is the Statement of Changes in Equity (SOCE) referred to in our report of even date



**For M M NISSIM & CO LLP**  
Chartered Accountants  
Firm Reg.No.107122W / W100672  
Partner  
Mem.No.036490  
Mumbai  
Dated 24th June, 2022

For and on behalf of the Board of Directors

*(Signature)*  
Raman Preet Sohi  
Director  
DIN: 09450611  
Gurugram  
Dated 24th June, 2022

*(Signature)*  
Varun Alagh  
Director  
DIN: 07597289  
Gurugram  
Dated 24th June, 2022

**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
Standalone Statement of Cash Flows for the year ended 31st March, 2022

(Amount in Rupees)

Particulars	Year ended		Year ended	
	31.03.2022		31.03.2021	
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		(500.57)		(143.47)
Adjusted for:				
Depreciation and amortisation expense	202.32		253.41	
Interest Income	(13.34)		(13.62)	
Provision for Doubtful debts	-		4.96	
Bad Debts	-		10.87	
Loss on Lease Modification	13.73			
Asset Written Off	4.05		19.44	
Finance costs	30.16	236.92	26.96	302.02
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(263.65)		158.56
Adjusted for:				
(Increase)/Decrease in trade receivables	84.91		(8.99)	
(Increase)/Decrease in inventories	(18.03)		30.98	
Increase/(Decrease) in trade payables	336.29		(5.18)	
(Increase)/Decrease in Loans	11.39		6.07	
(Increase)/decrease in other non-current assets	(0.27)		(0.20)	
(Increase)/Decrease in other assets	(41.76)		8.93	
Increase/(Decrease) in provisions	3.91		1.75	
Increase in other financial liabilities	77.77		(7.49)	
Increase in other current liabilities	70.66	524.87	(17.51)	8.37
<b>CASH GENERATED FROM OPERATIONS</b>		261.22		166.92
Income taxes paid		(42.21)		(24.59)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		219.01		142.33
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(7.07)		(19.27)	
Payment for obtaining control in subsidiary	(900.00)			
Purchase of Investment	(1.00)			
Decrease/(Increase) in Bank Balances - Fixed Deposit	100.00		350.00	
Interest received	13.67	(794.40)	14.39	345.12
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(794.40)		345.12
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	899.71			
Payment of Lease Liability	(201.29)		(181.42)	
Compensation cost related to employee share based payment	7.18			
Interest paid	(0.11)			
<b>NET CASH FROM FINANCING ACTIVITIES</b>		705.49		(181.42)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		130.10		306.04
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021</b>		435.22		129.18
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2022</b>		565.32		435.22

The above Cash Flow Statement has been prepared under the Indirect Method

As per our report of even date attached

Firm Reg.No.107122W / W100672

Chartered Accountants

Firm Reg.No.107122W / W100672

N.Kashinath

Partner

Mem.No.036490

Mumbai

Dated 24th June, 2022



For and on behalf of the Board of Directors

Varun Alagh

Director

DIN: 07597289

Gurugram

Dated 24th June, 2022

Raman Preet Sohi

Director

DIN: 09450611

Gurugram

Dated 24th June, 2022

**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

**Note 1 - Significant Accounting Policies**

**A) General Information**

Bhabani Blunt Hairdressing Pvt. Ltd. is a company registered under Companies Act, 2013 and is primarily engaged in the business of hair styling, sale of hair products and is involved in educating students in hair styling.

**B) Basis of preparation of financial statements**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

**i. Statement of Compliance**

These Separate financial statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

**ii. Basis of preparation and presentation**

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- a) Certain financial assets/liabilities measured at fair value ( Note 22 on Fair Value of financial instruments.) and
- b) Any other item as specifically stated in the accounting policy.

The financial statements of the Company for the year ended 31st March, 2022 were authorised for issue in accordance with a resolution of the directors on 24th June 2022.

**iii. Use of Estimate and judgment**

In the application of accounting policy which are described in Para C below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:





**Inventories:**

Inventory obsolescence is based on assessment of the future uses. In all cases, inventory is carried at the lower of historical cost and net realisable value.

**Lease:**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

**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 CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where 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 or other available fair value indicators.

**Impairment of Financial Assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Defined Benefit Plans:**



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. 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.

**Fair Value Measurement of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. 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. Judgments 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.

**Income taxes**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

**Business Combination**

In a business combination achieved in stages, the Company remeasures its previously held equity interest in the acquiree at its acquisition-date fair value. Fair Value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. 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. Judgments 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 Business Combination.



**Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):**

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and Investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts . The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements

**C) Summary of Significant Accounting Policies:**

**Property, Plant and Equipment (PPE)**

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of transition date measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses . Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with IND AS 105 and the date that the asset is derecognised. Depreciation on all assets is provided on Straight Line basis.

Further, the Company has identified and determined separate useful life for each major component of fixed assets, if they are materially different from that of the remaining assets, for providing depreciation in compliance with Schedule II of the Companies Act, 2013.

Depreciation on PPE added/during the period is provided on pro-rata basis with reference to the date of addition/disposal.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

Amortisation on Intangible assets is provided on straight line basis over the asset's anticipated useful life which is estimated to be in range of 5-10 years.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Impairment of tangible (PPE) and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. 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. The resulting impairment loss is recognised in the Statement of Profit and Loss

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

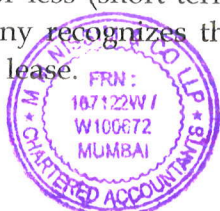
Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

**Leases:**

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**Employee Benefits**

**Short-term Employees Benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.



**Post-employment benefits**

The Company provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund & national pension scheme
- iii) Share Based Payments

**Defined benefits plans**

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final 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. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

**Defined Contribution Plans**

Payments to defined contribution retirement benefit plans, viz., Provident Fund and National Pension Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

**Share based payments**

The Holding Company has formulated a group share based payment scheme applicable to certain employees of the Company. The employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest

The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the phantom stock options plan. Any changes in the liability are recognized in statement of profit and loss

**Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects 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.

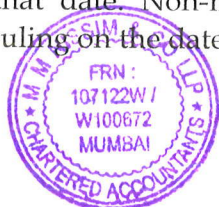
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

**Foreign Currency Transactions:**

The financial statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.



## BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

2022

#### Share Capital and Securities Premium:

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

#### Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

#### Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Revenue Recognition

The company derives revenues primarily from sale of goods comprising of beauty products and sale of services consisting of hair styling services, Educational Training and franchise services.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue from Hair Styling services (net of Goods and Services Tax) is recognised on rendering services. Revenue from franchises is recognised as per the terms of the agreements. The amount recognised is at the predetermined price, the collection of which is reasonably certain. Revenue from educating students in hair styling is recognised on a time proportion basis.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers





**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities

Use of significant judgements in revenue recognition

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

**Other Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognised when right to receive is established.

**Taxes on Income:**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) **Current Tax:**

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income

b) **Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

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The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Earnings per Share:**

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

**Current versus non-current classification:**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

- a) An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
  - Held primarily for the purpose of trading,
  - Expected to be realised within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- b) A liability is current when:
- It is expected to be settled in the normal operating cycle,
  - It is held primarily for the purpose of trading,
  - It is 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.

All other liabilities are classified as non-current.

- c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Fair value measurement:**



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 36. Normally at initial recognition, the transaction price is the best evidence of fair value.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

Financial assets and Financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

**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. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) **Financial Assets**

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

**Investment in Subsidiaries**

Investments in subsidiaries are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. The Company remeasures its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss in Profit or Loss or other comprehensive income, as appropriate in a business combination achieved in stages as per Ind AS 103. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss

**Initial recognition and measurement**

All financial assets are recognized 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

**Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

**Financial assets measured at amortized cost**

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss in finance costs.

**Financial assets at fair value through OCI (FVTOCI)**



## BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

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Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to income statements.

#### Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of profit and loss.

#### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

#### Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

**Financial Liabilities**

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

**Initial recognition and measurement**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

**Subsequent measurement**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

**Financial Liabilities classified as Amortised Cost:**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. 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 Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

**Financial Liabilities at Fair value through profit and loss (FVTPL)**

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / 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 recognized in the statement of profit and loss.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH**

**2022**

**Offsetting of financial instruments**

Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**D) Recent accounting pronouncements**

The Ministry of Corporate Affairs (MCA) on 23<sup>rd</sup> March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to IND AS which are applicable on 1<sup>st</sup> April 2022

**Ind AS 16 - Property, Plant and equipment -**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets**

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 2 (a). Property, Plant and Equipment**

(Amount in Lacs)	
Property, plant and equipment	As at 31st March, 2021
Owned Assets	90.86
Leased Assets	539.94
<b>Total</b>	<b>630.80</b>

**NOTE 2 (a 1) : Owned Assets**

Particulars	(Amount in Lacs)										Note 2 (b) Intangibles			Total	
	Furniture and fixtures	Office equipment	Air Conditioners	Computers	Electric Fittings	Plant and equipment	Total	Trade Mark/Logo	Computer Software	Total					
<b>Gross Block</b>															
Carrying Value as at 31 March 2020	137.82	21.58	31.82	10.09	38.67	0.04	240.02	6.42	11.95	18.37					
Additions	11.06	7.31	2.79	-	3.89	-	25.04	-	-	-					
Disposals	27.85	10.43	4.48	0.15	11.01	-	53.91	-	-	-					
Carrying Value as at 31 March 2021	121.04	18.46	30.12	9.94	31.54	0.04	211.15	6.42	11.95	18.37					
Additions	2.88	0.81	0.36	2.39	1.54	0.04	6.44	0.63	-	0.63					
Disposals	10.32	0.71	1.67	12.34	30.01	-	14.27	-	-	-					
Carrying Value as at 31 March 2022	113.60	18.56	28.81	8.30	13.99	0.02	203.32	7.05	11.95	19.00					
<b>Depreciation Block</b>															
Accumulated depreciation / Amortisation as at the 31 March 2020	57.22	18.92	9.27	8.30	13.99	0.02	107.72	3.85	5.13	8.98					
Depreciation / Amortisation for the period	13.09	2.78	2.27	1.08	3.40	0.00	22.61	0.11	2.13	2.24					
Disposals	14.27	9.95	1.57	0.14	2.76	-	28.70	-	-	-					
Accumulated depreciation / Amortisation as at the 31 March 2021	56.03	11.75	9.97	9.23	14.62	0.02	101.63	3.96	7.26	11.22					
Depreciation / Amortisation for the period	12.63	2.30	2.35	0.64	3.14	0.00	21.06	0.45	2.13	2.58					
Disposals	7.74	0.71	0.68	9.87	16.70	-	112.46	4.41	9.39	13.80					
Accumulated depreciation / Amortisation as at the 31 March 2022	60.92	13.34	11.63	9.87	16.70	-	112.46	4.41	9.39	13.80					
<b>Net Block</b>															
As at 31 March 2020	80.60	2.66	22.55	1.79	24.68	0.02	132.30	2.57	6.82	9.39					
As at 31 March 2021	65.01	6.71	20.15	0.71	16.92	0.02	109.51	2.46	4.69	7.15					
As at 31 March 2022	52.68	5.22	17.18	2.47	13.31	-	90.86	2.64	2.56	5.20					





**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**NOTE 2 (a 2): Leased Assets**

Particulars	(Amount in Lacs)	
	Buildings	Total
<b>Gross Block</b>		
Carrying Value as at 31 March 2020	535.95	535.95
Additions	363.58	363.58
Disposals	-	-
Carrying Value as at 31 March 2021	899.54	899.54
Additions	228.91	228.91
Disposals	(270.85)	(270.85)
Carrying Value as at 31 March 2022	857.60	857.60
<b>Depreciation Block</b>		
Accumulated depreciation / Amortisation as at 31 March 2020	181.26	181.26
Depreciation / Amortisation for the year	228.56	228.56
Disposals		
Accumulated depreciation / Amortisation as at 31 March 2021	409.82	409.82
Depreciation / Amortisation for the year	178.69	178.69
Disposals	(270.85)	(270.85)
Accumulated depreciation / Amortisation as at the 31 March 2022	317.65	317.65
<b>Net Block</b>		
As at 31 March 2021	489.72	489.72
As at 31 March 2022	539.94	539.94

**Note:**

1. The Company has incurred Rs 19.50 Lacs ( Previous year Rs 6.87 Lacs) for the year ended 31st March, 2022 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs.230.56 Lacs (Previous year Rs 187.39) for the year ended 31st March, 2022, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 29.32 Lacs (Previous year Rs 26.92 Lacs) for the year ended 31st March,2022 (Refer Note 21).
2. The Company's leases mainly comprise of Buildings. The Company mainly leases land and buildings for its Salons.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**
**Note 3 Non-Current Investments**

Particulars	(Amount in Lacs)	
	As at 31 March 2022	As at 31 March 2021
<b>In Equity Shares (at fair value through OCI)</b>		
Unquoted Trade Equity Instruments (at fair value through OCI)		
0 (55,000) Shares of BBLUNT SPRATT HAIRDRESSING PVT LTD of Rs. 100 Each (% Holding: 50%) (Incorporated in India)	-	128.69
<b>Subsidiary Company: (At Cost)</b>		
110000 Equity Shares of BBLUNT SPRATT HAIRDRESSING PVT LTD of Rs. 100 Each	1,094.53	-
<b>Non-Trade - Unquoted - Others</b>	1.00	
Note: The Company has invested in Beauty Wellness Association India towards the corpus. These are non participative shares and normally no dividend is accrued. The Company has carried these investments at its transaction value considering it to be its fair value.		
<b>Aggregate Amount of Unquoted Investments</b>	<b>1,095.53</b>	<b>128.69</b>

**Note 4 Loans**

(Amount in Lacs)

Particulars	Non Current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Carried at Amortised cost : (Unsecured, considered good)</b>				
Security Deposits	43.66	61.58	31.50	24.97
<b>Total</b>	<b>43.66</b>	<b>61.58</b>	<b>31.50</b>	<b>24.97</b>

**Note 5 Deferred Tax Assets/(Liabilities)**

(Amount in Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
	<b>Deferred Tax Assets ;</b>	
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	19.43	18.13
- Unabsorbed Business Losses	124.59	9.55
- Accrued Expenses allowable on Actual Payments	7.04	5.09
	<b>151.06</b>	<b>32.77</b>
<b>Deferred Tax Liabilities:</b>		
- ROU Asset	(35.05)	(28.60)
- Difference in carrying value and tax base of investments measured at FVTOCI	(30.59)	(13.63)
	<b>(65.64)</b>	<b>(42.23)</b>
	<b>85.42</b>	<b>(9.47)</b>

**Note 6 Other Assets**

(Amount in Lacs)

	Non-Current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Others</b>				
Unbilled Revenue	-	-	0.36	1.82
Advance to suppliers			0.23	-
Balance with Statutory Authorities			62.82	18.61
Prepaid Expenses	5.76	5.50	6.81	8.04
	<b>5.76</b>	<b>5.50</b>	<b>70.23</b>	<b>28.47</b>



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 7 Inventories**

Particulars	(Amount in Lacs)	
	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost and net realizable value)		
Stock-in-trade	78.16	60.13
<b>Total</b>	<b>78.16</b>	<b>60.13</b>

**Note 8 Trade Receivables**

Particulars	(Amount in Lacs)	
	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Unsecured, considered good	64.14	149.05
Unsecured considered as Doubtful	-	4.96
Less: Impairment provision on Expected Credit Loss Model	-	4.96
<b>Total</b>	<b>64.14</b>	<b>149.05</b>

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

**Trade Receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment				As at 31 March 2022
	Less than 6 months	6 months -1 year	1-2 Years	More than 3 years	
Undisputed Trade receivables – considered good	61.27	2.52	0.35	-	<b>64.14</b>

Particulars	Outstanding for following periods from due date of payment				As at 31 March 2021
	Less than 6 months	6 months -1 year	1-2 Years	More than 3 years	
Undisputed Trade receivables – considered good	145.09	2.23	1.68	-	<b>149.00</b>
Undisputed Trade Receivables – credit impaired				4.96	<b>4.96</b>

**Note 9 Cash and Cash Equivalents (as per Cash Flow Statement)**

Particulars	(Amount in Lacs)	
	As at 31 March 2022	As at 31 March 2021
Balances with Banks		
- In Current accounts	561.43	433.41
Cash on Hand	3.89	1.81
<b>Total</b>	<b>565.32</b>	<b>435.22</b>

**Note 10: Bank Balances other than Cash and Cash Equivalents**

Particulars	(Amount in Lacs)	
	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than 3 months but less 12 months	5.00	105.00
<b>Total</b>	<b>5.00</b>	<b>105.00</b>

**Note 11: Other Current Financial Assets**

Particulars	(Amount in Lacs)	
	As at 31 March 2022	As at 31 March 2021
Interest Receivable	0.00	0.34
<b>Total</b>	<b>0.00</b>	<b>0.34</b>



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**
**Note 12 Provisions**

(Amount in Lacs)

Particulars	Non-Current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits	22.65	13.04	5.33	7.74
<b>Total</b>	<b>22.65</b>	<b>13.04</b>	<b>5.33</b>	<b>7.74</b>

**Note 13 Trade Payables**

Particulars	(Amount in Lacs)	
	As at 31 March 2022	As at 31 March 2021
Outstanding due of Micro and Small Enterprises	10.24	7.92
Outstanding due of Creditors other than Micro and Small Enterprises	472.90	138.94
<b>Total</b>	<b>483.15</b>	<b>146.86</b>

**Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):**

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors:

	As at 31 March 2022	As at 31 March 2021
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	10.24	7.92

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative intrest are not applicable, being NIL.

**Trade Payables aging schedule**

(Amount in Lacs)

Particulars	Outstanding for following periods from due date of payment#			As at 31 March 2022
	Less than 1 year	1-2 Years	2-3 years	
i) MSME	10.24			10.24
(ii) Others	472.90	-	-	472.90
	<b>483.15</b>	<b>-</b>	<b>-</b>	<b>483.15</b>

Particulars	Outstanding for following periods from due date of payment#			As at 31 March 2021
	Less than 1 year	1-2 Years	2-3 years	
i) MSME	7.92			7.92
(ii) Others	138.94	-	-	138.94
	<b>146.86</b>	<b>-</b>	<b>-</b>	<b>146.86</b>



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022****Note 14 Other Current Financial Liabilities**

(Amount in Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Carried at Amortised Cost :</b>		
Interest accrued but not due	-	0.01
Interest accrued and due	-	0.07
Employee Benefit Payable	96.68	17.12
Security Deposit	6.00	9.00
Refundable Deposits	-	4.64
<b>Total</b>	<b>108.53</b>	<b>30.83</b>

**Note 15 Other Liabilities**

(Amount in Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Contract Liabilities	69.98	53.41
Statutory Dues		
Withholding Taxes	52.68	9.65
Provident Fund	2.00	1.37
Others	0.21	0.14
Liabilities for expenses	15.65	5.29
<b>Total</b>	<b>140.52</b>	<b>69.87</b>

During the year ended 31st March, 2022, the Company recognised revenue of Rs. 53.41 Lacs ( Previous year Rs. 30.04 Lacs) arising from opening unearned revenue (contract liabilities).

**Movement of contract liabilities is as under ;**

Amount in Lacs

Particulars	As at 31 March 2022	As at 31 March 2021
As at beginning of the year	53.41	30.04
Recognised as revenue from contracts with customers	(170.11)	(73.21)
Advance from customers received during the year	186.68	96.58
<b>Balance at the close of the year</b>	<b>69.98</b>	<b>53.41</b>



**BH ABANI BLUNT HAIRDRESSING PRIVATE LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022****Note 16 : Revenue From Operations**

(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Sale Of Products	152.83	107.97
Sale Of Services	1,388.40	879.57
<b>Total</b>	<b>1,541.22</b>	<b>987.54</b>

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported. (Refer Note 27(F))

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Gross Sales/Revenue (Contracted Price)	1,541.22	987.54
Reductions towards variable consideration	-	-
<b>Revenue recognised</b>	<b>1,541.22</b>	<b>987.54</b>

**Note 17 : Other Income**

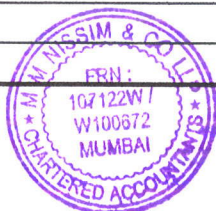
(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Forfeiture of Refundable Deposit	2.12	1.09
Sundry Balance Written Back	0.41	1.97
Interest Income	13.34	13.62
Other Income on financial assets measured at amortised cost	2.24	3.89
Excess Provision Written Back	4.96	-
Others	8.11	9.25
<b>Total</b>	<b>31.18</b>	<b>29.83</b>

**Note 18 : Purchases**

(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Purchases	252.79	118.75
<b>Total</b>	<b>252.79</b>	<b>118.75</b>



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022****Note 19: Changes in Inventories of Stock in Trade**

(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Opening Inventory	60.13	91.11
Less: Closing Inventory	78.16	60.13
<b>Total</b>	<b>(18.03)</b>	<b>30.98</b>

**Note 20 : Employee Benefits Expense**

(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and Bonus*	469.11	158.66
Contribution to Provident and Other Funds	15.60	11.03
Staff Welfare Expenses	6.32	2.33
<b>Total</b>	<b>491.02</b>	<b>172.02</b>

\*The CEO of the Company is eligible for shares under Employee Stock Option Plans of Honasa Consumer Products Limited, the Holding Company. The Company has recorded for the year ended March 31, 2022 an amount of Rs 7.18 Lacs as cost of such stock option plans with corresponding credit to Statement of Changes in Equity.

**Note 21 : Finance Costs**

(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest Expense :		
- On Compulsory Convertible Debentures	0.03	0.04
- On Lease Liabilities	30.13	26.92
<b>Total</b>	<b>30.16</b>	<b>26.96</b>

**Note 22: Depreciation and Amortisation Expenses**

(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on Property, Plant & Equipment	21.06	22.61
Depreciation on Leased Assets	178.69	228.56
Amortisation of Intangible Assets	2.58	2.24
<b>Total</b>	<b>202.32</b>	<b>253.41</b>



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022****Note 23 : Other Expenses**

(Amount in Lacs)

	Year ended 31 March 2022	Year ended 31 March 2021
Auditors' Remuneration :		
- Audit fees	3.50	3.50
- Tax Audit fees	1.00	1.00
- Fees for taxation matters	2.00	2.00
- Other matters	-	-
	<b>6.50</b>	<b>6.50</b>
Advertising and Business Promotion	10.96	8.22
Administrative Expenses	37.40	42.90
Electricity Expenses	17.05	13.51
Hairstyling and Beautician Fees	512.42	337.02
Insurance	1.61	1.93
Travelling Expenses	6.93	7.04
Rent	21.74	10.77
Rates and Taxes	6.40	17.74
Repairs and Maintenance	11.98	23.11
Printing and Stationery	2.43	1.83
Provision for Doubtful Debts	-	4.96
Credit Card Transaction Charges	7.80	5.50
Loss on Lease modification	13.73	-
Interest paid	0.12	1.14
Bank Charges	0.43	0.42
Asset Written off	4.05	19.44
Communication Expense	5.07	6.24
Legal & Professional Charges	27.15	18.78
Commission and Brokerage	30.36	20.82
Bad Debts	4.82	10.87
Donation	0.43	-
<b>Total</b>	<b>729.38</b>	<b>558.72</b>





## NOTE 24

## A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

As at 31 March 2022, the Company has only one class of equity shares and has no long term debt. Consequent to such capital structure, there are no externally imposed capital requirements. The Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

## B. Financial Risk Management

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in subsidiary and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

## i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include investments and foreign currency receivables

## Interest Rate Risks

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. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

## Foreign Currency Risks

Foreign Currency risk is not material, as the company's primary business activities are within India and does not have significant exposure in foreign currency.

## Other Price Risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. Since the Company has investment in wholly owned subsidiary which is strategic investment, the exposure to risk of changes in market rates is minimal.

## ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and Balances with Banks.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

## iii) Liquidity Risk

The principal sources of liquidity of the Company are cash and cash equivalents and the cash flow that is generated from operations. It believes that current cash and cash equivalents and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

## Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Particulars	Refer Note	Less than 1 year	More than 1 Year
Trade Payable	13	483.15	-
Previous Year		(146.86)	



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022****Note 25 : Fair Value Measurement**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

**Financial assets and liabilities measured at amortised cost**

Particulars	As at	As at
	31 March 2022	31 March 2021
Carrying Value/Fair Value		
<b>Financial Assets</b>		
Investment in wholly owned subsidiary	1,094.53	-
Other Investment	1.00	-
Security Deposits	75.16	86.55
<b>Total Financial Assets</b>	<b>1,170.69</b>	<b>86.55</b>
<b>Financial Liabilities</b>		
Lease Liabilities	601.65	530.18
Security Deposits	6.00	9.00
Refundable Deposits	5.85	4.64
<b>Total Financial Liabilities</b>	<b>613.50</b>	<b>543.82</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, other receivables, trade payables, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 26: Disclosures as per IND AS - 19 - Employee Benefits**

1) During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

Amount in Lacs

	Year Ended 31 March 2022	Year Ended 31 March 2021
i) Employer's contribution to Provident Fund	10.12	7.20

ii) Defined benefit obligation:

a) The valuation results for the defined benefit gratuity plan (Unfunded) as at 31-3-2022 are produced in the tables below:

**i) Changes in the Present Value of Obligation**

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Present Value of Obligation as at the beginning</b>	20.78	15.09
Current Service Cost	3.47	2.99
Interest Expense or Cost	1.08	0.82
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(1.40)	1.16
- experience variance (i.e. Actual experience vs assumptions)	4.70	2.77
- Demographic Assumptions	0.01	
Benefits Paid	(0.64)	(2.05)
<b>Present Value of Obligation as at the end</b>	<b>27.99</b>	<b>20.78</b>

**ii) Expenses Recognised in the Income Statement**

	Year Ended 31 March 2022	Year Ended 31 March 2021
Current Service Cost	3.47	2.99
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	1.08	0.82
<b>Expenses Recognised in the Income Statement</b>	<b>4.55</b>	<b>3.81</b>

**iii) Other Comprehensive Income**

	Year Ended 31 March 2022	Year Ended 31 March 2021
Actuarial (gains) / losses		
- change in financial assumptions	(1.40)	1.16
- experience variance (i.e. Actual experience vs assumptions)	4.70	2.77
- Demographic Assumptions	0.01	
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>3.30</b>	<b>3.93</b>

**iv) Actuarial Assumptions**

**a. Financial Assumptions**

The principal financial assumptions used in the valuation are shown in the table below:

	As at	
	31-Mar-22	31-Mar-21
Discount rate (per annum)	5.66%	5.18%
Salary growth rate (per annum)	5.00% p.a. for the next 1 years, starting from the 1st year thereafter, starting from the 3rd year	5.00% p.a. for the next 1 years, starting from the 1st year, 7.50% p.a. for next 1 years, starting from the 2nd year thereafter, starting from the 3rd year



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 26: Disclosures as per IND AS - 19 - Employee Benefits**

**b. Demographic Assumptions**

	As at	
	31-Mar-22	31-Mar-21
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on service period: (per annum)		
Up to 2 years	35.00%	35.00%
Above 3 years	25.00%	25.00%

**v) Amount, Timing and Uncertainty of Future Cash Flows**

**a. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	Year Ended 31 March 2022	Year Ended 31 March 2021
Defined Benefit Obligation (Base)	27.99	20.78

	31-Mar-22		31-Mar-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	(0.90)	0.97	0.76	(0.70)
(% change compared to base due to sensitivity)	-4.32%	4.67%	3.68%	-3.39%
Salary Growth Rate (- / + 1%)	(0.82)	0.85	(0.69)	0.73
(% change compared to base due to sensitivity)	-3.94%	4.07%	-3.32%	3.51%
Attrition Rate (- / + 50%)	0.26	(0.24)	0.24	(0.23)
(% change compared to base due to sensitivity)	1.24%	-1.17%	1.16%	-1.09%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**b. Effect of Plan on Entity's Future Cash Flows**

**- Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cash flows)

**- Expected cash flows over the next (valued on undiscounted basis):**

	31-Mar-22
1 year	5.33
2 to 5 years	16.20
6 to 10 years	8.87
More than 10 years	4.32



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 27: Other Additional Notes / Information**

A The Company has no tax liability for the year ended March 31, 2022 and March 31, 2021 and accordingly reconciliation of tax expense is not given.

**B Lease Disclosures**

Particulars	Amount in Lacs	
	31-Mar-22	31-Mar-21
<b>Maturity analysis of lease liabilities - Contractual undiscounted cash flows</b>		
Not later than 1 year	182.64	210.34
Later than 1 year and not later than 5 years	88.02	382.57

**C Related party disclosures:**

(a) Names of related parties and nature of relationship where control exists are as under:  
Holding Company:

Honasa Consumer Private Limited (From 15.03.2022)  
Godrej Consumer Products Ltd. (Upto 14.03.2022)  
STRB Holdings(Upto 14.03.2022)

Key Management Personnel:

Mrs. Adhuna Bhabani Akhtar (Upto 14.03.2022)  
Mrs. Spoorthy Shetty  
Mr Ashoke Bhabhani (Upto 14.03.2022)

Joint Venture:

Bblunt Spratt Hairdressing Pvt. Ltd. (Upto 14.03.2022)

Wholly Owned Subsidiary

Bblunt Spratt Hairdressing Pvt. Ltd. (From 15.03.2022)

b) Transactions with related parties (excluding reimbursements)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Holding Company:</b>		
Purchases	10.76	7.38
Royalty Income	54.70	39.35
Shoot Income	2.40	2.13
Rebate/Commission Income	4.32	2.03
Salon Service Income	0.58	0.90
Sales		0.04



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 27: Other Additional Notes / Information**

b) Transactions with related parties (excluding reimbursements)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Key Management Personnel:</b>		
Remuneration (Short Term Benefits)	316.94	70.69
Hairstyling and Beautician Fees	25.20	18.40
Salon Service Income	0.20	
<b>Joint Venture:</b>		
Commission	18.47	14.50
<b>Balance Outstanding as on March 31</b>		
<b>Receivables</b>		
Godrej Consumer Products Ltd.	-	29.96
<b>Payables</b>		
Godrej Consumer Products Ltd.	0.36	2.75
Mrs. Adhuna Bhabani Akhtar	2.16	-
Mrs. Spoorthy Shetty	80.34	-
Bblunt Spratt Hairdressing Pvt. Ltd.	0.01	19.81
Mr Ashoke Bhabhani	2.94	-

c) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 27: Other Additional Notes / Information**

**D Earnings Per Share**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit after taxation	(390.71)	(149.40)
Weighted Average Number of equity shares (Face Value Rs.10/-)	18,021	17,769
Earnings per share - Basic	(2,168.10)	(840.82)
Earnings per share - Diluted	(2,168.10)	(840.82)

**E Contingent Liabilities not provided for:**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Disputed Service Tax demands pending before the Appellate Authorities	2.23	2.23
Disputed Income Tax Demands pending before the appellate authorities	88.26	88.26

**F Disclosures under Ind AS 108 - "Operating Segment" :**

The Company is engaged interalia in the beauty & hair care products and services. These in the context of Ind AS - 108 - 'Operating Segment' are considered to constitute one single primary segment. The Company's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the Ind AS. Non-reportable segments has not been disclosed as unallocated reconciling item in view of its materiality. In view of the above, operating segment disclosures for business/geographical segment are not applicable to the Company.

**(i) Entity wide disclosure required by Ind AS 108 are as detailed below:**

	Year ended 31 March 2022	Year ended 31 March 2021
Sale Of Products	152.83	107.97
Sale Of Services	1,388.40	879.57
	1,541.22	987.54

**(ii) Revenue from External Customers:**

India	1,541.22	977.80
Outside India	-	9.74
	1,541.22	987.54

**(iii) Non Current Assets (other than financial instruments):**

India	685.42	673.46
Outside India		



**BHABANI BLUNT HAIRDRESSING PRIVATE LIMITED**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 27: Other Additional Notes / Information**

(iv) There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

G	Ratios	Numerator	Denominator	Year ended	Year ended
				31 March 2022	31 March 2021
(a)	Current Ratio,*	Current Assets	Current Liabilities	1.09	2.08
(b)	Debt-Equity Ratio,**	Lease Liability	Shareholder's Equity	0.41	0.59
(c)	Debt Service Coverage Ratio,***	Earning for Debt Service^	Debt service = Interest + Principal repayments of Lease Liability		
(d)	Return on Equity Ratio,***	Net Profit After Taxes	Average Shareholder's Equity	1.13	0.72
(e)	Inventory turnover ratio ***	Sales Revenue	Average Inventory	(0.33)	(0.16)
(f)	Trade Receivables turnover ratio,****		Average Trade Receivables	2.21	1.55
(g)	Trade payables turnover ratio,		Average Trade Payables	14.46	6.54
(h)	Net capital turnover ratio,*	Purchases Revenue	Working Capital	0.80	0.79
(i)	Net profit ratio, ***	Net Profit After Taxes	Revenue	20.33	2.11
(j)	Return on Capital employed,***	Earnings before interest and taxes	Capital Employed	(0.25)	(0.15)

^ Earnings for debt service = Net Profit after taxes before exceptional items+ Interest + Depreciation

\* The variation in current and Net capital ratio as at March 31, 2022 as compared to March 31, 2021 is primarily due to temporary increase in trade payables and other liabilities.

\*\* The variation in debt equity ratio is due to decrease in lease liability as at March 31, 2022 as compared to March 31, 2021

\*\*\* The Variation is due to increased revenue and increase loss due to exception item expense for the year ended March 31, 2022 and compared to March 31, 2021

\*\*\*\* The variation is due to increased revenue and better collection from debtors for the year ended March 31, 2022





**BLABANI BLUNT HAIRDRESSING PRIVATE LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**Note 27: Other Additional Notes / Information**

**H** During the year, the Company entered into Share Purchase Agreement with existing shareholders of B Blunt Spratt Hairdressing Private Limited ('Spratt') for purchase of 50% (Fifty per cent) shareholding i.e. 55,000 shares of face value of Rs. 100 Each at purchase consideration of Rs. 900 Lacs, thus making it a wholly owned subsidiary. B Blunt Spratt Hairdressing Private Limited is primarily engaged in the business of hair styling, sale of hair products and is involved in educating students in hair styling. The Company had accounted for its Investment in Associate at fair value through other comprehensive Income. On the date of acquisition of additional stake in Spratt, the fair value of previously held interest amounting to Rs. 194.53 Lacs is considered as deemed cost as per Ind AS 103. Accordingly, the cost of investment in subsidiary is shown at 1094.53 Lacs.

**I** Exceptional items represents legal and professional consultancy charges for share valuation incurred during the year

**J** In view of the unprecedented COVID-19 pandemic and economic forecasts, the Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of its assets comprising trade receivables, loans and investments. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**K** The company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial year.

**L** The Company has opted for exemption from the preparation of Consolidated Financial Statements as per Proviso to Rule 6 of Companies (Accounts) Rules, 2014.

**M** Previous year's figures have been re-grouped/re-classified to confirm to the requirements of the amended schedule III to the Companies Act, 2013 effective 01st, April 2021.

As per our report of even date attached

For M M NISSIM & CO LLP  
Chartered Accountants  
Firm Reg.No.107122W / W100672



N. Kashinath  
Partner  
Mem.No.036490  
Mumbai

Dated 24th June, 2022

For and on behalf of the Board of Directors

Varun Alagh  
Director  
DIN: 07597289  
Gurugram

Dated 24th June, 2022

Ramani Preet Sohi  
Director  
DIN: 09450611  
Gurugram

Dated 24th June, 2022