

Honasa Consumer Private Limited

Notes to the financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees, except as otherwise stated)

7. Provisions

	Long-term		Short-term	
	March 31, 2021 (Rs)	March 31, 2020 (Rs)	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Provision for employee benefits				
Provision for gratuity (Refer note 27)	95,46,949	32,37,161	38,576	-
Provision for leave benefits	-	-	94,21,313	25,69,902
Other provisions				
Provision for customer credits	-	-	1,18,09,985	31,10,528
	<u>95,46,949</u>	<u>32,37,161</u>	<u>2,12,69,874</u>	<u>56,80,430</u>

8. Trade payables

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Total outstanding dues of micro enterprises and small enterprises*	12,13,09,071	7,69,71,611
Total outstanding dues of creditors other than micro enterprises and small enterprises	68,20,94,939	14,20,58,501
	<u>80,34,04,010</u>	<u>21,90,30,112</u>

*Refer note 35 for details of dues to micro and small enterprises

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Honasa Consumer Private Limited

Notes to the financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees, except as otherwise stated)

10. Loans and advances (unsecured, considered good)	Long-term		Short-term	
	March 31, 2021 (Rs)	March 31, 2020 (Rs)	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Security deposit	1,66,96,000	51,51,000	2,81,000	13,63,500
Advances recoverable in cash or kind				
Advance to suppliers	-	-	6,83,54,048	1,40,31,405
Advance to employees	-	-	65,04,415	-
Other loans and advances				
Prepaid expenses	-	-	1,86,32,704	4,40,432
Balance with statutory/government authorities	-	-	5,17,43,158	2,38,17,218
Advance income tax (net)	15,23,520	5,71,275	-	-
	1,82,19,520	57,22,275	14,55,15,325	3,96,52,555

11. Deferred tax assets (Net)

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,01,86,385	-
Property, plant and equipment: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortization charged for the financial reporting	9,32,997	-
Gross deferred tax assets	1,11,19,382	-
Net deferred tax assets	1,11,54,517	-

*The Company has recognized deferred tax asset (DTA) on the basis of differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates.



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Honasa Consumer Private Limited

Notes to the financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees, except as otherwise stated)

12. Current investments

(Valued at lower of cost and fair value, unless stated otherwise)

Quoted mutual funds

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Kotak Money Market Fund Direct - Growth 12,005 units of Rs 3,268.6839 each (March 31, 2020: 15,297 units of Rs 3,268.6148 each)	3,92,40,550	5,00,00,000
UTI MMMF Direct - Growth 1,675 units of Rs 2,238.1763 each (March 31, 2020: 26,806 units of Rs 2,238.3049 each)	37,48,945	6,00,00,000
Aditya Birla SL Savings Direct - Ultra Short term 143,477 units of Rs 395.4271 each (March 31, 2020: 143,477 units of Rs 395.4271 each)	5,67,34,689	5,67,34,689
SBI Magnum Ultra Short Duration Direct - Growth 16,781 units of Rs 4,469.3403 each (March 31, 2020: 13,578 units of Rs 4,418.9129 each)	7,50,00,000	6,00,00,000
IDFC Banking and PSU Debt Fun - Direct Plan - Growth 6,089,294 units of Rs 16.8328 each (March 31, 2020: 6,089,294 units of Rs 16.8328 each)	10,25,00,000	10,25,00,000
HDFC Corporate Bond Direct - Growth 4,446,936.70 units of Rs 22.5053 each (March 31, 2020: 4,446,936.70 units of Rs 22.5053 each)	10,00,79,645	10,00,79,645
ICICI Prudential Corporate Bond Direct - Growth 7,098,408 units of Rs 21.1315 each (March 31, 2020: 7,098,408 units of Rs 21.1315 each)	15,00,00,000	15,00,00,000
DSP Short Term Direct - Growth 3,685,984 units of Rs 35.2830 each (March 31, 2020: 3,685,984 units of Rs 35.2830 each)	13,00,52,578	13,00,52,578
HDFC Short Term Debt Direct - Growth 2,011,797 units of Rs 24.8534 each (March 31, 2020: 4,464,425 units of Rs 22.3993 each)	5,00,00,000	10,00,00,000
IDFC Bond ShortTerm Direct - Growth 2,354,846 units of Rs 42.4879 each (March 31, 2020: 2,354,846 units of Rs 42.4879 each)	10,00,52,442	10,00,52,442
Kotak Bond Short-term Direct - Growth 2,550,009 units of Rs 39.2727 each (March 31, 2020: 2,550,009 units of Rs 39.2727)	10,01,45,731	10,01,45,731
Tata Short Term Bond Direct-Growth 1,114,192 units of Rs 40.3880 each (March 31, 2020: Nil)	4,50,00,000	-
HDFC Money Market Direct-Growth 24,238 units of Rs 4,317.8459 each (March 31, 2020: Nil)	10,46,55,949	-
HDFC Ultra Short Term Fund Direct-Growth 4,341,031 units of Rs 11.5180 each (March 31, 2020: Nil)	5,00,00,000	-
Axis Banking & PSU Debt Direct-Growth 12,250 units of Rs 2,040.8163 each (March 31, 2020: Nil)	2,50,00,000	-
Kotak Banking and PSU Debt Direct-Growth 774,560 units of Rs 51.6422 each (March 31, 2020: Nil)	4,00,00,000	-
Kotak Corporate Bond Direct-Growth 10,038 units of Rs 2,988.6432 each (March 31, 2020: Nil)	3,00,00,000	-
L&T Triple Ace Bond Direct-Growth 1,330,969 units of Rs 60.1066 each (March 31, 2020: Nil)	8,00,00,000	-
Axis Treasury Advantage Direct-Growth 816 units of Rs 2,403.5477 each (March 31, 2020: Nil)	19,61,295	-
ICICI Pru Short Term Direct-Growth 206,717 units of Rs 48.3753 each (March 31, 2020: Nil)	1,00,00,000	-
Bharat Bond FOF - April 2025 Direct-Growth 4,710,982 units of Rs 10.2951 each (March 31, 2020: Nil)	4,85,00,000	-
Bharat Bond FOF - April 2030 Direct-G 4,620,515 units of Rs 10.8213 each (March 31, 2020: Nil)	5,00,00,000	-
India Grid Trust Invit Fund - Perpetual 146,286 units of Rs 1,004,876.5393 each (March 31, 2020: Nil)	1,99,73,786	-
UTI Liquid Cash Direct - Growth Nil (March 31, 2020: 7,789 units of Rs 3,209.6546 each)	-	2,50,00,000



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(All amounts in Indian Rupees, except as otherwise stated)

Quoted Other Investments

Muthoot Fincorp Limited - Market Linked Debenture - Non Convertible 130 units of Rs 1,004,876.6923 each (March 31, 2020: Nil)	13,06,33,970	-
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Unquoted Other Investments

CFSL Commercial Paper Nil (March 31, 2020: 400 units of Rs 460,928.4225 each)	1,54,32,79,580	1,03,45,65,085
	-	18,43,71,369
	-	18,43,71,369

Provision for diminution in value of investments (Refer note 24)	(11,15,663)	-
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	1,54,21,63,917	1,21,89,36,454
Aggregate amount of quoted investments at cost	1,54,32,79,580	1,03,45,65,085
Aggregate amount of quoted investments at fair market value	1,64,42,56,414	1,05,89,04,320

13. Inventories (Valued at lower of cost and net realizable value)

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Traded goods (including goods in transit of Rs 8,334,552 (March 31, 2020: Rs. 4,744,216))	41,34,73,655	13,67,11,147
	41,34,73,655	13,67,11,147

14. Trade receivables

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Outstanding for period exceeding 6 months from the date they are due for payment		
Unsecured, considered good	-	-
Doubtful	50,22,258	20,44,619
	50,22,258	20,44,619
Less: Provision for doubtful debts	(50,22,258)	(20,44,619)
	-	-
Other receivables		
Unsecured, considered good	33,84,26,834	10,60,57,685
	33,84,26,834	10,60,57,685

15. Cash and bank balances

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Cash and cash equivalents		
Balances with banks		
On current accounts	9,72,39,787	1,90,52,811
Cash on hand	3,52,320	1,11,674
	9,75,92,107	1,91,64,485
Other bank balances		
Deposits with remaining maturity for less than 12 months	10,99,51,718	24,50,00,000
Deposits with remaining maturity for more than 12 months	5,32,71,531	-
Less: Amount disclosed under other non-current assets (refer note 16)	(5,32,71,531)	-
	10,99,51,718	24,50,00,000
	20,75,43,825	26,41,64,485

16. Other assets

	Non-current		Current	
	March 31, 2021 (Rs)	March 31, 2020 (Rs)	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Interest accrued	-	-	11,09,200	64,82,898
Deposits with remaining maturity for more than 12 months (refer note 15)*	5,32,71,531	-	-	-
	5,32,71,531	-	11,09,200	64,82,898

*Includes an amount of Rs 14,271,530 secured against bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on finance lease.



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Notes to the financial statements for the year ended March 31, 2021

(All amounts in Indian Rupees, except as otherwise stated)

9(a). Property, plant and equipment

Rs

	Leasehold Improvements	Computer & peripherals*	Furniture & fixtures	Office equipments	Plant and machinery	Total
Cost or valuation						
At April 01, 2019	21,01,525	5,86,863	2,59,200	3,64,799	1,47,251	34,59,638
Additions	-	22,60,805	14,24,372	8,36,793	95,000	46,16,970
Disposals	-	-	-	-	-	-
At March 31, 2020	21,01,525	28,47,668	16,83,572	12,01,592	2,42,251	80,76,608
Additions	-	1,20,37,472	23,26,127	24,13,729	53,27,500	2,21,04,828
Disposals	-	15,28,202	-	-	-	15,28,202
At March 31, 2021	21,01,525	1,33,56,938	40,09,699	36,15,321	55,69,751	2,86,53,234
Accumulated Depreciation						
At April 01, 2019	4,69,836	2,16,074	30,602	1,00,915	12,931	8,30,358
Additions	16,31,689	9,08,226	2,26,018	2,70,774	54,413	30,91,120
Charge for the year	-	-	-	-	-	-
At March 31, 2020	21,01,525	11,24,300	2,56,620	3,71,689	67,344	39,21,478
Charge for the year	-	24,29,664	6,06,497	8,87,096	7,79,256	47,02,513
Disposals	-	8,02,080	-	-	-	8,02,080
At March 31, 2021	21,01,525	27,51,884	8,63,117	12,58,785	8,46,600	78,21,911
Net book value						
At March 31, 2020	-	17,23,368	14,26,952	8,29,903	1,74,907	41,55,130
At March 31, 2021	-	1,06,05,054	31,46,582	23,56,536	47,23,151	2,08,31,323

*Computer & peripherals include laptops taken on finance lease:

Gross Block Rs 11,295,947 (March 31, 2020: Nil)

Depreciation charge for the year Rs 1,741,333 (March 31, 2020: Nil)

Accumulated depreciation Rs 1,741,333 (March 31, 2020: Nil)

Net book value Rs 9,554,614 (March 31, 2020: Nil)

9(b). Intangible assets

Rs

	Trademarks	Total
Cost or valuation		
At April 01, 2019	45,000	45,000
Additions	-	-
Disposals	-	-
At March 31, 2020	45,000	45,000
Additions	-	-
Disposals	-	-
At March 31, 2021	45,000	45,000
Amortization		
At April 01, 2019	27,000	27,000
Charge for the year	9,000	9,000
Disposals	-	-
At March 31, 2020	36,000	36,000
Charge for the year	9,000	9,000
Disposals	-	-
At March 31, 2021	45,000	45,000
Net book value		
At March 31, 2020	9,000	9,000
At March 31, 2021	-	-



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Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees, except as otherwise stated)

17. Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
	(Rs)	(Rs)
Revenue from sale of products		
Traded goods*	4,60,85,94,986	1,09,78,41,731
	4,60,85,94,986	1,09,78,41,731

*Sale of traded goods comprise of only sale of personal care products and hence no additional disclosures are given in this regard.

18. Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
	(Rs)	(Rs)
Net gain on sale of current investments	2,22,06,851	1,48,85,207
Interest income on fixed deposits	1,91,34,248	69,31,990
Foreign exchange gain (net)	17,58,134	-
Miscellaneous income	11,17,055	-
Provision no longer required written back	-	4,66,819
	4,42,16,288	2,22,84,016

19. Purchases of traded goods

	For the year ended March 31, 2021	For the year ended March 31, 2020
	(Rs)	(Rs)
Purchases (traded goods)*	1,60,77,70,889	50,54,85,141
	1,60,77,70,889	50,54,85,141

*Purchase of traded goods represents personal care products.

20. (Increase) in inventories of traded goods

	For the year ended March 31, 2021	For the year ended March 31, 2020
	(Rs)	(Rs)
Inventories of traded goods at the beginning of the year*	13,67,11,147	1,40,30,405
Inventories of traded goods at the end of the year*	(41,34,73,855)	(13,67,11,147)
	(27,67,62,508)	(12,26,80,742)

*Inventories of traded goods represents personal care products.

21. Employee benefits expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
	(Rs)	(Rs)
Salaries, wages and bonus	21,56,88,977	7,55,55,731
Contribution to provident and other funds	48,78,582	22,26,718
Staff welfare expenses	90,18,131	23,64,979
Gratuity expenses (Refer note 27)	63,48,364	25,48,883
Employee stock compensation expense (Refer note 30)	4,22,40,121	24,37,253
	27,81,74,175	8,51,31,564



Honasa Consumer Private Limited

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(All amounts in Indian Rupees, except as otherwise stated)

22. Finance costs

	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Interest:		
Bank overdraft	-	1,016
Others	12,22,908	2,18,888
Bank charges	5,44,050	45,906
	<u>17,66,958</u>	<u>2,65,810</u>

23. Depreciation and amortization expenses

	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Depreciation of property, plant and equipment	47,02,513	30,91,120
Amortization of intangible assets	9,000	9,000
	<u>47,11,513</u>	<u>31,00,120</u>

24. Other expenses

	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Contract labour charges	5,94,11,006	80,73,962
Power and fuel	7,97,241	2,59,377
Freight and forwarding charges	54,35,33,674	15,02,00,921
Rent	1,97,90,201	76,62,860
Packaging materials and other consumables	8,37,28,171	-
Rates and taxes	9,30,241	13,67,986
Insurance expenses	9,96,285	3,31,423
Repairs and maintenance	35,57,597	31,04,123
Advertising and sales promotion	1,78,80,76,914	45,84,29,323
Sales commission	13,42,93,934	3,40,38,635
Travelling and conveyance	90,68,727	80,87,768
Communication costs	10,42,397	4,01,049
Printing and stationery	7,70,435	7,58,281
Legal and professional fees	2,82,44,159	1,36,37,749
Software support expenses	4,82,77,545	1,32,88,735
Payment to auditor*	22,05,132	10,47,812
Foreign exchange loss (net)	-	41,112
Provision for doubtful debts	29,77,639	9,25,242
Payment gateway charges	1,13,69,848	60,13,645
Loss on sale of property, plant and equipment	1,20,300	-
Provision for diminution in value of investments	11,15,663	-
Miscellaneous expenses	1,86,110	3,48,656
	<u>2,74,04,93,220</u>	<u>70,60,18,659</u>

*Payment to auditor

	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Statutory audit fee (excluding goods and services tax)	22,00,000	10,00,000
Reimbursement of expenses (excluding goods and services tax)	5,132	47,812
	<u>22,05,132</u>	<u>10,47,812</u>



25. Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2021: Nil (March 31, 2020: Nil).

(b) For commitments relating to lease arrangements refer note 26.

(c) The holders of all classes of NCCCPS are entitled to call all or part of the securities held by them at valuations prescribed in the shareholders agreement, in the event the Company and the promoters fail to complete either qualified public offer or strategic sale or buyback within the exit period or material breach of the transaction documents by the promoters or the Company, subject to certain conditions prescribed in the shareholders agreement. The Company is confident that it will be able to create an exit for all classes of NCCCPS shareholders by either qualified public offer or strategic sale or buyback in near future and accordingly no provision is required in this regard.

(d) The Company has entered into a celebrity endorsement agreement ('Agreement') dated April 4th, 2018 with Shilpa Shetty Kundra ('Celebrity') and an addendum to the Agreement dated May 30th, 2020. As per the addendum, the celebrity is entitled to Rs. 10,000,000 as fixed remuneration for 1 year from May 30th, 2020 to May 29th, 2021 and additionally Rs 1,000,000 for each of the two workdays of the celebrity. Accordingly, the Company has accounted for the cost over the period of the agreement. As per the agreement, the company would issue to the celebrity a warrant certificate of Rs 10,000,000 on completion of the agreement. The celebrity at her sole discretion shall be entitled to exercise the warrant on expiry of the term of the agreement or on earlier termination of the agreement. Accordingly, the warrant has not yet been exercised and hence no accounting is required to be done as at March 31, 2021.

(e) Contingent Liabilities

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
i) Claims against the Company not acknowledged as debts*	-	-
ii) Bank guarantee**	1,42,71,530	-
	1,42,71,530	-

*The Company has certain disputes, lawsuits and claims, which arise in from time to time in the ordinary course of business. The Company believes that these matters are not expected to have material impact on its financial statements.

**Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on finance lease.

26. Leases

Operating lease : Company as a lessee

Office and other premises taken on lease

The Company has occupied office facilities and other premises under non-cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under non-cancellable operating leases was Rs. 11,260,743 for the year ended March 31, 2021 (for the year ended March 31, 2020 Rs. 2,369,444).

The total future minimum lease payments under the non-cancellable leases are as follows:

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Within one year	4,11,00,000	3,89,813
After one year but not more than 5 years	5,28,57,500	-
	9,39,57,500	3,89,813

The Company has also occupied office facilities and other premises under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases was Rs. 8,529,458 for the year ended March 31, 2021 (for the year ended March 31, 2020: Rs. 5,293,516). Office and other premises are obtained on operating lease for terms ranging from 1-5 years and are renewable at the option of the Company or lessor.

Finance lease : Company as a lessee

Computers & Peripherals taken on lease

The Company has finance leases for computer equipment. These leases have terms of renewal and bargain purchase option. However, there is no escalation clause. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

Period	March 31, 2021		March 31, 2020	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	42,72,561	38,88,850	-	-
After one year but not more than five years	61,17,544	50,45,964	-	-
Total minimum lease payments	1,03,90,105	89,34,814	-	-
Less: amounts representing finance charges	(14,55,292)	-	-	-
Present value of minimum lease payments	89,34,814	89,34,814	-	-

27. Employee benefits

The Company operates a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The principal assumptions used in determining gratuity and leave benefit obligations for the Company's plan are as follows:

	March 31, 2021	March 31, 2020
Discount rate	6.76%	6.76%
Salary escalation rate	10.00%	10.00%
Employee turnover	10.00%	10.00%
Retirement age	60	60

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, retention policy, standing of the Company, promotion and other relevant factors, such as supply and demand in the employment market.



Statement of profit and loss

Net employee benefit expense recognized in the employee benefits expense

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Current service cost	62,43,514	22,80,167
Interest cost on benefit obligation	2,18,832	52,875
Expected return on plan assets	-	-
Net actuarial gain recognized in the year	(1,13,982)	2,13,841
Net benefit expense	63,48,364	25,46,883

Balance sheet

Benefit asset/ (liability)

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Present value of defined benefit obligation	(95,85,525)	(32,37,161)
Fair value of plan assets	-	-
Plan asset / (liability)	(95,85,525)	(32,37,161)

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Opening defined benefit obligation	32,37,161	6,90,278
Current service cost	62,43,514	22,80,167
Interest cost	2,18,832	52,875
Benefits paid	-	-
Actuarial gains on obligation	(1,13,982)	2,13,841
Closing defined benefit obligation	95,85,525	32,37,161

Amounts for the current and previous two periods are as follows:

	March 31, 2021 (Rs)	March 31, 2020 (Rs)	March 31, 2019 (Rs)
Defined benefit obligation	(95,85,525)	(32,37,161)	(6,90,278)
Plan assets	-	-	-
Deficit	(95,85,525)	(32,37,161)	(6,90,278)
Experience adjustments on plan liabilities	(1,13,982)	2,13,841	-
Experience adjustments on plan assets	-	-	-

28. Earnings/(Loss) per share

Particulars	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Profit/(Loss) after tax (A)	24,59,18,744	(5,91,94,805)
Weighted average number of equity shares used for calculation of basic earnings per share		
Equity shares of Rs. 10 each (B)	10,210	10,200
Equity shares of Rs. 100 each (C)	2,900	2,900
Potentially dilutive shares		
Equity shares of Rs. 10 each (D)	11,805	-
Equity shares of Rs. 100 each (E)	-	-
Weighted average number of equity shares used for calculation of diluted earnings per share		
Equity shares of Rs. 10 each (F=B+D)	22,015	10,200
Equity shares of Rs. 100 each (G=C+E)	2,900	2,900
Profit/(Loss) for computing Basic and Diluted earnings/(Loss) per share		
Profit/(Loss) for equity shares of Rs 10 each (H)	19,15,20,242	(4,36,69,145)
Profit/(Loss) for equity shares of Rs 100 each (I)	5,43,98,502	(1,24,15,132)
Basic earnings/(loss) per share		
Equity shares of Rs. 10 each (H/B)	18,758	(4,281)
Equity shares of Rs. 100 each (I/C)	18,758	(4,281)
Diluted earnings/(loss) per share		
Equity shares of Rs. 10 each (H/F)	8,699	(4,281)
Equity shares of Rs. 100 each (I/G)	18,758	(4,281)

Weighted average number of equity shares (basic)

Particulars	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Opening balances	13,107	13,100
Shares issued during the year	18	7
Weighted average number of equity shares for the year	13,110	13,100

Weighted average number of equity shares (diluted)

Particulars	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Weighted average number of equity shares (basic)	13,110	13,100
Effect of exercise of share option	333	-
Effect of convertible preference shares	11,472	-
Weighted average number of equity shares (diluted) for the year	24,915	13,100



29. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Investing party in respect of which the respective investors exercise significant influence over the reporting enterprise

Fireside Ventures Investment Fund-I

SCI Investments VI
Stellaris Venture Partners
Sofina Ventures S.A.

Related parties with whom transactions have taken place during the year

Key management personnel

Executive directors

Varun Alagh
Ghazal Alagh

Relatives of Key management personnel

Mukesh Alagh

a) **The following table is the summary of significant transactions with related parties by the Company:**

Particulars	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Reimbursement of expenses		
Varun Alagh	1,54,191	17,38,042
Ghazal Alagh	1,28,000	1,27,283
Mukesh Alagh	-	32,702
	2,82,191	18,98,027
Sale of traded goods		
Varun Alagh	999	1,745
Ghazal Alagh	5,115	2,196
Mukesh Alagh	-	1,716
	6,114	5,657
Rent		
Mukesh Alagh	-	9,90,000

b) **The balances receivable from and payable to related parties are as follows :**

Particulars	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Expense payable		
Varun Alagh	43,194	42,225
Ghazal Alagh	-	17,407
	43,194	59,632
Amount Receivable		
Ghazal Alagh	15,000	-
Sofina Ventures S A	2,62,610	-
	2,77,610	-
Employee benefits payable*		
Varun Alagh	5,41,067	3,48,140
Ghazal Alagh	4,01,334	1,58,438
	9,42,401	5,06,578

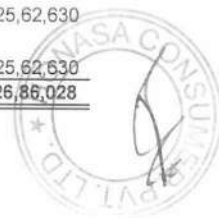
c) **Managerial remuneration* :**

Particulars	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Salary, wages and bonus		
Varun Alagh	63,93,409	40,11,403
Ghazal Alagh	39,43,402	25,86,403
	1,03,36,811	65,97,806

*As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.

d) **Issue of Share Capital:**

Particulars	For the year ended March 31, 2021 (Rs)	For the year ended March 31, 2020 (Rs)
Issued, subscribed and fully paid-up shares (including securities premium)		
SCI Investments VI		
Nil (March 31, 2020 : 3,346) 0.001% Class D NCCCPs of Rs. 10/- each	-	1,03,75,60,768
Fireside Ventures Investment Fund-I		
Nil (March 31, 2020 : 363) 0.001% Class D NCCCPs of Rs. 10/- each	-	11,25,62,630
Stellaris Venture Partners		
Nil (March 31, 2020 : 363) 0.001% Class D NCCCPs of Rs. 10/- each	-	11,25,62,630
	-	1,26,26,86,028



30. Employee stock option plan

The Company provides share-based payment schemes to its employees. The Company has adopted the Guidance Note issued by the Institute of Chartered Accountants of India w.e.f September 25, 2017 for accounting of ESOP scheme.

On August 02, 2018, the Board of Directors approved the equity settled "Honasa Consumer Private Limited Employees Stock Option Plan 2018" for issue of stock options to various employees of the Company. According to the scheme, the employees will be entitled to options, subject to their continued employment with the Company. There would be graded vesting on annual basis for the next 4 years. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the resignation of the employee. The other relevant terms of the grant are as below:

Particulars	March 31, 2021	March 31, 2020
Vesting period	4 years	4 years
Grant dates	Various	Various
Exercise period	Till the resignation of the employee	Till the resignation of the employee
Exercise price	Rs. 25,889, Rs. 54,522 and 263,566	Rs. 25,889, Rs. 54,522 and 263,566
Intrinsic value on date of grant	Rs. 25,889, Rs. 54,522, Rs 263,566, Rs. 869,248 and Rs. 1,054,529	Rs. 25,889, Rs. 54,522 and 263,566

* In the absence of fair value report on the date of grant of ESOP's, the fair value used for issue of NCCPS have been considered as intrinsic value.

Particulars	March 31, 2021		March 31, 2020	
	No. of options	WAEP (Rs)	No. of options	WAEP (Rs)
Outstanding at the beginning of the year	279	1,16,143	167	51,264
Granted during the year	168	2,63,566	140	1,81,232
Forfeited during the year	-	-	21	54,512
Exercised during the year	18	49,742	7	54,512
Outstanding at the end of the year	429	1,76,662	279	1,16,143
Exercisable at the end of the year	75	1,05,156	42	49,383

The Company measures the cost of ESOP using the intrinsic value method as per the Guidance note issued by the Institute of Chartered Accountants of India. In the absence of fair value details for such ESOP's, the management has not made disclosure of impact of using fair value model for computing such costs on loss before tax and loss per share.

31. Value of imports calculated on CIF basis

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Purchases of traded goods	-	-
	-	-

32. Earnings in foreign currency

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Sale of products	8,22,69,598	86,22,684
	8,22,69,598	86,22,684

33. Expenditure in foreign currency (on accrual basis):

	March 31, 2021 (Rs)	March 31, 2020 (Rs)
Software support expenses	42,92,744	6,53,170
Travelling and conveyance	26,467	2,67,943
Advertising and sales promotion	2,53,55,924	34,93,525
Sales commission	-	10,88,895
Freight and forwarding charges	12,75,080	17,70,368
	3,09,50,215	72,73,901



34. Unhedged foreign currency exposure

		March 31, 2021		March 31, 2020	
		FC Value	(Rs)	FC Value	(Rs)
Trade payable	-AED	12,09,850	2,41,36,508	-	-
	-USD	691	50,770	-	-
Trade receivable	-AED	11,22,265	2,24,34,073	-	-
	-USD	2,19,372	1,61,24,873	3,083	2,32,370
Advance from customers	-GBP	2,884	2,71,531	-	-
	-USD	940	69,058	-	-
Advance to Suppliers	-AED	40,000	7,98,000	-	-
Cash in hand	-AED	670	13,364	-	-
		25,96,671	6,38,98,176	3,083	2,32,370

35. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Disclosure of dues/ payments to micro and small enterprises as envisaged under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) to the extent such enterprises are identified by the Company:

Particulars	March 31, 2021 (Rs)	March 31, 2020 (Rs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	12,03,61,360	7,68,76,497
Interest due on above	8,52,597	40,181
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	8,52,597	40,181
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	9,47,711	95,114

Note: The above information has been determined based on the vendors identified by the Company and confirmed by the vendors.

36. The Code on Social Security, 2020 (the "Code") relating to employee benefits during employment and post-employment benefits, received President's assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact accordingly.


37. The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets including property, plant and equipment, intangible assets, loans, inventories and receivables. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of its assets. The impact of the 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 its assessment of economic impact of COVID- 19 pandemic.

38. The figures of the previous period have been regrouped/ reclassified, wherever necessary, to conform with the current year classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no. 213803
Place: Bengaluru, India
Date: September 16, 2021



For and on behalf of the Board of Directors of
Honasa Consumer Private Limited

For HONASA CONSUMER PRIVATE LIMITED
Varun Alagh
Director
DIN: 07597289
Place: New Delhi, India
Date: September 16, 2021

Ghazal Alagh
Director
DIN: 07608292
Place: New Delhi, India
Date: September 16, 2021