

Independent Auditors' Examination Report on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022, June 30, 2023 and June 30, 2022, the Restated Ind AS Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income/(Loss)), Restated Ind AS Consolidated Summary Statement of Changes in Equity and the Restated Ind AS Consolidated Summary Statement of Cash Flows for the years ended March 31, 2023 and March 31, 2022 and period ended June 30, 2023 and June 30, 2022 and the summary of material accounting policy information and explanatory notes; Restated Ind AS Standalone Summary Statement of Assets and Liabilities as at March 31, 2021, Restated Ind AS Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income/(Loss)), Restated Ind AS Standalone Summary Statement of Changes in Equity and the Restated Ind AS Standalone Summary Statement of Cash Flows for the year ended March 31, 2021 and the summary of material accounting policy information and explanatory notes (collectively, the 'Restated Ind AS Summary Statements').

To

The Board of Directors

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)

10th & 11th Floor, Capital Cyberscape,

Ullahwas, Sector 59, Gurugram 122 102, Haryana, India

Dear Sirs:

1. We have examined the attached Restated Ind AS Summary Statements of Honasa Consumer Limited (formerly Honasa Consumer Private Limited) (the "Company") and its subsidiaries, (the Company together with its subsidiaries hereinafter referred to as "the Group") annexed to this report and prepared by the Company for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus (collectively the "offer documents") to be filed by the Company in connection with its proposed initial public offering of equity shares of face value of Rs. 10 each (the "Offer"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on October 13, 2023 have been prepared in accordance with the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations");
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note"); and
 - d) E-mail dated June 24, 2022 received from BRLMs, which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Letter").

Management's Responsibility for the Restated Ind AS Summary Statements

2. The preparation of the Restated Ind AS Summary Statements, which are to be included in the offer documents is the responsibility of the Management of the Company. The Restated Ind AS Summary Statements have been prepared by the Management of the Company on the basis of preparation, as stated in note 1.1 to the Restated Ind AS Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Management is also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Summary Statements taking into consideration:
- a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated October 11, 2022 and addendum to our engagement letter dated October 09, 2023, requesting us to carry out the assignment, in connection with the proposed Offer of the Company;
 - b) E-mail dated June 24, 2022 received from BRLMs, which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Letter").
 - c) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI;
 - d) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Summary Statements; and
 - e) the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations and the Guidance Note in connection with the Offer.

4. The Company proposes to make an initial public offering of its equity shares of face value of Rs 10 each, which comprises a fresh issue of its equity shares and an offer for sale by certain existing shareholders, at such price arrived at by the book building process (referred to as the "Issue"), as may be decided by the Company's Board of Directors.

Restated Ind AS Summary Statements

5. These Restated Ind AS Summary Statements have been compiled by the management of the Company from:
- a) Audited Ind AS consolidated financial statements of the Group as at and for the years ended March 31, 2023 and March 31, 2022 prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable which were approved by the Board of Directors at their meeting held on July 25, 2023 and August 31, 2022 respectively;
 - b) Audited Ind AS interim consolidated financial statements of the Group as at and for the three-month period ended June 30, 2023 and June 30, 2022 prepared in accordance with Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on October 13, 2023.
 - c) Audited special purpose Ind AS standalone financial statements of the Company as at and for the year ended March 31, 2021 which were prepared by the Company after taking into the consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on December 15, 2022.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2022 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) – notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and consequently April 01, 2020 as the transition date for preparation of its statutory financial statements as at and for the year ended March 31, 2022. The financial statements as at and for the year ended March 31, 2022, were the first financial statements, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP” or “Previous GAAP”) due to which the Special purpose Ind AS standalone financial statements were prepared as per SEBI Letter.

The Special purpose Ind AS standalone financial statements as at and for the year ended March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2020) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures pursuant to the SEBI Letter.

d) The Audited Ind AS consolidated financial statements referred to in paragraph (a) and (b) above includes Financial statements and other financial information in relation to the Company’s subsidiaries, as listed below, which are audited by Other Auditors;

Name of the Entity	Relationship	Name of Audit Firm	Period audited by Other Auditors
Just4Kids Services Private Limited	Subsidiary	Sharp & Tannan	-Three-month period ended June 30, 2023 -Three-month period ended June 30, 2022 -Year ended March 31, 2023 -December 24,2021 (Date of Acquisition) to March 31, 2022
Bhabani Blunt Hairdressing Private Limited	Subsidiary	MM Nissin and Co LLP	-March 16, 2022 (Date of Acquisition) to March 31, 2022
		Sharp & Tannan	-Three-month period ended June 30, 2023 -Three-month period ended June 30, 2022 Year ended March 31, 2023
B:Blunt-Spratt Hairdressing Private Limited	Subsidiary	Shivarama Iyer & Associates	-March 16, 2022 (Date of Acquisition) to March 31, 2022
		Sharp & Tannan	-Three-month period ended June 30, 2023 -Three-month period ended June 30, 2022 -Year ended March 31, 2023
Fusion Cosmeceutics Private Limited	Subsidiary	Sharp & Tannan	-Three-month period ended June 30, 2023 -April 06, 2022 (Date of Acquisition) to June 30, 2022 -April 06, 2022 (Date of Acquisition) to March 31, 2023
Honasa Consumer General Trading LLC	Subsidiary	Shah & Alshamali Associates	-Three-month period ended June 30, 2023 -June 23, 2022 (Date of Incorporation) to March 31, 2023

6. For the purpose of our examination, we have relied on:

- a) Auditors' reports issued by us, dated July 25, 2023 and August 31, 2022 on Audited Ind AS Consolidated Financial Statements of the Group as at and for the years ended March 31, 2023 and March 31, 2022 respectively as referred in Paragraph 5(a) above.
- b) Auditors' report issued by us, dated October 13, 2023 and October 13, 2023 on the Audited Ind AS Interim Consolidated Financial Statements of the Group as at and for the three-month period ended June 30, 2023 and June 30, 2022 respectively as referred in Paragraph 5 (b) above.
- c) Auditors' report issued by us, dated December 15, 2022 on the Audited Special Purpose Ind AS Standalone Financial Statements of the Company as at and for the year ended March 31, 2021 as referred in Paragraph 5(c) above.
- d) As indicated in Paragraph 5 (d) above, we did not audit the financial statements of subsidiaries as at and for the year/period ended March 31, 2023, as at and for the period ended March 31, 2022, as at and for the period ended June 30, 2023 and as at and for the period ended June 30, 2022, whose financial statements reflect total assets, total revenues and net cash inflows / (outflows) (without giving effect to elimination of the intercompany transactions), as tabulated below and included in the Restated Ind AS Summary Statements:

(Rs. in millions)			
As at and for the year/period ended	Total assets of subsidiaries	Total revenue of subsidiaries	Net cash inflow/ (outflow) of subsidiaries
March 31, 2023	941.25	1,016.08	(25.35)
March 31, 2022	675.15	119.09	(11.65)
June 30, 2023	891.43	383.49	33.56
June 30, 2022	994.21	203.27	(44.96)

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5 above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the financial statements referred to in Para 5(a) and 5(b) above are based solely on the report of other auditors. Further, of these subsidiaries, one of the subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditor under generally accepted auditing standards in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

7. (a) The audit report on Special purpose Ind AS standalone financial statements of the Company as at and for the year ended March 31, 2021 referred to in paragraph 6(c) above included the following emphasis of matter which did not require any corrections (included in Annexure VII in the attached Restated Ind AS Summary Statements):

“Emphasis of matter – Basis of preparation and restriction of use

We draw attention to Note 1.1 to the Special Purpose Ind AS standalone financial statements, which describes the basis of preparation of these Special Purpose Ind AS standalone financial statements which states that these Special Purpose Ind AS standalone financial statements have been prepared to comply with E-mail dated June 24, 2022 received from BRLMs, which confirms that the Company should prepare these financial statements in accordance with Indian Accounting Standards (Ind AS) and that these are required based on email dated October 28, 2021 from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India (“SEBI Letter”). Accordingly, the Special Purpose Ind AS standalone financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter.

(b) The auditors’ report on the Indian GAAP financial statements referred to in paragraph 5(c) above included qualifications on matters included in our report on the Companies (Auditor’s Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act as at and for the year ended March 31, 2021 which did not require any corrections (included in Annexure VII in the attached Restated Ind AS Summary Statements).

8. In respect of examination performed by Other Auditors:

a) Examination report received from Other Auditors relates to the audits of the Company’s subsidiaries, as mentioned in Annexure A as at and for the year/period ended March 31, 2023, as at and for the period ended March 31, 2022, as at and for the three-month period ended June 30, 2023 and as at and for the period ended June 30, 2022 and accordingly reliance has been placed on the examination report on the restated Ind AS summary statement of assets and liabilities and the restated Ind AS summary statements of profit and loss (including other comprehensive income/(loss)), restated Ind AS summary statements of changes in equity and restated Ind AS summary statement of cash flow, the summary statement of material accounting policy information, and other explanatory information (the “Restated Financial Information”) examined by them for the said year/periods. Our opinion on the Restated Ind AS Summary Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the examination reports of the Other Auditors. The Other Auditors have confirmed that the Restated Financial Information:

- (i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively for the year/period ended March 31, 2023, period ended March 31, 2022 and three-month period ended June 30, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three -month period ended June 30, 2023.
- (ii) do not contain any qualifications requiring adjustments; and
- (iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. Based on our examination and according to the information and explanations given to us as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and as at and for the three-month period ended June 30, 2023 and three-month period ended June 30, 2022 and also as per the reliance placed on the examination reports submitted by Other Auditors as at and for the year/period ended March 31, 2023, as at and for the period ended March 31, 2022, as at and for the three-month period ended June 30, 2023 and as at and for the three-month period ended June 30, 2022 in respect of the Company's subsidiaries, we report that Restated Ind AS Summary Statements:

- i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and three-month period ended June 30, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three-month period ended June 30, 2023;
- ii. There are no qualifications in the auditors' reports on the Audited Ind AS consolidated financial statements of the Group as at and for the year ended March 31, 2023, March 31, 2022 and on the Audited special purpose Ind AS standalone financial statements of the Company as at and for the year ended March 31, 2021 and Audited Ind AS interim consolidated financial statements of the Group as at and for the three-month period ended June 30, 2023 and as at and for the three-month period ended June 30, 2022, which require any adjustments to the Restated Ind AS Summary Statements.

However, items relating to emphasis of matter, as referred to in paragraph 7(a) above and those qualifications on matters included in our report on the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act as at and for the year ended March 31, 2021, as referred to in paragraph 7(a) above, which do not require any corrective adjustments in the Restated Ind AS Summary Statements, have been disclosed in Annexure VII to the Restated Ind AS Summary Statements; and

- iii. Have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and the SEBI Letter.
10. We have not audited any financial statements of the Group as of any date or for any period subsequent to June 30, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to June 30, 2023.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. The Restated Ind AS Summary Statements do not reflect the effects of events that occurred subsequent to the audited Ind AS interim consolidated financial statements mentioned in paragraph 5(b) above.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the offer documents to be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, India, Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited, in connection with the Offer. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S.R. Batliboi & Associates, LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar

Partner

Membership Number: 213803

UDIN: 23213803BGXAOC8255

Place: Bengaluru

Date: October 13, 2023

Annexure A

List of subsidiaries where Other Auditors have issued their examination reports

Subsidiaries not audited by us

Sl. No	Name of the subsidiary	Name of the other auditor	Period covered
1	Just4Kids Services Private Limited	Sharp & Tannan	- Year ended March 31, 2023 -Three-month period ended June 30, 2023 -Three-month period ended June 30, 2022 -December 24, 2021 (Date of Acquisition) to March 31, 2022
2	Bhabani Blunt Hairdressing Private Limited	Sharp & Tannan	-Year ended March 31, 2023 -Three-month period ended June 30, 2023 -Three-month period ended June 30, 2022 -March 16, 2022 (Date of Acquisition) to March 31, 2022,
3	B:Blunt-Spratt Hairdressing Private Limited	Sharp & Tannan	-Year ended March 31, 2023 -Three-month period ended June 30, 2023 -Three-month period ended June 30, 2022 -March 16,2022 (Date of Acquisition) to March 31, 2022,
4	Fusion Cosmeceutics Private Limited	Sharp & Tannan	-Period ended March 31, 2023 -Three-month period ended June 30, 2023 -April 06, 2022 (Date of Acquisition) to June 30, 2022
5	Honasa Consumer General Trading LLC	Shah & Alshamali Associates	-June 23, 2022 (Date of Incorporation) to March 31, 2023 -Three-month period ended June 30, 2023