HONASA CONSUMER PRIVATE LIMITED

ANNUAL REPORT – 2021-2022

NOTICE

NOTICE is hereby given that the 06th Annual General Meeting of the Members of the Company will be held on Friday, the 30th Day of September2022 at the Registered office of the Company at 432, 4^{th} Floor, Somdutt Chamber 2, Bhikaji Cama Place, New Delhi South Delhi – 110066, India, to transact the following business:

ORDINARY BUSINESS:

Item Number 01: To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the year ended on March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.

To consider and adopt the Audited financial statements (Standalone & Consolidated) of the Company for the financial year ended on 31st March, 2022 together with the reports of Board of Directors ("the Board") and Auditors thereon.

SPECIAL BUSINESS:

Item Number 02: Regularization of appointment of Mr. Subramaniam Somasundaram (DIN: 01494407) as Director (Independent, Non-Executive) of the company.

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152 and any other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 2013, and rules made thereunder, Mr. Subramaniam Somasundaram (DIN: 01494407), who was appointed as an Additional Director by the Board of Directors and whose term expires at this Annual General Meeting be and is hereby appointed as Director (Non-Executive, Independent) of the Company, for a period of five consecutive years commencing from 11^{th} February, 2022, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be & are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to the above resolution".

Item Number 03: Regularization of appointment of Ms. Namita Gupta (DIN: 07337772) as Director (Non-Executive, Independent) of the company.

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152 and any other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 2013, and rules made thereunder, Ms. Namita Gupta (DIN: 07337772), who was appointed as an Additional Director by the Board of Directors and whose term expires at this Annual General Meeting be and is hereby appointed as Director (Non-Executive, Independent Director) of the Company, for a period of five consecutive years commencing from 08th June, 2022, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be & are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to the above resolution".

By Order of the Board
Honasa Consumer Private Limited

For Honasa Consumer Pvt. Ltd.

Ghazal Alagh

Director

Ghazal Alagh
(Director)
DIN: 07608292

Date: August 31, 2022
Place: Gurgaon

Honasa Consumer Pvt Ltd: 432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place New Delhi 110066
Email: varun@mamaearth.in | Phone: 9899382328 | Website: www.mamaearth.in
PAN: AADCH9716L | CIN: U74999DL2016PTC306016

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**.

2. The Notice of AGM, Annual Report, Proxy Form and Attendance Slip are being sent to Members.

3. Members are requested to notify the company their change of address, if any, to Registered Office of the Company.

4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company authorizing their representative to attend and vote on their behalf at the meeting

5. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following statement sets out all material facts relating to Special Businesses mentioned in the Notice of Meeting dated August 31, 2022.

ITEM NO. 2:

Mr. Subramaniam Somasundaram (DIN: 01494407) was appointed as an Additional Director (Non-Executive, Independent) w.e.f. 11.02.2022 in accordance with the provisions of Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Subramaniam Somasundaram (DIN: 01494407) holds office up to the date of the ensuing Annual General Meeting.

The Board feels that presence of Mr. Subramaniam Somasundaram (DIN: 01494407) on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 2 for adoption.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution

The Board recommends resolutions under Item No. 2 to be passed as an ordinary resolution.

ITEM NO. 3:

Ms. Namita Gupta (DIN: 07337772) was appointed as an Additional Director (Non-Executive, Indenpednt) w.e.f. 08.06.2022 in accordance with the provisions of Section 161 of the Companies Act, 2013.

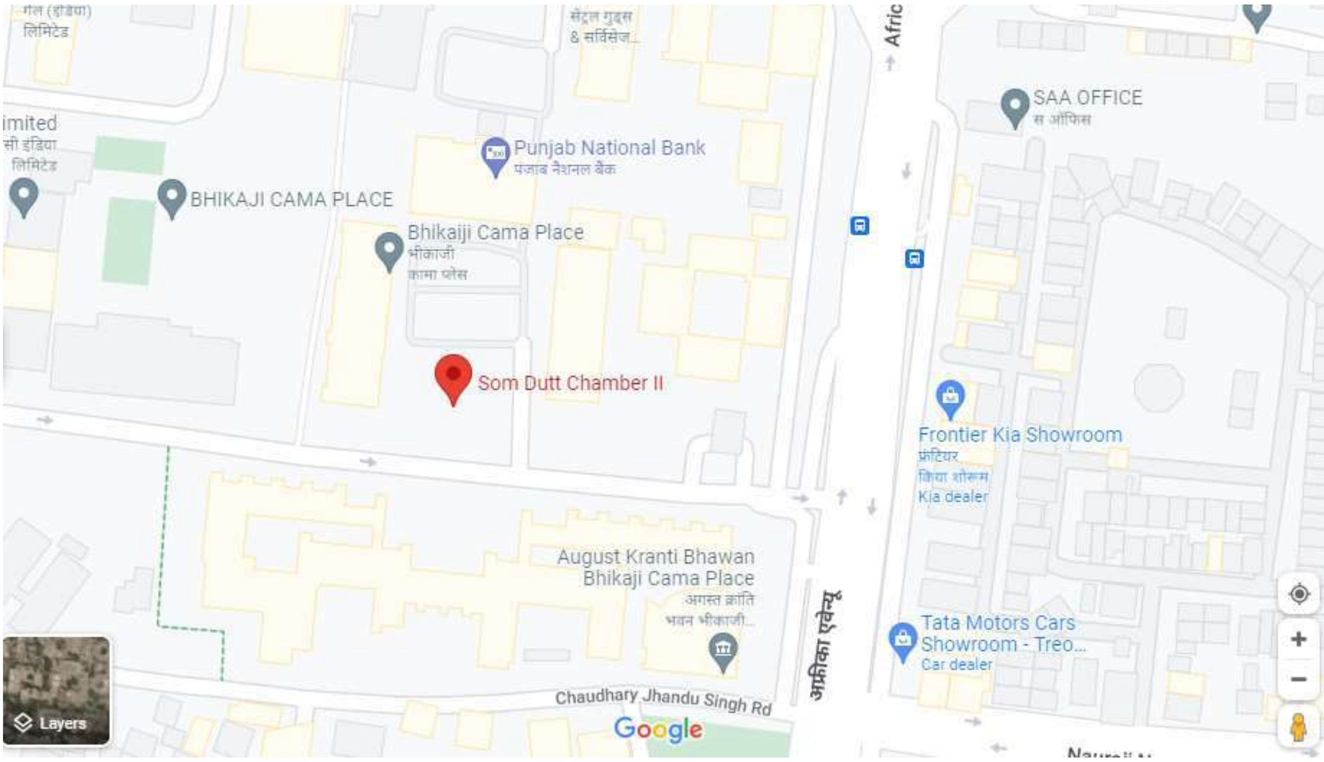
Pursuant to Section 161 of the Companies Act, 2013 Ms. Namita Gupta (DIN: 07337772) holds office up to the date of the ensuing Annual General Meeting.

The Board feels that presence of Ms. Namita Gupta (DIN: 07337772) on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 3 for adoption.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends resolutions under Item No. 3 to be passed as an ordinary resolution.

Route Map:


SAA OFFICE
Punjab National Bank
पंजाब नैशनल बैंक
BHIKAJI CAMA PLACE
Bhikaiji Cama Place
Som Dutt Chamber II
Frontier Kia Showroom
Kia dealer
August Kranti Bhawan
Bhikaji Cama Place
Tata Motors Cars
Showroom - Treo...
Car dealer
Chaudhary Jhandu Singh Rd
अफ्रीका एवेन्यू
Layers
Google

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company	Honasa Consumer Private Limited
Registered Office	432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place New Delhi 110066
Name of the Member(s)	
Registered Office	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the member(s) of ____________shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Friday, 30th Day of September, 2022 at 432, 4th Floor, the Registered office of the Company at Somdutt Chamber 2, Bhikaji Cama Place New Delhi 110066 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the year ended on March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. Regularization of appointment of Mr. Subramaniam Somasundaram (DIN: 01494407) as Director (Independent, Non-Executive) of the company.
3. Regularization of appointment of Ms. Namita Gupta (DIN: 07337772) as Director (Non-Executive, Independent) of the company.

Signed this _____________, 2022
Signature of Shareholder

Affix Revenue Stamps

ATTENDANCE SLIP
HONASA CONSUMER PRIVATE LIMITED
Registered Office: 432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place New Delhi 110066

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING.

(Name in Block Letters)……………………………………… Folio No ………………

No. of Shares held …………………….

I hereby record that my presence at the Annual General Meeting of the Company held on Friday, September 30, 2022 the Registered office of the Company at Somdutt Chamber 2, Bhikaji Cama Place New Delhi 110066.

Signature of the Shareholders or Proxy ……………………………

DIRECTORS' REPORT

[Pursuant to Section 134 of Companies Act, 2013]

Dear Shareholders,

Your Directors are pleased to present the Sixth Annual Report together with the Audited Financial statements for the year ended 31st March, 2022.

1. *Financial Results-Standalone & Consolidated*

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the **Act**"), read with Rule 7 of the (Companies Accounts) Rules, 2014.

The standalone financial performance of the Company, for the Financial Year ended on March 31, 2022 are summarized below:

(Rs. In Millions)

Particulars	*Standalone For the year ended on*		**Consolidated** *For the year ended on*	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Revenue from Operations	*9,317.56*	*4,599.90*	*9,434.65*	*4,599.90*
Other Income	*206.80*	*121.11*	*208.80*	*121.11*
Profit/(Loss) before Depreciation, Finance Costs, Exceptional items and Tax Expense	*378.86*	*393.20*	*323.39*	*393.20*
Less: Depreciation/ Amortisation/ Impairment	*56.49*	*17.12*	*68.95*	*17.12*
Profit/(Loss) before Finance Costs, Exceptional items and Tax Expense	*322.37*	*376.08*	*254.44*	*376.08*
Less: Finance Costs	*28.54*	*9.75*	*30.05*	*9.75*
Profit/(Loss) before Exceptional items and Tax Expense	*293.83*	*366.03*	*224.39*	*366.03*
Add/(less): Exceptional items	*15.80*	*13612.43*	*0*	*13612.43*
Profit/(Loss) before Tax Expense	*278.03*	*(13,246.09)*	*224.39*	*(13,246.09)*
Less: Tax Expense (Current & Deferred)	*79.35*	*76.06*	*79.96*	*76.06*
Profit/(Loss) for the year (1)	*198.68*	*(13,322.15)*	*144.43*	*(13,322.15)*
Total Comprehensive Income/loss (2)	*1.11*	*0.08*	*1.04*	*0.08*
Total (1+2)	*199.79*	*(13322.07)*	*145.47*	*(13322.07)*
Balance of profit /loss for earlier years	*(17,719.98)*	*(4,397.91)*	*(17,719.98)*	*(4,397.91)*
Less: Transfer to Debenture Redemption Reserve	*0*	*0*	*0*	*0*

Less: Transfer to Reserves	*0*	*0*	*0*	*0*
Less: Dividend paid on Equity Shares	*0*	*0*	*0*	*0*
Less: Dividend paid on Preference Shares	*0*	*0*	*0*	*0*
Less: Dividend Distribution Tax	*0*	*0*	*0*	*0*
Less: Change in fair value of NCI Liability	*0*	*0*	*(10.79)*	*0*
Balance carried forward	*(17,520.19)*	*(17,719.98)*	*(17,585.30)*	*(17,719.98)*

2. *Transfer to General Reserve*

The Board of Directors of your company does not propose to transfer any amounts to the General Reserve for the year under review.

3. ***Dividend***:

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's future fun requirement, has decided that it would be prudent, not to recommend any Dividend for the year under review.

4. *Deposits from public:*

During the year under review the company has not accepted any deposits from public.

5. *Annual Return:*

As per provisions of Section 92(3) of the Companies Act, 2013, Annual Return of the Company for F.Y. 2021-2022 will be placed on the website of the Company. The same may be viewed through following Link: www.mamaearth.in

6. *Meetings of the Board:*

15 meetings of the Board of Directors were held during the year. Details of the same are as follows:

Date	Board Strength	No. of Directors present
14-04-2021	6	6
30-06-2021	6	6
22-07-2021	6	6
26-07-2021	6	6
07-09-2021	6	6
16-09-2021	6	6
29-09-2021	6	6
09-11-2021	6	6
07-12-2021	6	6
15-12-2021	6	6

Date	Board Strength	No. of Directors present
31.12.2021	6	6
06-01-2022	6	6
27-01-2022	6	6
11-02-2022	6	6
08-03-2022	7	7

7. ***Directors' Responsibility Statement:-***

Pursuant to requirement under sub-section (3) and (5) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your directors state that:

i. In the preparation of the Annual Accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2022 and of the profit/loss of the company for that period;
iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
iv. The Directors have prepared the annual accounts on a 'going concern' basis.
v. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively)
vi. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
vii. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.
viii. Cost records are not required to be maintained by the company pursuant to an order of the Central Government under sub section (1) of section 148 of the Companies Act, 2013.

8. ***Subsidiaries, Joint Ventures and Associate Companies***

During the year under review the Company has acquired two companies as its Wholly owned subsidiaries namely Just4kids Services Private Limited and Bhabani Blunt Hairdressing Private Limited.

9. ***Particulars of Loans, Guarantees or Investment under Section 186***

Details of loans, guarantees and investments covered under section 186 of the Act are given in the notes to the financial statements.

10. ***Risk Management:-***

The Company manages monitors and reports on the principal risks and uncertainties that can impact its abilities to achieve its strategic objectives. No such risk has been identified during the year.

11. *Contracts and arrangements with related parties:-*

During the period under review the company has not entered into any transaction falling under the purview of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of The Companies (Accounts) Rules, 2014.

Thus no Disclosure in Form AOC-2 as per the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of The Companies (Accounts) Rules, 2014 is required.

12. *Statement on Declaration Given by Independent Director's:*

The Company being a private company, section 149(6) of Companies Act, 2013 is not applicable.

13. *Management*

(i) Directors and Key Managerial Personnel

During the financial year 2021-2022 the Board of Directors of the Company was duly constituted. During the Financial year under review, following changes took place in the composition of Board and Key Managerial Personnel:

S. No.	DIN/PAN	Name of Director/ KMP's	Nature of Change	Date
1.	01494407	Mr. Subramaniam Somasundaram	Appointment as Additional Director (Non-executive, Independent)	11-02-2022

After the closure of financial year following changes took place in the Board Structure:

S. No.	DIN/PAN	Name of Director/ KMP's	Designation	Appointment/ Cessation	Effective Date
1.	BTKPD5395R	CS Dhanraj Dagar	Company Secretary	Appointment	11-05-2022
2.	02013700	Mr. Rahul Chowdhri	Nominee Director	Resignation	08-06-2022
3.	07337772	Ms. Namita Gupta	Additional Director	Appointment	08-06-2022
4.	AGEPA6168M	Mr. Varun Alagh	CEO	Appointment	26-07-2022
5.	BFEPS4768F	Mr. Raman Preet Sohi	CFO	Appointment	26-07-2022

Tenure of Mr. Subramaniam Somasundaram (DIN: 01494407) and Ms. Namita Gupta (DIN: 07337772) would expire on conclusion of forthcoming Annual General Meeting of the company, thus the board of directors of the company recommends regularization of Mr. Subramaniam Somasundaram and Ms. Namita Gupta as Director (Non-executive, Independent) of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that:

(a) They meet the criteria of independence prescribed under the Act; and
(b) They have registered their names in the Independent Directors' Databank.

A. CSR Committee

The primary objective of the Committee is to assist the Board in fulfilling its corporate social responsibility. The Committee has overall responsibility for:

(i) Identifying the areas of CSR activities
(ii) Recommending the amount of expenditure to be incurred on the identified CSR activities
(iii) Implementing and monitoring the CSR Policy from time to time
(iv) Coordinating with such agency as may be applicable in implementing programs and executing initiatives as per the CSR Policy of the Company
(v) Reporting progress of various initiatives and in making appropriate disclosures on a periodic basis
(vi) Other items / matters prescribed under applicable law or prescribed by the Board of directors from time to time.

Members of CSR Committee are Mr. Varun Alagh, Ms. Ghazal Alagh and Mr. Vivek Gambhir. During the financial year under review, the CSR committee met one time on April 14, 2021.

14. *Auditors*

Statutory auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, registered with the Institute of Chartered Accountants of India bearing Firm Registration No. **101049W/E300004** were appointed as Statutory Auditor of the company to hold the office from the conclusion of the Third Annual General meeting of the Company till Conclusion of Eighth Annual General Meeting of the Company.

No Further Ratification is required for appointment of Auditor as per the provisions of Companies Act, 2013.

The Statutory Auditor has given in writing his consent and certificate about his eligibility to continue as Statutory Auditor.

15. Corporate Social Responsibility (CSR)

The CSR report, as required under the Companies Act, 2013, for the year ended March 31, 2022, is attached as Annexure B to the Board's report.

16. Reservation and qualification on Auditor Report:

Auditor's Report is self–explanatory and does not need any other explanation/or clarification. Further the Auditor of the Company have not raised any qualification, reservation or any adverse remarks regarding the functioning of the Company in the Auditors report of the financial year under review.

17. ***Reservation and qualification on Secretarial Auditor's Report:***

The Company being a private company, Secretarial Audit under section 204 of Companies Act, 2013 is not applicable.

18. ***Material changes and commitments affecting financial position between the end of the financial year and date of report:***

There are no such changes during the year.

19. ***Particulars of Employees and related disclosures:***

During the year under review, the company has employees who are drawing remuneration in excess of limits prescribed under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any member interested in obtaining a copy of the same may write to the Company Secretary.

20. ***Conservation of energy:***

In the opinion of the directors there is no need to take any measure in this regard. The company does not have any proposal for additional investment in this regard. The details of energy consumption are not required to be given.

21. ***Technology absorption:***

The research and experiments are carried on as part of the normal business activities and as such no separate figures are available.

22. ***Disclosure under SHWW(PPR) Act, 2013***

The Company has in place an Anti Sexual Harassment Policy in line with requirements of the **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.** The following is a summary of sexual harassment complaints received and disposed off during the year 2021-2022.

- Number of complaints received : 01
- Number of Complaints Disposed off : 01

23. ***General Disclosures***

- **Disclosure under Section 131(1):** The Company has not revised its financial statements or its Board report during the relevant financial year. Hence no disclosure is required.

- **Disclosure under Section 149(10):** As the Company being a private Company, there is no requirement of appointment of Independent Director.

- **Disclosure under Section 177(8):** As the Company does not fall under this section, there is no requirement of constitution of Audit Committee.

- **Disclosure on Vigil Mechanism under Prov. to Section 177 (10):** As the Company does not fall under this section, there is no requirement of establishment of vigil mechanism.

- **Details of Remuneration pursuant to Section 197(12) & Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:** Company not being a Listed Company, provisions of Section 197(12) are not applicable.

- **Disclosure under Section 134(3)(p):** The Company, being a private company, Annual Evaluation under section 134(3)(p) is not mandatory.

24. ***Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals, etc***

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

25. ***Change in Share Capital***

During the Financial Year under review the Authorized Share Capital of the company was increased from INR 6,25,300 (Indian Rupees Six Lakhs Twenty Five Thousand And Three Hundred) to Indian Rupees 7,25,300 (Indian Rupees Seven Lakhs Twenty Five Thousand And Three Hundred) divided into;

a) 40,000 (Forty Thousand) Equity Shares of INR 10 (Indian Rupees Ten) each,
b) 580 (Five Hundred and Eighty) Equity Shares of INR 100 (Indian Rupees Hundred) each,
c) 5839 (Five Thousand Eight Hundred and Thirty Nine) Class A Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees ten) each,
d) 1,885 (One Thousand Eight Hundred Eighty Five) Class B Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each,
e) 4,845 (Four Thousand Eight Hundred Forty Five) Class C Compulsorily Convertible Non-cumulative Preference Shares of INR 10 (Rupees Ten) each, and;
f) 4161 (Four Thousand One Hundred and Sixty One) Class D Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each.
g) *10,000 (Ten Thousand) Class E Compulsorily Convertible Non- Cumulative Preference Shares of INR 10 (Rupees Ten) each.

*During the year under the review the authorized share capital of the company was reclassified with the consent of the members of the company vide special resolution in the extra ordinary general meeting held on December 03, 2021, the Authorized Share Capital of the company as the end of financial year i.e. 31.03.2022 is as follows:

a) 40,000 (Forty Thousand) Equity Shares of INR 10 (Indian Rupees Ten) each,
b) 580 (Five Hundred and Eighty) Equity Shares of INR 100 (Indian Rupees Hundred) each,

c) 5839 (Five Thousand Eight Hundred and Thirty Nine) Class A Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees ten) each,

d) 1,885 (One Thousand Eight Hundred Eighty Five) Class B Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each,

e) 4,845 (Four Thousand Eight Hundred Forty Five) Class C Compulsorily Convertible Non-cumulative Preference Shares of INR 10 (Rupees Ten) each, and;

f) 4161 (Four Thousand One Hundred and Sixty One) Class D Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each.

g) 5,000 (Five Thousand) Class E Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each.

h) 5,000 (Five Thousand) Class F Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each.

Paid up share capital of the company during the years has been increased as follows:

1. By way of Allotment of 902 Class E Compulsorily Convertible Non- Cumulative Preference Shares of INR 10 (Rupees Ten) each

2. By way of Allotment of 839 Class F Compulsorily Convertible Non- Cumulative Preference Shares of INR 10 (Rupees Ten) each.

3. The Company during the year has allotted 31 Equity Shares (ESOP) Shares of Rs. 10 Each.

The paid up share capital of the company as on the end of financial year i.e. as on 31.03.2022 was 2,63,690.00/- (Indian Rupees Two Lakhs Sixty Three Thousand Six Hundred and Ninety Only).

Following Changes has taken place to the share Capital of the Company after closure of Financial Year:

1. Authorized Share Capital of the Company has been increased from 7,25,300 (Indian Rupees Seven Lakhs Twenty Five Thousand And Three Hundred) INR 140,03,51,400 (Indian Rupees One Hundred Forty Crores Three Lakh Fifty-One Thousand Four Hundred Only) which will be divided into;
   a) 14,00,00,000 (Fourteen Crores) equity shares of INR 10 (Indian Rupees Ten) each,
   b) 290 (Two Hundred and Ninety) equity shares of INR 90 (Indian Rupees Ninety) each,
   c) 580 (Five Hundred And Eighty) equity shares of INR 100 (Indian Rupees Hundred) each,
   d) 5,839 (Five Thousand Eight Hundred And Thirty Nine) Class A Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each,
   e) 1,885 (One Thousand Eight Hundred And Eighty-Five) Class B Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each,
   f) 4,845 (Four Thousand Eight Hundred And Forty-Five) Class C Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each and;
   g) 4,161 (Four Thousand One Hundred And Sixty One) Class D Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees ten) each."
   h) 5,000 (Five Thousand) Class E Compulsorily Convertible Non- Cumulative Preference Shares of INR 10 (Rupees Ten) each.

i) 5,000 (Five Thousand) Class F Compulsorily Convertible Non- Cumulative Preference Shares of INR 10 (Rupees Ten) each.

2. Company subsequent to obtaining the approval of the members of the company in the extra ordinary general meeting of the company held on 28th day of April, 2022 has made allotment of 13,60,32,854 Equity Shares of Rs. 10/- each as bonus shares. The paid up share capital of the company as on date is 13,60,592,230 (Indian Rupees One Hundred and Thirty Six Crores Five Lakhs Ninety Two Thousand Two Hundred and Thirty Only)

26. *ESOP*

Disclosures as per provisions of Section 62 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rule, 2014:

A	Options Granted	193
B	Options Vested	NIL
C	Options Exercised	31
D	The total number of shares arising as a result of exercise of option	31
E	Option Lapsed	7
F	The Exercise Price	Rs. 2,63,565.86
G	Variation in terms of Options	NA
h	Money Realized by exercise of Options	81,70,541.66
i	Total Number of Options in force	584
j	Employee wise details of Options granted to:- i. Key Managerial Personnel ii. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year. iii. Identified Employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	 i. NIL ii. NIL iii. NIL

27. *Corporate Governance:*

The management has taken every possible steps to ensure Efficient and Transparent governance of the affairs of the Company. The Board is committed towards the compliance of all laws of the land as may be applicable on the company and management of the affairs of the organization in the best interest of all stakeholders of the Company. However the Company being a Private Limited Company is not required to disclose the corporate governance policy and measures in the Board’s report.

28. ***Acknowledgement:***

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, Government Authorities, customers, vendors and members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the Company’s executives, staff and workers.

For and on behalf of the Board
Honasa Consumer Private Limited

Sd/-

Varun Alagh
CEO & Whole Time Director
DIN: 07597289

Sd/-

Ghazal Alagh
Whole Time Director
DIN: 07608292

Date : August 31, 2022
Place : Gurgaon

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Honasa Consumer Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Honasa Consumer Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income/(Loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act 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 audit opinion on the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above, and in doing so, consider whether such other information is materially inconsistent with the standalone 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. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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 the Statement of Other Comprehensive Income/(Loss), the Cash Flow Statement and Statement of Changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act relating to managerial remuneration are not applicable to the Company for the year ended March 31, 2022; and

   (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 disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note to 38 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;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 8 to the standalone financial statements, 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 person(s) or entity(ies), 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;

b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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 were 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Rajeev Kumar
Partner
Membership Number: 213803
UDIN:

Place: Bengaluru
Date: August 31, 2022

Annexure 1 referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Honasa Consumer Private Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

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

(b) All property, plant and equipment and investment properties have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in note 46 to the standalone financial statements.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and no material discrepancies were noticed in respect of such confirmations.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of goods and services tax, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in note 46 to the standalone financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on 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 did not have any term loans outstanding during the year. Hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any loan funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken funds from any entity or person specifically on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of sections 42 of the Act in respect of the preferential allotment / private placement of shares during the year. The amount raised, have been used for the purposes for which the funds were raised except for idle/surplus funds amounting to which were not required for immediate utilization and which have been gainfully invested in liquid investments payable on demand.

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 46 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32(ii) to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 32(i) to the standalone financial statements.

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

Sd/-

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN:

Place: Bengaluru
Date: August 31, 2022

Annexure 2 referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Honasa Consumer Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone financial statements of Honasa Consumer Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A company's internal financial controls with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India .

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

Sd/-
per Rajeev Kumar
Partner
Membership Number: 213803
UDIN:

Place: Bengaluru
Date: August 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Honasa Consumer Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Honasa Consumer Private Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other Comprehensive Income/(Loss), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income/(loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, 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 consolidated financial statements under the provisions of the Act 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 audit opinion on the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income/(loss), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matter

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of Rs 675.34 million as at March 31, 2022, and total revenues of Rs. 119.09 million and net cash outflows of Rs. 4.35 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of such other auditors.

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 of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/(Loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, are disqualified as on March 31, 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, to the extent applicable, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the provisions of section 197 read with Schedule V of the Act relating to managerial remuneration are not applicable to the Company for the year ended March 31, 2022; and

(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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer xx to the consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries;

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 47 to the consolidated financial statements, 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 Holding Company or any of such subsidiaries to or in any other person(s) 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 respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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 were 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 (a) and (b) contain any material misstatement.

v) No dividend has been declared or paid during the year by the Holding Company and its subsidiaries.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Rajeev Kumar
Partner
Membership Number: 213803
UDIN:

Place: Bengaluru
Date: August 31, 2022

Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date on the Financial Statements of Honasa Consumer Private Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN:

Place: Bengaluru
Date: August 31, 2022

Annexure 2 referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Honasa Consumer Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Honasa Consumer Private Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to subsidiaries, which are companies incorporated in India, is based on the corresponding report of the auditors of such subsidiaries incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN:

Place: Bengaluru
Date: August 31, 2022

Honasa Consumer Private Limited
Standalone Balance Sheet as at March 31, 2022
(All amounts in Rs millions , except as otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Assets				
Non-current assets				
Property, plant and equipment	3	17.73	11.26	4.15
Goodwill	4	8.89	-	-
Intangible assets	5	531.02	-	0.01
Right-of-use assets	7	419.88	199.60	2.34
Intangible assets under development	6	18.83	-	-
Investments in subsidiaries	8	2,021.86	-	-
Financial assets				
i. Other financial assets	9	764.72	60.61	3.12
Income tax assets (net)	10	33.43	1.52	0.57
		3,816.36	**272.99**	**10.19**
Current assets				
Inventories	11	645.81	413.47	136.71
Financial assets				
i. Investments	8	3,293.28	1,644.26	1,243.28
ii. Trade receivables	12	647.67	338.43	106.06
iii. Cash and cash equivalents	13	246.27	97.59	19.16
iv. Bank balances other than cash and cash equivalents	14	538.90	109.95	244.99
v. Other financial assets	9	41.45	4.48	7.84
Other current assets	15	289.65	145.22	38.29
		5,703.03	**2,753.40**	**1,796.33**
Total assets		**9,519.39**	**3,026.39**	**1,806.52**
Equity and liabilities				
Equity				
Equity share capital	16	0.13	0.13	0.13
Instruments entirely in the nature of equity	17	17,929.36	-	-
Other equity	18	(10,808.14)	(17,651.56)	(4,371.93)
Total equity		**7,121.35**	**(17,651.43)**	**(4,371.80)**
Non-current liabilities				
Financial liabilities				
i. Borrowings	19	-	19,539.99	5,927.56
ii. Lease liabilities	7	401.23	185.88	0.10
iii. Other financial liabilities	20	41.02	-	-
Provisions	21	21.65	9.55	3.24
Deferred tax liabilities (net)	24	31.72	14.20	-
		495.62	**19,749.62**	**5,930.90**
Current liabilities				
Financial liabilities				
i. Trade payables	23			
(a) Total outstanding due to micro enterprises and small enterprises		33.97	121.27	76.97
(b) Total outstanding due to creditors other than micro enterprises and small enterprises.		1,595.92	682.15	142.04
ii. Lease liabilities	7	39.32	17.43	0.22
iii. Other financial liabilities	20	107.80	45.13	10.72
Provisions	21	22.34	9.46	2.57
Other current liabilities	22	103.07	52.76	14.90
		1,902.42	**928.20**	**247.42**
Total liabilities		**2,398.04**	**20,677.82**	**6,178.32**
Total equity and liabilities		**9,519.39**	**3,026.39**	**1,806.52**

Corporate information and summary of significant accounting policies (refer note 1&2)

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: August 31, 2022

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Gurugram
Date: August 31, 2022

Honasa Consumer Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in Rs millions , except as otherwise stated)

	Notes	March 31, 2022	March 31, 2021
Income			
Revenue from operations	25	9,317.56	4,599.90
Other income	26	206.80	121.11
Total income (I)		**9,524.36**	**4,721.01**
Expenses			
Purchases of traded goods	27	3,045.04	1,607.77
Increase in inventories of traded goods	28	(214.13)	(280.71)
Employee benefits expense	29	720.25	277.59
Depreciation and amortization expenses	30	56.49	17.12
Finance costs	31	28.54	9.75
Other expenses	32	5,594.34	2,723.15
Change in fair valuation of preference shares	19	-	13,612.43
Change in fair value of derivative liability	20	15.80	-
Total expenses (II)		**9,246.33**	**17,967.10**
Profit/(Loss) before tax (III = I-II)		**278.03**	**(13,246.09)**
Tax expenses			
Current tax	24	62.21	61.89
Deferred tax charge	24	17.14	14.17
Total tax expenses (IV)		**79.35**	**76.06**
Profit/(Loss) for the year (V = III-IV)		**198.68**	**(13,322.15)**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gains on defined benefit plans	35	1.49	0.11
Income tax effect on above	24	(0.38)	(0.03)
Other comprehensive income/(loss) for the year, net of tax (VI)		**1.11**	**0.08**
Total comprehensive income/(loss) for the year, net of tax attributable to equity holders (VII = V+VI)		**199.79**	**(13,322.07)**
Earnings per equity share	33		
Basic			
Equity shares, Nominal value of Rs 10 each		0.67	(98.35)
Equity shares, Nominal value of Rs 100 each		0.67	(98.35)
Diluted			
Equity shares, Nominal value of Rs 10 each		0.66	(98.35)
Equity shares, Nominal value of Rs 100 each		0.67	(98.35)

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

As per our report of even date

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

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: August 31, 2022

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Gurugram
Date: August 31, 2022

Honasa Consumer Private Limited
Standalone Cash flow statement for the year ended March 31, 2022
(All amounts in Rs millions , except as otherwise stated)

	Notes	March 31, 2022	March 31, 2021
Operating activities			
Profit/(Loss) before tax		**278.03**	**(13,246.09)**
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Depreciation of property, plant and equipment		7.40	2.97
Amortisation of intangible assets		1.03	0.01
Depreciation of right-of-use assets		48.06	14.14
Impairment allowance (allowance for bad and doubtful debts)		3.80	2.98
Provision for slow moving inventory		8.91	3.95
Loss on disposal of property, plant and equipment (net)		-	0.12
Share based payments expenses(equity settled- ESOP)		156.45	41.54
Employee stock appreciation rights expense		20.15	-
Fair value gain on investments measured at fair value through profit and loss		(88.08)	(76.64)
Change in fair valuation of preference shares		-	13,612.43
Change in fair value of derivative liability		15.80	-
Gain on sale of investment carried at fair value through profit and loss		(43.11)	(22.21)
Interest income		(65.95)	(19.38)
Finance costs		28.54	9.75
Operating cash flow before working capital changes		**371.04**	**323.57**
Movement in working capital:			
Increase in trade receivables		(313.04)	(235.35)
Increase in other financial assets		(11.87)	(10.45)
Increase in trade payables		826.48	584.40
Increase in financial liabilities		8.02	34.41
Increase in provisions		26.47	13.31
Increase in inventories		(213.52)	(280.71)
Increase in other liabilities		50.31	37.86
Increase in other current assets		(129.50)	(106.94)
		614.39	**360.10**
Income tax paid		(94.11)	(62.85)
Net cash flow from operating activities (A)		**520.28**	**297.25**
Investing activities			
Purchase of property, plant and equipment, including payable for capital goods		(13.88)	(10.20)
Purchase of intangible assets, including payable for capital goods		(12.20)	-
Acquisition of business, net of consideration payable	44	(562.53)	-
Investments in subsidiaries		(1,978.57)	-
(Investment)/Redemption in/from bank deposits		(1,125.43)	81.77
Purchase of current investment		(6,014.48)	(749.86)
Sale proceeds of current investment		4,496.65	447.73
Interest received		28.86	24.51
Net cash flow (used in) investing activities (B)		**(5,181.58)**	**(206.05)**
Financing activities			
Proceeds from issuance of equity and preference shares (net)		4,865.24	0.90
Payment of principal portion of lease liabilities		(26.72)	(3.92)
Finance cost on lease liabilities		(25.08)	(8.05)
Finance cost other than lease liabilities		(3.46)	(1.70)
Net cash flows from/(used in) financing activities (C)		**4,809.98**	**(12.77)**
Net increase in cash and cash equivalents (A+B+C)		**148.68**	**78.43**
Cash and cash equivalents at the beginning of the year		97.59	19.16
Cash and cash equivalents at the end of the year		**246.27**	**97.59**
Components of cash and cash equivalents	14		
Balance with banks			
- on current accounts		245.85	97.24
- cash on hand		0.42	0.35
Total cash and cash equivalents		**246.27**	**97.59**

Honasa Consumer Private Limited
Standalone Cash flow statement for the year ended March 31, 2022
(All amounts in Rs millions , except as otherwise stated)

	Opening balance	Cash flows	Non- cash movement	Closing balance
March 31, 2022				
Borrowings- NCCCPS	19,539.99	-	(19,539.99)	-
Lease liabilities (including interest)	203.31	(51.80)	289.04	440.55
Total liabilities from financing activities	**19,743.30**	**(51.80)**	**(19,250.95)**	**440.55**
March 31, 2021				
Borrowings- NCCCPS	5,927.56	-	13,612.43	19,539.99
Leases	0.32	(11.97)	214.96	203.31
Total liabilities from financing activities	**5,927.88**	**(11.97)**	**13,827.39**	**19,743.30**

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

As per our report of even date

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

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: August 31, 2022

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Gurugram
Date: August 31, 2022

Honasa Consumer Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2022
(All amounts in Rs millions , except as otherwise stated)

a) Equity share capital

	No of shares	Amount
(i) Equity shares of Rs 10 each issued, subscribed and fully paid		
As at April 01, 2020	10,207	0.10
Issued during the year*	18	0.00
As at March 31, 2021	**10,225**	**0.10**
Issued during the year*	31	0.00
As at March 31, 2022	**10,256**	**0.10**

*During the year ended March 31, 2022 and March 31, 2021, the Company has issued 31 and 18 equity shares respectively, to employees on exercise of Employee Share Options.

	No of shares	Amount
(ii) Equity shares of Rs 100 each issued, subscribed and fully paid		
As at April 01, 2020	290	0.03
Issued during the year	-	-
As at March 31, 2021	**290**	**0.03**
Issued during the year	-	-
As at March 31, 2022	**290**	**0.03**
Total equity share capital		**0.13**

b) Instruments entirely in the nature of equity

	No of shares	Amount
0.001% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of Rs 10 each, fully paid		
As at April 01, 2020		
Class A NCCCPS- Refer note (i) below	581	-
Class B NCCCPS- Refer note (i) below	1,885	-
Class C NCCCPS- Refer note (i) below	4,845	-
Class D NCCCPS- Refer note (i) below	4,161	-
Total	**11,472**	**-**
Increase during the year	-	-
As at March 31, 2021	**11,472**	**-**
Reclassified during the year		
Class A NCCCPS- Refer note (i) below	581	989.60
Class B NCCCPS- Refer note (i) below	1,885	3,210.68
Class C NCCCPS- Refer note (i) below	4,845	8,252.38
Class D NCCCPS- Refer note (i) below	4,161	7,087.33
Increase during the year		
Class E NCCCPS- Refer note (ii) below	902	0.01
Class F NCCCPS- Refer note (iii) below	839	0.01
	13,213	**19,540.01**
Less: Reclassified to securities premium as per Companies Act, 2013 (Refer note (i) below)		1,610.65
As at March 31, 2022	**13,213**	**17,929.36**

Note (i): In respect of Non-Cumulative Compulsorily convertible preference shares ('NCCCPS'), the NCCCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value as at April 01, 2020 and year ended March 31, 2021 and the change in fair value of liability has been recognized as an expense in the statement of profit and loss. Further, subsequently on April 01, 2021, the Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs 17,929.34 million and Rs 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity. Also, Refer note 17, 19 and 43.
Note (ii): The Company has issued 902 Class E NCCCPS of Rs 10 during the year at a premium of Rs 2.24 million per share.
Note (iii): The Company has issued 839 Class F NCCCPS of Rs 10 during the year at a premium of Rs 3.39 million per share.

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Honasa Consumer Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2022
(All amounts in Rs millions , except as otherwise stated)

c) Other equity

	Attributable to equity holders of the Company			
	Reserves and Surplus			Total equity
	Retained earnings (Note 18)	Securities premium (Note 18)	Employee Stock Option Reserve (Note 18)	
As at April 01, 2020	**(4,397.91)**	**18.76**	**7.22**	**(4,371.93)**
Loss for the year	(13,322.15)	-	-	**(13,322.15)**
Other comprehensive income/(loss)				
Re-measurement of the net defined benefit liability/asset, net of tax effect	0.08	-	-	**0.08**
Total comprehensive income/(loss)	**(13,322.07)**	**-**	**-**	**(13,322.07)**
Add: Share based payment (Refer note 39)	-	-	41.54	41.54
Less: Transferred to securities premium on exercise of stock options	-	0.42	(0.42)	-
Add: Premium received on issue of equity shares	-	0.90	-	0.90
As at March 31, 2021	**(17,719.98)**	**20.08**	**48.34**	**(17,651.56)**
Profit for the year	198.68	-	-	**198.68**
Other comprehensive income/(loss)				
Re-measurement of the net defined benefit liability/asset, net of tax effect	1.11	-	-	**1.11**
Total comprehensive income/(loss)	**199.79**	**-**	**-**	**199.79**
Add: Premium towards NCCCPS on reclassification from liability to equity (refer note 17)	-	1,610.65	-	**1,610.65**
Add: Premium received on issue of NCCCPS	-	4,863.85	-	**4,863.85**
Add: Premium received on issue of equity shares	-	6.26	-	**6.26**
Less: Transaction cost on issue of equity shares	-	(4.87)	-	**(4.87)**
Add: Share based payment (Refer note 39)	-	-	156.45	**156.45**
Less: Transferred to securities premium on exercise of stock options	-	8.74	(8.74)	**-**
Add: Options granted to employees of subsidiaries	-	-	11.29	**11.29**
As at March 31, 2022	**(17,520.19)**	**6,504.71**	**207.34**	**(10,808.14)**

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

As per our report of even date

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

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: August 31, 2022

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Gurugram
Date: August 31, 2022

1 Corporate Information

Honasa Consumer Private Limited ('the Company') was incorporated under the provisions of the Companies Act, 2013 ('the Act') on September 16, 2016 in New Delhi. The Company is engaged in the trading of variety of beauty care products such as baby care, skin care, hair and other related products which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co', 'Bblunt','Aqualogica' and 'Ayuga'. During the year, the Company has acquired controlling stake in Just4Kids Services Private Limited and Bhabani Blunt Hairdressing Private Limited which are in the business of providing services of content development and influencer marketing as well as rendering of beauty salon and hair styling services

The Company's Standalone Financial Statements for the year ended March 31, 2022 were approved by Board of Directors on August 31, 2022.

2 Significant accounting policies

2.1 Basis of preparation

The Company has voluntarily adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) with effect from financial year 2021-22 with transition date being April 01, 2020.

The Ind-AS Financial Statements of the Company have been 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 presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable.

Upto the year ended March 31, 2021, the Company prepared its standalone financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) ("Previous GAAP"). These Ind-AS Financial Statements are the first standalone financial statements of the Company under Ind-AS. Refer note 43 for an explanation of how the transition from Previous GAAP to Ind-AS has affected the Company’s financial position as at March 31, 2021 and April 01, 2020 and financial performance and cash flows for the year ended March 31, 2021.

These standalone financial statements have been prepared on a going concern basis.

The standalone financial statements have been prepared on an accrual basis under the historical cost convention except for certain assets and liabilities that are measured at fair value as mentioned below.

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

The standalone financial statements are presented in Indian Rupee (Rs). All the values are rounded off to the nearest millions, upto two decimal places except when otherwise indicated.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

•expected to be realized or intended to be sold or consumed in normal operating cycle;
•held primarily for the purpose of trading;
•expected to be realized within twelve months after the reporting period; or
•cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

•expected to be settled in normal operating cycle;
•held primarily for the purpose of trading;
•due to be settled within twelve months after the reporting period; or
•there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency translation

(i) Functional and presentation currency:

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone financial statements are presented in Indian rupee (Rs), which is functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.4 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Company has elected to continue with the carrying value for all of its property, plant and equipment recognised as of April 01, 2020 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost. Such cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories. Deleted as re

The exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

Depreciation on property, plant and equipment is calculated on a written down value over the useful lives of assets estimated by the management, as below:

Asset category	Useful lives estimated by the management (years)	Useful lives as per schedule II of the Act (years)
Office equipment	5	5
Plant and Machinery	3 to 8	15
Furniture and fixtures	10	10
Computer & peripherals	3 to 6	3 to 6

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The useful lives have been determined based on managements' judgement, based on technical assessment, which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.6 Intangible assets

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Company has elected to continue with the carrying value for all the intangible assets recognised as of April 01, 2020 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	**Useful lives**	**Amortisation method used**	**Internally generated or acquired**
Right to use brand name	Infinite	No Amortisation	Acquired
Design and Formulation	0.5 - 1 years	Straight Line	Acquired
Software	1-6 years	Straight Line	Acquired
Goodwill	Infinite	No Amortisation	Acquired

2.7 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In such cases, the recoverable amount is determined for the 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. An impairment loss is recognised in the statement of profit and loss.

2.8 Inventories

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.9 Revenue recognition

Revenues are recognised when, or as, control of a promised goods transfers to customers, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those goods or services. To recognise revenues the following five step approach is applied: (i) identify the contract with a customer, (ii) identify the performance obligation in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognise revenues when a performance obligations is satisfied.

The following specific recognition criteria must also be met before revenue is recognized:

Revenue from Sale of products

Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products, which is generally on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives.

Variable consideration

If the consideration in a contract includes a variable amount (discounts and incentives), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services to the customer and such discounts and incentives are estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of return and volume rebates give rise to variable consideration.

Rights of return

The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

Volume rebates

The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability for the expected future rebates (i.e., the amount not included in the transaction price).

Customer wallet points

The Company has a wallet points programme, which allows customers to accumulate points that can be redeemed for subsequent purchase. The wallet points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on each reporting date and any adjustments to the contract liability balance are charged against revenue.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2.14 Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A trade receivable is recognised if an amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from the customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:-

	Useful lives (years)
Office buildings & Warehouses	2-9 years
Computer & Peripherals	3 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising of the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate for Right of use assets at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company has adopted Ind AS 116 as per modified retrospective approach wherein the present value of lease liability as on the date of transition is recognised as the lease liability.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme are the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.12 Investment in subsidiary

The Company has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in Ind AS - 27, 'Separate Financial Statements', less accumulated impairment loss, if any. Cost represents amount paid for acquisition of the said investments. The details of such investment is given in note 8. Refer to the accounting policies in note 2.7 for policy on impairment of non-financial asset.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

2.13 Employee share based payments

The Stock option plan of the Company is classified as equity settled transaction based on the constructive obligation for settlement of option in equity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black scholes model.

That cost is recognised, together with a corresponding increase in employees stock option reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The Company's employees are granted share appreciation rights (SARs), settled in cash. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

• Debt instruments at amortised cost
• Debt instruments at Fair Value Through Other Comprehensive income (FVTOCI)
• Debt instruments and equity instruments at Fair Value Through Profit and Loss (FVTPL)
• Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:
(i)The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
(ii)The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

• The rights to receive cash flows from the asset have expired; or
• The Company has transferred its rights to receive cash flows from the asset and either (a) the Company has transferred substantially all the risks and rewards of tl asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

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

Subsequent measurement
The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

After initial recognition, gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets and liabilities
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities.
For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

2.15 Income taxes

Income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Company has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

• when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, a the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and associate, when the timing of th reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.16 Segment reporting

The Company reports this standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

2.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

2.20 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.21 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
Other disclosures relating to the Company’s exposure to risks and uncertainties includes:

• Capital management Note 42
• Financial risk management objectives and policies Note 40 and 41
• Sensitivity analyses disclosures Notes 35, 40 and 41.

The Company bases its assumptions and estimates on parameters available when the standalone financial statements are prepared. Existing circumstances and assumptions, if any, about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the standalone financial statements are as below.

Revenue from contracts with customers

Sale of goods includes expected discounts and incentives that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company uses the most likely amount methodology to determine the variable consideration.
The Company determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Company’s past experience regarding these amounts may not be representative of actual amounts in the future.

Leases

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, the Company uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate (IBR) for Right of use assets at the lease commencement date.
The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.
The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Provision for expected credit loss on trade receivables

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit (“CGU”) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (“DCF”) model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the standalone financial statement cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of standalone financial instruments.

2.22 Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

i) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
iii)Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
iv) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

2.23 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The Company does not expect any significant impact on the standalone financial statements due to these amendments.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.
The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.
It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify 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 amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

(All amounts in Rs millions , except as otherwise stated)

3. Property, plant and equipment ('PPE')

	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Total
Gross Block					
Deemed Cost					
As at April 01, 2020	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**
Additions	0.74	2.33	2.41	5.33	10.81
Disposals	(0.73)	-	-	-	(0.73)
As at March 31, 2021	**1.73**	**3.76**	**3.24**	**5.50**	**14.23**
Additions	0.03	7.00	2.71	4.13	13.87
Disposals	-	-	-	-	-
As at March 31, 2022	**1.76**	**10.76**	**5.95**	**9.63**	**28.10**
Accumulated Depreciation					
As at April 01, 2020	**-**	**-**	**-**	**-**	**-**
Charge for the year	0.69	0.61	0.89	0.78	2.97
Disposals	-	-	-	-	-
As at March 31, 2021	**0.69**	**0.61**	**0.89**	**0.78**	**2.97**
Charge for the year	0.66	1.93	1.81	3.00	7.40
Disposals	-	-	-	-	-
As at March 31, 2022	**1.35**	**2.54**	**2.70**	**3.78**	**10.37**
Net book value					
As at April 01, 2020	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**
As at March 31, 2021	**1.04**	**3.15**	**2.35**	**4.72**	**11.26**
As at March 31, 2022	**0.41**	**8.22**	**3.25**	**5.85**	**17.73**

Note:

a) For property, plant and equipment existing as on the date of transition to Ind-AS, i.e., April 01, 2020, the Company has used previous GAAP carrying value as deemed cost. Information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows:

	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Total
Cost	2.84	1.69	1.20	0.24	5.97
Accumulated depreciation	(1.12)	(0.26)	(0.37)	(0.07)	(1.82)
Net book value as per previous GAAP/Deemed cost	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**

(All amounts in Rs millions , except as otherwise stated)

4. Goodwill

Goodwill acquired through business acquisition are pertaining to acquired business of:

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
B-Blunt Business Purchase (Refer note 44)	8.89	-	-
	8.89	**-**	**-**

Goodwill impairment testing
The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The cash flow projections are based on financial budgets approved by the management.

The Company assessed the earning value of its goodwill at CGU level to which the goodwill is attributable, based on future operational plan, projected cash flows and carried out valuation considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill is appropriate.

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Terminal growth rate	5%	-	-
Discount rate	17.3%	-	-
Royalty rate	7.0%	-	-

5. Intangible assets

	Brand*	Design and Formulation*	Software	Trademarks	Total
<u>**Deemed Cost**</u>					
As at April 01, 2020	**-**	**-**	**-**	**0.01**	**0.01**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2021	**-**	**-**	**-**	**0.01**	**0.01**
Additions	-	-	0.55	-	0.55
Acquisition of business (Refer note 44)	511.00	20.50	-	-	531.50
Disposals	-	-	-	-	-
As at March 31, 2022	**511.00**	**20.50**	**0.55**	**0.01**	**532.06**
<u>**Accumulated Amortisation**</u>					
As at April 01, 2020	**-**	**-**	**-**	**-**	**-**
Amortisation	-	-	-	0.01	**0.01**
Disposals	-	-	-	-	-
As at March 31, 2021	**-**	**-**	**-**	**0.01**	**0.01**
Amortisation	-	1.01	0.02	-	1.03
Disposals	-	-	-	-	-
As at March 31, 2022	**-**	**1.01**	**0.02**	**0.01**	**1.04**
<u>**Net book value**</u>					
As at April 01, 2020	**-**	**-**	**-**	**0.01**	**0.01**
As at March 31, 2021	**-**	**-**	**-**	**-**	**-**
As at March 31, 2022	**511.00**	**19.49**	**0.53**	**-**	**531.02**

*Brand, Design and Formulation were acquired as a part of B-Blunt business purchase agreement with Godrej Consumer Product Limited (Refer note 44)

The Company had carried out an impairment assessment of brand accounted upon B Blunt Hair Product Business acquisition. The recoverable amount of a cash-generating unit (CGU) is the higher of its fair value less costs of disposal and its value in use. The Company is expected to benefit from the synergies of the business acquisition. For the purpose of determining fair value of a CGU, 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 for which the estimates of future cash flows have not been adjusted. As the estimated recoverable amount of the CGU exceeded its carrying amount, no impairment was recorded.

Note:
a) For intangible assets existing as on the date of transition to Ind-AS, i.e., April 01, 2020, the Company has used previous GAAP carrying value as deemed cost. Information regarding gross block of assets, accumulated amortisation has been disclosed by the Company separately as follows:

	Trademarks	Total
Cost	0.05	0.05
Accumulated amortisation	(0.04)	(0.04)
Net book value as per previous GAAP/Deemed cost	**0.01**	**0.01**

Honasa Consumer Private Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022

(All amounts in Rs millions , except as otherwise stated)

6. Intangible assets under development*

	Amount in Rs.
At April 01, 2020	**-**
- Asset additions	-
- Capitalised during the year	-
At March 31, 2021	**-**
- Asset additions	18.83
- Capitalised during the year	-
At March 31, 2022	**18.83**

	Amount in Intangible assets under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at April 01, 2020					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at March 31, 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at March 31, 2022					
Projects in progress#	18.83	-	-	-	18.83
Projects temporarily suspended	-	-	-	-	-
Total	**18.83**	**-**	**-**	**-**	**18.83**

*There are no overdue or cost overrun projects compared to its original plan and no Intangible assets under development which are temporarily suspended, on the above mentioned reporting dates.

#Projects in progress represents costs incurred for ERP implementation.

(All amounts in Rs millions , except as otherwise stated)

7. Right-of-use assets and lease liabilities

(a) Company as a lessee

The Company has lease contracts for office premises, warehouses, retail stores, computer and peripherals used in its operations. The lease term of the lease contracts are ranging from 2 years to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company has applied exemptions as per paragraph 6 of Ind AS 116 with respect to short term leases.

(b) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and Building	Computer and Peripherals	Total
Cost			
As at April 01, 2020	**2.34**	**-**	**2.34**
Additions	200.10	11.30	211.40
Disposals	-	-	-
As at March 31, 2021	**202.44**	**11.30**	**213.74**
Additions	249.78	18.56	268.34
Disposals	-	-	-
As at March 31, 2022	**452.22**	**29.86**	**482.08**
Depreciation			
As at April 01, 2020	**-**	**-**	**-**
Charge for the year	12.40	1.74	14.14
Disposal	-	-	-
As at March 31, 2021	**12.40**	**1.74**	**14.14**
Charge for the year	40.24	7.82	48.06
Disposal	-	-	-
As at March 31, 2022	**52.64**	**9.56**	**62.20**
Net book value			
As at April 01, 2020	**2.34**	**-**	**2.34**
As at March 31, 2021	**190.04**	**9.56**	**199.60**
As at March 31, 2022	**399.58**	**20.30**	**419.88**

(c) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Carried at amortised cost

	March 31, 2022	March 31, 2021	April 01, 2020
Non current			
Lease liabilities	401.23	185.88	0.10
Total non-current lease liabilities	**401.23**	**185.88**	**0.10**
Current			
Lease liabilities	39.32	17.43	0.22
Total current lease liabilities	**39.32**	**17.43**	**0.22**

	March 31, 2022	March 31, 2021
(d) Following are the amounts recognised in Profit and loss account:		
Depreciation	(48.06)	(14.14)
Interest expense on lease liability	(25.08)	(8.05)
Rent expenses for short term lease (included in other expenses)	(6.02)	(8.29)
	(79.16)	**(30.48)**
(e) Impact on Statement of cash flow(increase/(decrease))		
Lease payments (including interest portion)	51.80	11.97
	51.80	**11.97**
Payment of principal portion of lease liabilities	26.72	3.92
Payment of interest portion of lease liabilities	25.08	8.05
	51.80	**11.97**

(f) Movement in lease liabilities for year ended March 31, 2022 and March 31, 2021:

	March 31, 2022	March 31, 2021
Balance at the beginning of the year	203.31	0.32
Add: Additions	263.96	206.91
Add: Interest	25.08	8.05
Less: Payment of lease liabilities	(51.80)	(11.97)
Balance at the end of the year	**440.55**	**203.31**

(g) The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

	March 31, 2022	March 31, 2021	April 01, 2020
Less than one year	61.17	31.38	0.24
one to five years	277.37	142.38	0.10
more than five years	232.14	153.31	-
Total	**570.68**	**327.07**	**0.34**

8 Investments

	March 31, 2022	March 31, 2021	April 01, 2020
Non-current			
(valued at cost unless stated otherwise)			
Investment in subsidiaries*			
Unquoted:			
54,634 equity shares (March 31, 2021: Nil; April 01, 20: Nil) of Rs 10 each in Just4Kids Services Private Limited (refer note a)	1,237.17	-	-
20,829 equity shares (March 31, 2021: Nil; April 01, 20: Nil) of Rs 10 each in Bhabani Blunt Hairdressing Private Limited (refer note b)	784.69	-	-
	2,021.86	**-**	**-**
Aggregated amount of unquoted investments	2,021.86	-	-
Aggregated amount of impairment in value of investments	-	-	-

*Includes share based payment expenses on options granted to employees of Just4Kids Services Private Limited amounting to Rs 10.57 million and employees of Bhabani Blunt Hairdressing Private Limited amounting to Rs 0.72 million.

Name of entity	Nature	Country of incorporation	Date of acquisition	Ownership interest held by Company in %		
				March 31, 2022	March 31, 2021	April 01, 2020
Just4Kids Services Private Limited	Subsidiary	India	December 24, 2021	74.32%	-	-
Bhabani Blunt Hairdressing Private Limited	Subsidiary	India	March 16, 2022	100.00%	-	-

Note a

i) On December 24, 2021, the Company has acquired 74.32% in Just 4 Kids Services Private Limited (“Momspresso”) by virtue of a Share Purchase and Share Subscription Agreement. The Company has acquired 54,634 equity shares at a consideration of Rs 939.97 million and further, committed subscription amount of Rs 500 million out of which Rs 250 million has been infused as at March 31, 2022. The Company has also committed to acquire the remaining 25.68% in Momspresso which amounts to 22,491 equity shares in tranche 1, 2 & 3 as per the terms of the share subscription agreement, and the same is treated as a derivative instrument and accordingly Rs 32 million has been recognised as derivative liability as on date of acquisition, which is fair valued through profit and loss account for the year ended March 31, 2022. The vision of Momspresso is to empower every mother by enabling them to express themselves through text and video content in 10 languages and to earn from the MyMoney platform by participating in brand campaigns. Momspresso is the largest content platform for the mothers in the country with 30 million mothers visiting the site 310 million times and consuming 932 million page views in the last 12 months.

ii) On March 16, 2021, the company has acquired entire equity shares of Bhabani Blunt Hair Dressing Private Limited by virtue of a Share Purchase and Share Subscription Agreement. The Company has acquired the entire equity shares at a consideration of Rs 694.00 million and subscription amount of Rs 89.97 million which has been infused as on March 31, 2022. The subscription amount of Rs 89.97 million has been utilized by Bhabani Blunt Hair Dressing Private Limited to purchase balance 49% of shares of B Blunt Spratt Hairdressing Private Limited from third party and accordingly, Bhabani Blunt Hairdressing Private Limited and B:Blunt-Spratt Hairdressing Private Limited are 100% subsidiaries of the Company. The subsidiaries are engaged into the business of hair styling, sale of hair products and is involved in educating students in hair styling. The Company has further entered into Business Transfer agreement with Godrej Consumer Private Limited on March 16, 2022 to acquire its the product business under the brand name B-Blunt which constitutes a business for a consideration of Rs 583.06 million (Refer note 44).

iii) Following are the details of the funds invested by the Company to Intermediaries for further investment to the Ultimate beneficiaries:

Name of the intermediary in which the funds are invested	Year of funds invested	Amount of funds invested (In Rs million)	Year in which funds are further invested invested by Intermediaries to Ultimate Beneficiaries	Amount of fund further invested by such Intermediaries to Ultimate Beneficiaries (In Rs million)	Ultimate Beneficiary
Bhabani Blunt Hairdressing Private Limited	2021-2022	89.97	2021-2022	89.97	Gauri Meghan Spratt, Shauna Mekhla Spratt and Robert Spratt - Erstwhile shareholders of B:Blunt-Spratt Hairdressing Private Limited

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Honasa Consumer Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2022
(All amounts in Rs millions , except as otherwise stated)

Current

	No of units			Amount		
	March 31, 2022	**March 31, 2021**	**April 01, 2020**	**March 31, 2022**	**March 31, 2021**	**April 01, 2020**
(valued at amortised cost)						
Unquoted Other Investments						
CFSL Commercial Paper	-	-	400	-	-	184.38
Total Unquoted investments				**-**	**-**	**184.38**
Quoted Bonds and Debentures						
HDFC Bank Limited Sr-1 8.85 BD Perpetual Fvrs	200	-	-	208.65	-	-
State Bank of India Series 1 9.56 NCD Perpetual Fvrs	100	-	-	111.82	-	-
Total quoted bonds and debentures valued at amortised cost				**320.47**	**-**	**-**
(valued at fair value through profit and loss)						
Quoted Mutual Funds						
Kotak Money Market Fund Direct - Growth	-	12,005	15,297	-	41.82	50.68
UTI MMMF Direct - Growth	1,675	1,675	26,806	4.17	4.01	60.79
Aditya Birla SL Savings Direct - Ultra Short term	-	1,43,477	1,43,477	-	61.24	57.51
SBI Magnum Ultra Short Duration Direct - Growth	16,781	16,781	13,578	82.18	79.19	60.83
IDFC Banking and PSU Debt Fun - Direct Plan - Growth*	60,89,294	60,89,294	60,89,294	124.22	118.99	109.39
HDFC Corporate Bond Direct - Growth	52,09,120	44,46,937	44,46,937	137.94	111.99	102.65
ICICI Prudential Corporate Bond Direct - Growth*	70,98,408	70,98,408	70,98,408	174.52	166.86	152.69
DSP Short Term Direct - Growth	36,85,984	36,85,984	36,85,984	149.44	143.18	132.46
HDFC Short Term Debt Direct - Growth	35,50,981	20,11,797	44,64,425	93.10	50.19	102.18
IDFC Bond ShortTerm Direct - Growth	23,54,846	23,54,846	23,54,846	115.38	110.35	102.11
IDFC Dynamic bond fund- Direct - Growth	33,27,510	-	-	101.12	-	-
Kotak Bond Short-term Direct - Growth	32,13,016	25,50,009	25,50,009	146.82	110.87	102.29
Tata Short Term Bond Direct - Growth	6,35,243	11,14,192	-	26.86	45.07	-
HDFC Money Market Direct - Growth	24,238	24,238	-	112.82	108.44	-
HDFC Floating Rate Debt Direct - Growth	17,90,652	-	-	71.80	-	-
HDFC Ultra Short Term Fund Direct - Growth	-	43,41,031	-	-	51.83	-
Axis Banking & PSU Debt Direct - Growth	12,250	12,250	-	26.79	25.70	-
Axis Strategic Bond Fund Direct - Growth	42,18,184	-	-	101.21	-	-
Kotak Banking and PSU Debt Direct - Growth	9,60,450	7,74,560	-	52.13	39.91	-
Kotak Corporate Bond Direct - Growth	29,390	10,038	-	92.08	29.96	-
Kotak Money Market Fund Direct - Growth	14,946	-	-	54.11	-	-
L&T Triple Ace Bond Direct-Growth*	24,51,157	13,30,969	-	154.08	79.38	-
Axis Treasury Advantage Direct - Growth	816	816	-	2.11	2.03	-
ICICI Pru Short Term Direct - Growth	11,94,439	2,06,717	-	60.97	10.05	-
ICICI Pru Medium Term Bond Direct - Growth	7,87,544	-	-	30.28	-	-
ICICI Prudential Overnight Fund Growth	120	-	-	0.01	-	-
Bharat Bond FOF - April 2025 Direct - Growth	93,79,196	47,10,982	-	101.51	48.21	-
Bharat Bond FOF - April 2030 Direct - Growth	46,20,515	46,20,515	-	53.01	50.08	-
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	-	21.53	20.51	-
Powergrid Infrastructure Investment Trust	3,22,385	-	-	43.17	-	-
ICICI Prudential Corporate Credit Opportunities AIF I	99,995	-	-	10.00	-	-
UTI Liquid Cash Direct - Growth	-	-	7,789	-	-	25.32
Nippon India Money Market Direct - Growth	30,178	-	-	101.11	-	-
Nippon India Corporate Bond Direct - Growth	3,16,628	-	-	15.69	-	-
Nippon India ETF Nifty SDL - 2026 Maturity - Growth	5,00,000	-	-	54.03	-	-
HSBC Ultra Short Duration Fund Direct - Growth	73,319	-	-	80.82	-	-
Edelweiss NIFTY PSU Bond Plus - 2026 Direct - Growth	1,31,46,157	-	-	141.20	-	-
Edelweiss NIFTY PSU Bond Plus - 2027 Direct - Growth	49,61,989	-	-	50.65	-	-
Edelweiss Credit Plus Fund AIF	1,500	-	-	15.00	-	-
Aditya Birla SL Nifty SDL Plus PSU Bond Sep 2026	49,58,594	-	-	50.46	-	-
Aditya Birla SL Floating rate Direct - Growth	2,51,530	-	-	71.32	-	-
Aditya Birla Sun Life Money Manager Fund	3,538	-	-	1.06	-	-
Quoted Bonds and Debentures						
Muthoot Fincorp Limited - Market Linked Debenture	130	130	-	145.12	134.40	-
Asirvad Microfin Limited MLD	20	-	-	21.02	-	-
Shriram City Union MLD	80	-	-	81.97	-	-
Total Quoted investments valued at Fair value through profit and loss				**2,972.81**	**1,644.26**	**1,058.90**
Total Quoted investments				**3,293.28**	**1,644.26**	**1,058.90**
Total Investments				**3,293.28**	**1,644.26**	**1,243.28**
Aggregate book value of quoted investments				3,293.28	1,644.26	1,058.90
Aggregate market value of quoted investments				3,293.28	1,644.26	1,058.90
Aggregate value of unquoted investments				-	-	184.38

*Includes an amount of Rs 294.12 million (March 31, 2021: Nil; April 01, 2020: Nil) at cost secured against bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease and performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department and TLG India Pvt Ltd.

(All amounts in Rs millions , except as otherwise stated)

9 Other financial assets
(Unsecured, considered good)

	March 31, 2022	March 31, 2021	April 01, 2020
Carried at amortised cost			
Non-current			
Security deposits	13.56	7.34	3.12
Fixed deposit with maturity of more than 12 months*#	749.75	53.27	-
Interest Accrued	1.41	-	-
	764.72	**60.61**	**3.12**
Current			
Security deposits	3.96	3.37	1.36
Interest Accrued	37.49	1.11	6.48
	41.45	**4.48**	**7.84**

*Includes an amount of Rs 56.47 million (March 31, 2021: Rs 14.27 million; April 01, 2020: Nil) secured against bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease and performance guarantees issued in favour of TLG India Pvt Ltd.
Includes an amount of Rs 113.85 million (March 31, 2021: Nil; April 01, 2020: Nil) secured against overdraft facility with HDFC Bank.

10 Income tax assets (net)

Non-current			
Advance tax (net)	33.43	1.52	0.57
	33.43	**1.52**	**0.57**

11 Inventories
(valued at lower of cost and net realizable value)

Traded goods*	658.67	417.42	136.71
Less: Provision for slow moving inventories	(12.86)	(3.95)	-
	645.81	**413.47**	**136.71**

*Traded goods includes goods in transit of Rs 4.96 million (March 31, 2021: Rs 8.33 million; April 01, 2020: Rs 4.74 million)

12 Trade receivables
Carried at amortised cost

Trade receivables	647.67	338.43	106.06
	647.67	**338.43**	**106.06**
Break-up for security details			
Trade receivables			
Unsecured, considered good	647.67	338.43	106.06
Trade receivables - credit impaired	8.82	5.02	2.04
	656.49	**343.45**	**108.10**
Impairment allowance (allowance for bad and doubtful debts)			
Trade receivables - credit impaired	(8.82)	(5.02)	(2.04)
	(8.82)	**(5.02)**	**(2.04)**
Total Trade receivables	**647.67**	**338.43**	**106.06**

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		0-6 months	6 months – 1 year	1-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	157.18	490.49	-	-	-	647.67
Undisputed Trade receivable – credit impaired	-	-	8.82	-	-	8.82
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	**157.18**	**490.49**	**8.82**	**-**	**-**	**656.49**
Less: Impairment allowance (allowance for bad and doubtful debts)	-	-	(8.82)	-	-	(8.82)
Total Trade receivables	**157.18**	**490.49**	**-**	**-**	**-**	**647.67**

As at March 31, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		0-6 months	6 months – 1 year	1-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	126.27	212.16	-	-	-	338.43
Undisputed Trade receivable – credit impaired	-	-	5.02	-	-	5.02
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	**126.27**	**212.16**	**5.02**	**-**	**-**	**343.45**
Less: Impairment allowance (allowance for bad and doubtful debts)	-	-	(5.02)	-	-	(5.02)
Total Trade receivables	**126.27**	**212.16**	**-**	**-**	**-**	**338.43**

(All amounts in Rs millions , except as otherwise stated)

12 Trade receivables (Continued)

As at April 01, 2020

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		0-6 months	6 months – 1 year	1-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	44.71	61.35	-	-	-	106.06
Undisputed Trade receivable – credit impaired	-	-	2.04	-	-	2.04
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	**44.71**	**61.35**	**2.04**	**-**	**-**	**108.10**
Less: Impairment allowance (allowance for bad and doubtful debts)	-	-	(2.04)	-	-	(2.04)
Total Trade receivables	**44.71**	**61.35**	**-**	**-**	**-**	**106.06**

- There are no non-current trade receivables as on March 31, 2022 (March 31, 2021 : Nil, April 01, 2020: Nil).
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, other than those disclosed in Note 34. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 30-60 days.

Movement in impairment allowance (allowance for bad and doubtful debts)	**March 31, 2022**	**March 31, 2021**
Opening balance	5.02	2.04
Add: Charge for the year	3.80	2.98
Less: Bad debts written off during the year	-	-
Closing balance	**8.82**	**5.02**

13 Cash and cash equivalents	**March 31, 2022**	**March 31, 2021**	**April 01, 2020**
Cash and cash equivalents			
Cash in hand	0.42	0.35	0.11
Balance with banks			
- on current accounts	245.85	97.24	19.05
	246.27	**97.59**	**19.16**
14 Bank balances other than cash and cash equivalents			
Deposits with remaining maturity of more than three months but less than or equal to twelve months*	538.90	109.95	244.99
	538.90	**109.95**	**244.99**

*Fixed deposit overdraft facility account having facility of Rs 100 million overdraft set-up against Fixed Deposit

15 Other assets

Current			
Balance with government authorities	215.49	51.74	23.82
Advance to employees	0.70	6.50	-
Prepaid expenses	20.96	18.63	0.44
Advance to suppliers	51.88	68.35	14.03
Other receivables	0.62	-	-
	289.65	**145.22**	**38.29**

(All amounts in Rs millions , except as otherwise stated)

16 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares Numbers	Amount
Equity share capital of Rs 10 each		
As at April 01, 2020	**40,000**	**0.40**
Increase during the year	-	-
As at March 31, 2021	**40,000**	**0.40**
Increase during the year	-	-
As at March 31, 2022	**40,000**	**0.40**
Equity share capital of Rs 100 each		
As at April 01, 2020	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2021	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2022	**580**	**0.06**

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

	Equity Shares Numbers	Amount
Equity share capital of Rs 10 each, fully paid up		
As at April 01, 2020	10,207	0.10
Issued during the year*	18	0.00
As at March 31, 2021	**10,225**	**0.10**
Issued during the year**	31	0.00
As at March 31, 2022 (i)	**10,256**	**0.10**
Equity share capital of Rs 100 each, fully paid up		
As at April 01, 2020	290	0.03
Issued during the year	-	-
As at March 31, 2021	**290**	**0.03**
Issued during the year	-	-
As at March 31, 2022 (ii)	**290**	**0.03**
Total (i)+(ii)	**10,546**	**0.13**

* Represents amount of Rs 180.
** Represents amount of Rs 310.

c) Terms/rights attached to equity shares

i) The Company has two class of equity shares having par value of Rs 10 and Rs 100 per share. Each shareholder of equity shares is entitled to have one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval in the ensuing Annual General Meeting except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares is possible subject to prevalent regulations. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) The equity shares Nil (March 31, 2021: 916, April 01, 2020: 686) were redeemable at the option of the holder and therefore they are considered as a puttable instrument. These equity shares meet the conditions of equity classification as per Ind AS 32 and are therefore, classified and accounted for as equity.

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

	March 31, 2022		March 31, 2021		April 01, 2020	
	Nos.	Holding %	Nos.	Holding %	Nos.	Holding %
Equity shares of Rs 10 each, fully paid						
Varun Alagh	8,282	81%	8,514	82%	8,514	83%
Ghazal Alagh	788	8%	788	8%	1,000	10%
	9,070		**9,302**		**9,514**	
Equity shares of Rs 100/- each fully paid						
Shilpa Shetty Kundra	108	37%	290	100%	290	100%
Evolvence Fund III LTD	102	35%	-	-	-	-
Evolvence India Coinvest PCC	68	23%	-	-	-	-
	278		**290**		**290**	

e) Details of shares held by promoters:

Equity shares of Rs 10 each, fully paid
As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	8,514	-232	8,282	81%	-3%
Ghazal Alagh	788	-	788	8%	-

(All amounts in Rs millions , except as otherwise stated)

As at March 31, 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	8,514	-	8,514	82%	-
Ghazal Alagh	1,000	(212)	788	8%	-21%

As at April 01, 2020

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	9,000	(486)	8,514	83%	-5%
Ghazal Alagh	1,000	-	1,000	10%	-

f) Shares reserved for issue under options
For details of shares reserved for issue on conversion of Non- Cumulative Compulsorily Convertible Preference Shares, refer note 17.
For details of shares reserved for issue against share warrants refer note 37.
For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 39.

g) The Company has not issued any bonus or issued shares for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. Refer note 49(a) for bonus shares issued subsequent to the year ended March 31, 2022.

17 Instrument entirely in the nature of equity

Preference shares

	NCCCPS Numbers	NCCCPS Amount
i) Authorised share capital		
0.001% Non- Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of Rs 10 each		
As at April 01, 2020		
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
As at March 31, 2021	**16,730**	**0.17**
Increase during the year		-
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
As at March 31, 2022	**26,730**	**0.27**
ii) Issued, subscribed and fully paid up shares		
NCCCPS of Rs 10 each		
As at April 01, 2020		
Class A NCCCPS- Refer note (i) below	581	-
Class B NCCCPS- Refer note (i) below	1,885	-
Class C NCCCPS- Refer note (i) below	4,845	-
Class D NCCCPS- Refer note (i) below	4,161	-
Total	**11,472**	**-**
Increase during the year	-	-
As at March 31, 2021	**11,472**	**-**
Reclassed during the year		
Class A NCCCPS- Refer note (i) below	581	989.60
Class B NCCCPS- Refer note (i) below	1,885	3,210.68
Class C NCCCPS- Refer note (i) below	4,845	8,252.38
Class D NCCCPS- Refer note (i) below	4,161	7,087.33
Increase during the year		
Class E NCCCPS- Refer note (ii) below	902	0.01
Class F NCCCPS- Refer note (iii) below	839	0.01
	13,213	**19,540.01**
Less: Reclassified to securities premium as per Companies Act, 2013 (Refer note (i) below)		1,610.65
As at March 31, 2022	**13,213**	**17,929.36**

Note (i): In respect of Non-Cumulative Compulsorily convertible preference shares ('NCCCPS'), the NCCCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value as at April 01, 2020 and year ended March 31, 2021 and the change in fair value of liability has been recognized as an expense in the statement of profit and loss. Further, subsequently on April 01, 2021, the Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs 17,929.34 million and Rs 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity.
Note (ii): The Company has issued 902 Class E NCCCPS of Rs 10 during the year at a premium of Rs 2.24 million per share.
Note (iii): The Company has issued 839 Class F NCCCPS of Rs 10 during the year at a premium of Rs 3.39 million per share.

(All amounts in Rs millions , except as otherwise stated)

(iii) Terms/rights attached to NCCCPS

The Company has issued NCCCPS - Class A, B, C, D, E & F shares of Rs 10 each fully paid-up. NCCCPS Class A, B, C, D, E & F shares carry a minimum preferential dividend @ 0.001% p.a proportionately for the period for which the shares are being held and it shall be paid in preference to any dividend or distribution payable upon shares of any other class. Each holder of NCCCPS Class A, B, C, D, E & F shares is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPS Class A, B, C, D, E & F shares.

The holders of the NCCCPS shall be entitled to exercise voting rights on an as if converted basis i.e., assuming conversion of the NCCCPS in the manner set out in the shareholders agreement.

Each holder of NCCCPS Class A, B, C, D, E & F shares may convert the shares at the option of the holder into 1 equity share of the Company at the earlier of the following events:
1) Anytime at the option of the holder
2) Immediately upon the expiry of 20 years from the date of allotment; or
3) Qualified Initial Public Offering (IPO) as acceptable to the holder.
In the event of liquidation of the Company before conversion, the holder of NCCCPS Class A, B, C, D, E & F shares would be paid prior and in preference to any payment or distribution to equity share holders.

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

	March 31, 2022		March 31, 2021		April 01, 2020	
	Nos.	Holding %	Nos.	Holding %	Nos.	Holding %
Class A NCCCPS of Rs 10 each, fully paid						
Fireside Venture Trust	108	19%	141	24%	254	44%
Suhail Sameer	116	20%	116	20%	116	20%
SCI Investments VI	209	36%	209	36%	186	32%
Sofina Ventures S.A.	64	11%	64	11%	-	-
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	33	6%	-	-	-	-
	530		**530**		**556**	
Class B NCCCPS of Rs 10 each, fully paid						
Fireside Ventures Investment Fund-I	199	11%	199	10%	1,347	72%
Kunal Bahl	-	-	-	-	269	14%
Rohit Kumar Bhansal	-	-	-	-	269	14%
SCI Investments VI	454	24%	454	24%	-	-
Sofina Ventures S.A.	1,062	56%	1,062	56%	-	-
	1,715		**1,715**		**1,885**	
Class C NCCCPS of Rs 10 each, fully paid						
Fireside Ventures Investment Fund-I	1,780	37%	1,780	37%	1,780	37%
Stellaris Venture Partners	1,764	36%	1,764	36%	2,131	44%
Rishabh Mariwala	642	13%	642	13%	734	15%
Sofina Ventures S.A.	252	5%	252	5%	-	-
	4,438		**4,438**		**4,645**	
Class D NCCCPS of Rs 10 each, fully paid						
SCI Investments VI	3,346	80%	3,346	80%	3,346	80%
Fireside Ventures Investment Fund-I	363	9%	363	9%	363	9%
Stellaris Venture Partners	363	9%	363	9%	363	9%
	4,072		**4,072**		**4,072**	
Class E NCCCPS of Rs 10 each, fully paid						
SCI Investments VI	82	9%	-	-	-	-
Sofina Ventures S.A	656	73%	-	-	-	-
Evolvence Fund III LTD	164	18%	-	-	-	-
	902		**-**		**-**	
Class F NCCCPS of Rs 10 each, fully paid						
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	839	100%	-	-	-	-
	839		**-**		**-**	

18 Other equity

	March 31, 2022	March 31, 2021	April 01, 2020
Securities premium	6,504.71	20.08	18.76
Retained earnings	(17,520.19)	(17,719.98)	(4,397.91)
Employee stock option reserve	207.34	48.34	7.22
	(10,808.14)	**(17,651.56)**	**(4,371.93)**

Securities premium			
Opening Balance	20.08	18.76	338.79
Add: Premium on issue of equity shares	6.26	0.90	0.38
Add: Premium on issue of Class D NCCCPS	-	-	1,290.24
Add: Premium on issue of Class E and F NCCCPS	4,863.85	-	-
Less: Premium towards NCCCPS on classification from equity to liability (refer note 17)	-	-	(1,610.65)
Add: Premium towards NCCCPS on reclassification from liability to equity (refer note 17)	1,610.65	-	-
Less: Transaction cost on issue of shares	(4.87)	-	-
Add: Transferred to securities premium on exercise of stock options	8.74	0.42	-
Closing balance	**6,504.71**	**20.08**	**18.76**

(All amounts in Rs millions , except as otherwise stated)

Retained earnings		
Opening Balance	(17,719.98)	(4,397.91)
Add: Profit/(loss) for the year	198.68	(13,322.15)
Add: Other comprehensive income	1.11	0.08
Closing balance	**(17,520.19)**	**(17,719.98)**
Employee stock option reserve		
Opening Balance	48.34	7.22
Add: Compensation expense for options granted during the year (Refer note 39)	156.45	41.54
Add: Options granted to subsidiaries employees	11.29	-
Less: Transferred to securities premium on exercise of stock options	(8.74)	(0.42)
Closing balance	**207.34**	**48.34**

Securities premium:
Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings :
Retained earnings comprises of prior and current year's undistributed earnings/accumulated losses after tax.

Employee stock option reserve :
Share based payment reserve is used to record the fair value of equity-settled share based payment transactions with employees.

(All amounts in Rs millions , except as otherwise stated)

19 Borrowings

	March 31, 2022	March 31, 2021	April 01, 2020
Non Current			
Carried at fair value			
Non- Cumulative Compulsorily Convertible Preference Shares(NCCCPS) - (Refer note below)	-	19,539.99	5,927.56
	-	**19,539.99**	**5,927.56**

Note:
In respect of Non-Cumulative Compulsorily convertible preference shares ('NCCCPS'), the NCCCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value as at April 01, 2020 and year ended March 31, 2021 and the change in fair value of liability has been recognized as an expense in the statement of profit and loss. Further, subsequently on April 01, 2021, the Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs 17,929.34 million and Rs 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity.

20 Other financial liabilities

	March 31, 2022	March 31, 2021	April 01, 2020
Non Current			
Carried at fair value			
Derivative liability*	32.00		
Stock appreciation rights (refer note 39)	9.02	-	-
	41.02	**-**	**-**
Current			
Carried at fair value			
Derivative liability*	15.80		
Stock appreciation rights (refer note 39)	11.13	-	-
	26.93	**-**	**-**
Carried at amortised cost			
Employee benefits payable	53.16	45.13	10.72
Consideration payable (Refer Note 44)	20.53	-	-
Payable for capital goods	7.18		
	80.87	**45.13**	**10.72**
	107.80	**45.13**	**10.72**

*During the year ended March 31, 2022, the Company has acquired 74.32% shareholding in Just4kids Services Private Limited. Pursuant to the Shareholders Agreement between the Company and existing shareholders of Just4kids Services Private Limited, both the parties have the obligation to purchase and sell the remaining shares of the existing shareholders at a pre-agreed valuation. This has been treated as a derivative instrument and accordingly fair valued through profit and loss account.

21 Provisions

	March 31, 2022	March 31, 2021	April 01, 2020
Non-current			
Provision for Gratuity (Refer Note 35)	21.65	9.55	3.24
	21.65	**9.55**	**3.24**
Current			
Provision for Gratuity (Refer Note 35)	0.13	0.04	-
Provision for Leave benefits	22.21	9.42	2.57
	22.34	**9.46**	**2.57**

22 Other liabilities

Current			
Statutory dues payable	51.79	25.63	8.76
Advance from customers	31.35	15.32	3.03
Deferred revenue	19.93	11.81	3.11
	103.07	**52.76**	**14.90**

Movement during the year - Deferred Revenue

Balance as at April 01, 2020	**3.11**
Arising during the year	8.70
Utilised during the year	-
Balance as at March 31, 2021	**11.81**
Arising during the year	8.12
Utilised during the year	-
Balance as at March 31, 2022	**19.93**

(All amounts in Rs millions , except as otherwise stated)

23 Trade payables

Carried at amortised cost

	March 31, 2022	March 31, 2021	April 01, 2020
Total outstanding dues of micro enterprises and small enterprises	33.97	121.27	76.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,595.92	682.15	142.04
	1,629.89	**803.42**	**219.01**

There are no non-current trade payables as on March 31, 2022 (March 31, 2021: Nil, April 01, 2020: Nil).

The amount due to Micro, small and medium enterprise as per the "Micro, small and medium Enterprise Development Act, 2006" (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosure relating to micro, small and medium enterprises ('MSME') are as under:

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
(i) 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	32.80	120.32	76.87
Interest due on the above	1.17	0.95	0.10
Total	**33.97**	**121.27**	**76.97**
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.22	0.85	0.04
(v) 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	1.17	0.95	0.10

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/ suppliers.

(a) Trade payables are non-interest bearing and are generally settled up to 60 days
(b) For explanations on the Company's credit risk management processes, refer to Note 40.
(c) Trade payables (outstanding for following periods from the date of transaction) ageing schedule:

	Unbilled and not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
(i) MSME	-	33.97	-	-	-	33.97
(ii) Others	502.93	1,090.46	2.53	-	-	1,595.92
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**502.93**	**1,124.43**	**2.53**	**-**	**-**	**1,629.89**
As at March 31, 2021						
(i) MSME	-	121.27	-	-	-	121.27
(ii) Others	172.02	508.99	1.14	-	-	682.15
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**172.02**	**630.26**	**1.14**	**-**	**-**	**803.42**
As at April 01, 2020						
(i) MSME	-	76.97	-	-	-	76.97
(ii) Others	35.31	106.73	-	-	-	142.04
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**35.31**	**183.70**	**-**	**-**	**-**	**219.01**

(All amounts in Rs millions , except as otherwise stated)

24 Tax expense (net)

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

a) Standalone statement of profit and loss

Profit or loss section

	March 31, 2022	March 31, 2021
Current income tax:		
Current tax	62.21	61.89
Deferred tax:		
Relating to origination and reversal of temporary differences	17.14	14.17
Total tax expense	**79.35**	**76.06**

b) Other comprehensive income/(loss)

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

	March 31, 2022	March 31, 2021
Net loss/ (gain) on remeasurements of defined benefit plans	0.38	0.03
Tax (income) / expense charged to OCI	**0.38**	**0.03**

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

	March 31, 2022	March 31, 2021
Accounting profit/ (loss) before income tax	278.03	(13,246.09)
Applicable India's statutory income tax rate	25.17%	25.17%
Computed tax charge/(credit)	69.98	(3,334.04)
Deferred tax asset not recognised in previous years	-	(18.49)
Expenses not deductible under income tax (change in fair valuation of preference shares)	7.54	3,426.58
Others	1.82	2.00
Income tax expense reported in the standalone statement of profit and loss	**79.35**	**76.05**

d) Deferred tax relates to the following:

	March 31, 2022	March 31, 2021	April 01, 2020
Deferred tax liability			
Investments	47.58	25.41	6.13
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	11.54	-	-
	59.12	**25.41**	**6.13**
Deferred Tax Asset			
Provision for bad & doubtful debts	2.22	1.26	0.51
Provision for gratuity	5.48	2.41	0.81
Provision for leave encashment	5.59	2.37	0.65
Provision for bonus	0.58	0.27	-
Provision for Customer Credits	5.02	2.97	0.78
Brought forward losses and unabsorbed depreciation	-	-	20.80
Provision for slow moving inventory	3.24	-	-
Right of use asset, net	5.20	0.93	0.52
Notional interest income on security deposits	0.07	0.03	-
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	-	0.97	0.55
	27.40	**11.21**	**24.62**
	31.72	**14.20**	**(18.49)**
Less: Deferred tax not recognised (Refer note (i) below)			**18.49**
Net deferred tax liability	**31.72**	**14.20**	**-**

(All amounts in Rs millions , except as otherwise stated)

Notes:

(i) No deferred tax asset has been recognised upto April 01, 2020 in the absence of reasonable certainty that sufficient future taxable income will be available in the foreseeable future against which such deferred tax can be utilized.

(ii) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

e) Reconciliation of deferred tax liabilities (net):

	March 31, 2022	March 31, 2021
Opening balance as of April 01	14.20	-
Tax income/(expense) during the period		
- recognised in statement of profit and loss	17.14	14.17
- recognised in OCI	0.38	0.03
Closing balance as at March 31	**31.72**	**14.20**

f) Movement for the year ended March 31, 2022

	March 31, 2021	Recognised in statement of profit and loss	Recognised in OCI	March 31, 2022
Deferred tax liability				
Investments	25.41	22.17	-	47.58
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	-	11.54	-	11.54
	25.41	**33.71**	**-**	**59.12**
Deferred Tax Asset				
Provision for bad & doubtful debts	1.26	0.96	-	2.22
Provision for gratuity	2.41	3.45	(0.38)	5.48
Provision for leave encashment	2.37	3.22	-	5.59
Provision for bonus	0.27	0.31	-	0.58
Provision for Customer Credits	2.97	2.05	-	5.02
Provision for slow moving inventory	-	3.24	-	3.24
Right of use asset, net	0.93	4.27	-	5.20
Interest Income on security deposits	0.03	0.04	-	0.07
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.97	(0.97)	-	-
Total	**11.21**	**16.57**	**(0.38)**	**27.40**
Net Deferred tax liability	**14.20**	**17.14**	**0.38**	**31.72**

g) Movement for the year ended March 31, 2021

	April 01, 2020	Recognised in statement of profit and loss	Recognised in OCI	March 31, 2021
Deferred tax liability				
Investments	6.13	19.28	-	25.41
	6.13	**19.28**	**-**	**25.41**
Deferred Tax Asset				
Provision for bad & doubtful debts	0.51	0.75	-	1.26
Provision for gratuity	0.81	1.63	(0.03)	2.41
Provision for leave encashment	0.65	1.72	-	2.37
Provision for bonus	-	0.27	-	0.27
Provision for Customer Credits	0.78	2.19	-	2.97
Brought forward losses and unabsorbed depreciation	20.80	(20.80)	-	-
Right of use asset, net	0.52	0.41	-	0.93
Interest Income on security deposits	-	0.03	-	0.03
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.55	0.42	-	0.97
Total	**24.62**	**(13.38)**	**(0.03)**	**11.21**
Deferred tax	**(18.49)**	**32.66**	**0.03**	**14.20**
Less: Deferred tax not recognised	**(18.49)**	**18.49**		
Net Deferred tax liability	**-**	**14.17**	**0.03**	**14.20**

(All amounts in Rs millions , except as otherwise stated)

25 Revenue from operations

	March 31, 2022	March 31, 2021
Sale of products	9,317.56	4,599.90
Revenue from contract with customers	**9,317.56**	**4,599.90**
Sale of products (net of Goods and Service Tax and discounts/promotion offers)		
Traded goods	9,317.56	4,599.90
	9,317.56	**4,599.90**

25.1 Details of disaggregation of revenue

The Company derives its major revenue from sale of baby care, skin care, hair and other related products, which is a single line of business.

25.2 Contract balances

	March 31, 2022	March 31, 2021	April 01, 2020
a) Contract Assets			
Trade receivables	647.67	338.43	106.06
b) Contract Liabilities			
Advance received from customers	31.35	15.32	3.03
Deferred revenue	19.93	11.81	3.11
	51.28	**27.13**	**6.14**

25.3 Timing of revenue recognition

	March 31, 2022	March 31, 2021
Goods transferred at a point in time	9,317.56	4,599.90
Revenue from contract with customers	**9,317.56**	**4,599.90**

25.4 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price	March 31, 2022	March 31, 2021
Revenue as per contracted price	9,792.41	4,736.70
Adjustments		
Claims and rebates	(466.73)	(128.10)
Deferred revenue	(8.12)	(8.70)
Revenue from contract with customers	**9,317.56**	**4,599.90**

25.5 Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or lesser.

26 Other income

	March 31, 2022	March 31, 2021
Interest income on:		
Investments	54.41	15.10
Deposits with bank	10.83	4.03
Unwinding of discount on security deposits	0.71	0.25
Foreign exchange fluctuation gain (net)	-	1.76
Fair value gain on investments measured at FVTPL	88.08	76.64
Gain on sale of investments measured at FVTPL	43.11	22.21
Others	9.66	1.12
	206.80	**121.11**

27 Purchases of traded goods

	March 31, 2022	March 31, 2021
Purchases (traded goods)	3,045.04	1,607.77
	3,045.04	**1,607.77**

28 Increase in inventories of traded goods

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year	417.42	136.71
Inventory acquired during the year from:		
- Acquisition * (Refer note 44)	27.12	-
	444.54	136.71
Inventories at the end of the year	658.67	417.42
	658.67	417.42
(Increase) in inventories of traded goods	**(214.13)**	**(280.71)**

* Net of Rs 15.55 million which has been transferred to vendor for contract manufacturing

(All amounts in Rs millions , except as otherwise stated)

29 Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	504.86	215.69
Contribution to provident fund and other funds (Refer note 35)	10.18	4.88
Gratuity (Refer note 35)	13.68	6.46
Share based payments expenses(equity settled- ESOP) (Refer note 39)	156.45	41.54
Employee stock appreciation rights expense (Refer note 39)	20.15	-
Staff welfare expenses	14.93	9.02
	720.25	**277.59**

30 Depreciation and amortisation expense

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment	7.40	2.97
Depreciation of right-of-use-assets	48.06	14.14
Amortisation of intangible assets	1.03	0.01
	56.49	**17.12**

31 Finance costs

	March 31, 2022	March 31, 2021
Interest on		
Lease liabilities	25.08	8.05
Others	0.21	1.16
Bank charges	3.25	0.54
	28.54	**9.75**

32 Other expenses

	March 31, 2022	March 31, 2021
Advertisement expense	3,906.51	1,779.38
Freight and forwarding charges	919.07	543.53
Sales Commission	285.71	134.29
Packaging materials and other consumables	137.50	83.73
Software support expenses	117.04	48.28
Contract Labour charges	62.97	59.41
Legal and professional charges*	74.62	30.45
Travelling and conveyance	26.11	9.07
Payment gateway charges	16.80	11.37
Rates and taxes	10.75	0.93
Provision for slow moving inventory	8.91	3.95
Rent	6.02	8.29
Repairs and maintenance	5.60	3.56
Impairment allowance (allowance for bad and doubtful debts)	3.80	2.98
Foreign exchange fluctuation loss (net)	3.06	-
Insurance	2.77	1.00
Communication costs	1.84	1.04
Power and fuel	1.57	0.80
Corporate social responsibility expenses - Refer note (i) below	1.44	-
Printing and stationery	0.33	0.77
Loss on sale/disposal of PPE	-	0.12
Miscellaneous expenses	1.92	0.20
	5,594.34	**2,723.15**

*** Payment to auditor (included under legal and professional charges)**

Statutory audit fee (excluding goods and services tax)	3.50	2.20
Reimbursement of expenses	0.02	0.01
	3.52	**2.21**

(i) Details of CSR Expenditure

Consequent to the requirements of section 135 and Schedule VII of the Companies Act, 2013 the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility ('CSR') policy.

The Company has spent Rs 1.44 million (March 31, 2021: Nil) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	1.44	-

b) Amount spent during the year ended March 31, 2022	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	1.44	-	1.44

c) Amount spent during the year ended March 31, 2021	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	-	-	-

(All amounts in Rs millions , except as otherwise stated)

Details of ongoing project and other than ongoing project

In case of Section 135(6) (Ongoing project)						
Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In separate CSR Unspent A/C		From Company's bank A/C	From separate CSR unspent A/C	With Company	In separate CSR Unspent A/C
-	-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	1.44	1.44	-

33 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Profit/(loss) after tax attributable to equity holders of the Company (a)	198.68	(13,322.15)
Equity shares of Rs 10 each	196.18	(12,954.20)
Equity shares of Rs 100 each	2.51	(367.94)
Weighted average number of shares outstanding during the year for basic EPS (b)		
Equity shares of Rs 10 each	29,18,25,532	13,17,09,000
Equity shares of Rs 100 each	37,41,000	37,41,000
Weighted average number of shares outstanding during the year for diluted EPS (c)		
Equity shares of Rs 10 each	29,75,40,878	28,18,71,922
Equity shares of Rs 100 each	37,41,000	37,41,000
Basic earnings/(loss) per share (in Rs) (a/b)		
Equity shares of Rs 10 each	0.67	(98.35)
Equity shares of Rs 100 each	0.67	(98.35)
Diluted earnings/(loss) per share (in Rs) (a/c)		
Equity shares of Rs 10 each	0.66	(98.35)
Equity shares of Rs 100 each	0.67	(98.35)
Equity share reconciliation for EPS		
Equity shares of Rs 10 each	13,19,94,532	13,17,09,000
NCCCPS as equity	15,98,31,000	-
Total considered for basic EPS	**29,18,25,532**	**13,17,09,000**
Add: ESOP options	57,15,346	21,74,122
Add: NCCCPS	-	14,79,88,800
Total considered for diluted EPS	**29,75,40,878**	**28,18,71,922**
Equity share reconciliation for EPS - Face value Rs.100		
Equity shares of Rs. 100 each	37,41,000	37,41,000

Notes:

a) Subsequent to the year end, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 on May 11, 2022. The weighted average number of shares have been adjusted to reflect the impact of bonus issue as per Ind AS 33. Equity shares with face value of Rs.10 and Rs.100 rank paripassu and does not have differential voting rights.

b) Employee share options and NCCCPS are anti-dilutive in nature during the year end March 31, 2021.

(All amounts in Rs millions , except as otherwise stated)

34 Related party disclosures

a) Names of related parties and description of relationships:

Name of Related party where control exists:	**Nature of relationship**
Just4Kids Services Private Limited (w.e.f. December 24, 2021) (Refer note 8)	Subsidiary
Bhabani Blunt Hairdressing Private Limited (w.e.f. March 16, 2022) (Refer note 8)	Subsidiary
B:Blunt-Spratt Hair dressing Private Limited (w.e.f. March 16, 2022) (Refer note 8)	Subsidiary
PT Honasa Consumer Indonesia (w.e.f. February 18, 2022)	Subsidiary
Investing party who exercise significant influence	
Fireside Ventures Investment Fund-I	Investors
SCI Investments VI	Investors
Stellaris Venture Partners	Investors
Sofina Ventures S.A.	Investors
Sequoia Capital Global Growth Fund III	Investors
Key management personnel (KMP)	
Directors	
Varun Alagh	Director
Ghazal Alagh	Director
Ishaan Mittal	Nominee Director
Vivek Gambhir	Independent Director
Rahul Chowdhri (Resigned w.e.f. June 08, 2022)	Nominee Director
Subramaniam Somasundaram (w.e.f. February 11, 2022)	Independent Director
Vettakkorumakankav Siva Subramaniam Sitaram	Nominee Director
Other KMP	
Dhanraj Dagar (w.e.f. May 11, 2022)	Company Secretary
Ramanpreet Sohi (w.e.f. July 26, 2022)	Chief Financial Officer

b) Transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the 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 March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021 : Nil; April 01, 2020: 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.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions	March 31, 2022	March 31, 2021
Sale of products (net)		
Varun Alagh	-	-
Ghazal Alagh	-	0.01
	-	**0.01**
Reimbursement of expenses		
Varun Alagh	0.06	0.15
Ghazal Alagh	-	0.13
	0.06	**0.28**
Remuneration paid*		
Varun Alagh	11.31	6.39
Ghazal Alagh	7.43	3.94
	18.74	**10.33**
Advertisement expense		
Samast Technologies Private Limited	0.70	-
	0.70	**-**
Issue of equity shares and instruments entirely in the nature of equity (including securities premium)		
SCI Investments VI	183.98	-
Sequoia Capital Global Growth Fund III	2,840.05	-
Sofina Ventures S.A	1,471.86	-
	4,495.89	**-**
Investments		
	1,205.17	-
Bhabani Blunt Hairdressing Private Limited#	784.69	-
	1,989.86	**-**

*The remuneration to the Key Management Personnel does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

**Refer note 20 with respect to derivative liability of non controlling interest holders of Just4Kids Services Private Limited

#Includes share based payment expenses on options granted to employees of Just4Kids Services Private Limited amounting to Rs 10.57 million and employees of Bhabani Blunt Hairdressing Private Limited amounting to Rs 0.72 million.

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

	March 31, 2022	March 31, 2021	April 01, 2020
Expense payable			
Varun Alagh	-	0.04	0.04
Ghazal Alagh	-	-	0.02
	-	**0.04**	**0.06**
Trade receivables			
Ghazal Alagh	-	0.02	-
Sofina Ventures S A	-	0.26	-
	-	**0.28**	-
Employee Benefits Payable			
Varun Alagh	-	0.54	0.35
Ghazal Alagh	-	0.40	0.16
	-	**0.94**	**0.51**
Other financial liabilities			
Just4Kids Services Private Limited	47.80	-	-
	47.80	**-**	**-**
Investments			
Just4Kids Services Private Limited	1,237.17	-	-
Bhabani Blunt Hairdressing Private Limited	784.69	-	-
	2,021.86	**-**	**-**

(All amounts in Rs millions , except as otherwise stated)

35 Employee benefits plan

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

The Company makes Provident Fund, Employee State Insurance Scheme and Welfare Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 9.83 million (March 31, 2021: Rs 4.64 million) for Provident Fund contributions, Rs 0.13 million (March 31, 2021: Rs 0.11 million) for Employee's State Insurance and Rs 0.22 million (March 31, 2021: Rs 0.13 million) for Labour Welfare Fund in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined benefit plans (unfunded):

The Company provides for gratuity for employees as per the Payment of Gratuity (Amendment) Act, 2018. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The plan is unfunded benefit plan for qualifying employees.

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Liquidity risk	This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs.

	March 31, 2022	March 31, 2021	April 01, 2020
Current	0.13	0.04	-
Non-current	21.65	9.55	3.24
	21.78	**9.59**	**3.24**

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

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2021:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2020	**3.24**	**-**	**3.24**
Amount recognised in statement of profit and loss			
Current Service cost	6.24	-	6.24
Interest cost on benefit obligation	0.22	-	0.22
Total amount recognised in statement of profit and loss	**6.46**	**-**	**6.46**
Benefits paid	**-**	**-**	**-**
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	-		-
Experience adjustments	(0.11)	-	(0.11)
Total amount recognised in other comprehensive income	**(0.11)**	**-**	**(0.11)**
Contributions by employer	-	-	-
As at March 31, 2021	**9.59**	**-**	**9.59**

(All amounts in Rs millions , except as otherwise stated)

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2022:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at March 31, 2021	**9.59**	**-**	**9.59**
Current service cost	13.03	-	13.03
Interest cost on benefit obligation	0.65	-	0.65
Total amount recognised in statement of profit and loss	**13.68**	**-**	**13.68**
Benefits paid	-	-	-
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(1.51)	-	(1.51)
Experience adjustments	0.02	-	0.02
Total amount recognised in other comprehensive income	**(1.49)**	**-**	**(1.49)**
Contributions by employer	-	-	-
As at March 31, 2022	**21.78**	**-**	**21.78**

35 Employee benefits plan (Continued)

(ii) Defined benefit plans (unfunded):
The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

	March 31, 2022	March 31, 2021	April 01, 2020
Discount rate	7.22%	6.76%	6.76%
Future salary increases	10.00%	10.00%	10%
Normal retirement age	60 years	60 years	60 years
Attrition / withdrawal (per annum)	10.00%	10.00%	10.00%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

	Sensitivity Level	March 31, 2022		March 31, 2021		April 01, 2020	
		Defined benefit obligation on increase/decrease in assumptions					
		Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase / decrease	(1.97)	2.22	(0.90)	1.01	(0.31)	0.35
Future salary increase	0.5% increase / decrease	1.71	(1.59)	0.84	(0.78)	0.28	(0.25)
Attrition rate sensitivity*	0.5% increase / decrease	(0.59)	0.63	(0.26)	0.28	-	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

* Sensitivities due to attrition are not material as at April 01, 2020 and hence impact of change due to these not disclosed.

The following payments are expected cash flows to the defined benefit plan in future years:
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.92 years (March 31, 2021: 17.03 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2022	March 31, 2021	April 01, 2020
Within the next 12 months	0.13	0.04	-
Between 2 and 5 years	3.23	0.69	0.23
Beyond 5 years	19.97	9.54	3.01

36 Segment information
The Company reports this standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

(All amounts in Rs millions , except as otherwise stated)

37 Commitments

(i) The Company has entered into a celebrity endorsement agreement ('Agreement') dated April 04, 2018 with Shilpa Shetty Kundra ('Celebrity') and an addendum to the Agreement dated May 30, 2020. As per the first addendum, the Company is obliged to issue a warrant certificate of Rs 10 million to the celebrity against the services to be provided by the celebrity. 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. The warrant subscription price is based on the price equivalent to the fair value of the equity share of the Company as on the date of exercise of the warrant. Basis further negotiation, the Celebrity and the Company have agreed to issue additional share warrants certificate of Rs 20.47 million with respect to agreement dated May 30, 2020 with similar terms as per the earlier warrant certificate.

The Company has also entered into a second addendum in the financial year ended March 31, 2022. As per the addendum, the Company is oblige to issue the shares worth Rs 30 million against the services to be provided by the celebrity. The share subscription price is based on the price equivalent to the fair value of the Company as on the date of exercise.

(ii) With respect to commitment relating to purchase of balance equity shares of Just4Kids Services Private Limited, refer note 20.

38 Contingent liabilities

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
i) Claims against the Company not acknowledged as debts*	-	-	-
ii) Bank guarantee** #	393.21	14.27	-
	393.21	**14.27**	**-**

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

**Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease amounting to Rs 56.47 million (March 31, 2021: Rs 14.27 million; April 01, 2020: Nil) and performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department and TLG India Pvt Ltd amounting to Rs 248.20 million (March 31, 2021: Nil; April 01, 2020: Nil).

Includes Bank Guarantees against overdraft facility with HDFC Bank amounting to Rs 113.85 million (March 31, 2021: Nil; April 01, 2020: Nil).

(All amounts in Rs millions , except as otherwise stated)

39 Share based payments

Employee Share Option Plan (ESOP)

The company provides share-based payment schemes to its employees. The relevant details of the scheme and the grant are as below.

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:

Class of Share	Equity Shares (as amended vide board meeting held on August 02, 2018).
Ownership	Legal Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 25% in the first year and 6.25% each quarter from the date of grant and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of Rs 25,788, Rs 54,512 and Rs 263,566 per option.
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company as duly approved by the shareholders at the meeting held on August 02, 2018.

Movements during the year

The following are the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	March 31, 2022		March 31, 2021	
	No. of options	WAEP (Rs)	No. of options	WAEP (Rs)
Outstanding at the beginning of the year	429	1,76,661.96	279	1,16,143.23
Granted during the year	193	2,63,565.86	168	2,63,565.86
Forfeited during the year	(7)	2,63,565.86	-	-
Exercised during the year	(31)	2,01,946.23	18	49,724.80
Outstanding at the end of the year	584	2,02,985.66	429	1,76,661.96
Exercisable at the end of the year	204	1,42,427.36	102	1,03,271.93
Weighted Average Remaining Contractual Life	5.17 years		5.62 years	

The weighted average fair value of the options granted during the year is Rs 0.76 million (March 31, 2021 - Rs 0.28 million)

Share appreciation rights (SAR)

On September 30, 2021 the board of directors approved the Honasa Consumer Private Limited Share Appreciation Rights Plan 2021 for issue of appreciation rights to the permanent employees of the company. The Company's employees are granted share appreciation rights (SARs), to be settled in cash. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date.

The carrying amount of the liability relating to the SARs at March 31, 2022 was Rs 20.15 million. The number of SARs vested as at March 31, 2022 was Nil

The expense recognised for employee services received during the year is shown in the following table:

	March 31, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions*	156.45	41.54
Expense arising from cash-settled share-based payment transactions	20.16	-
Total expense arising from share-based payment transactions	**176.61**	**41.54**

* Includes Expense arising from equity-settled share-based payment transactions on options granted to employees of Just4Kids Services Private Limited amounting to Rs 10.57 million and employees of Bhabani Blunt Hairdressing Private Limited amounting to Rs 0.72 million.

There were no cancellations or modifications to the plan in the year .

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2022		March 31, 2021	
	ESOP	SAR	ESOP	SAR
Weighted average fair values at the measurement date	0.75	1.42	0.28	-
Dividend yield (%)	0.00%	0.00%	0.00%	-
Expected volatility (%)	45.00%	45.00%	45.00%	-
Risk-free interest rate (%)	6.21% - 6.72%	4.37% - 4.98%	6.23% - 5.69%	-
Expected life of the options/SARs granted (in years)	7.00	1.15	7.00	-
Weighted average share price	1.92	2.13	0.24	-

The expected life of the share options and SARs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(All amounts in Rs millions , unless otherwise stated)

40 Financial instruments- accounting classification and fair value measurement

i) The carrying value of financial assets by categories is as follows:

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Measured at fair value through statement of profit and loss (FVTPL)			
Investment in mutual funds (Level 1)	2,972.81	1,644.26	1,058.90
Total financial assets measured at FVTPL	**2,972.81**	**1,644.26**	**1,058.90**
Measured at amortised cost			
Investment in mutual funds	320.47	-	184.38
Trade receivables	647.67	338.43	106.06
Cash and cash equivalents	246.27	97.59	19.16
Bank balance other than cash and cash equivalents	538.90	109.95	244.99
Other financial assets	806.16	65.09	10.96
Total financial assets measured at amortised cost	**2,559.47**	**611.06**	**565.55**
Total financial assets	**5,532.28**	**2,255.32**	**1,624.45**

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

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Measured at fair value through statement of profit and loss (FVTPL)			
Other financial liabilities	67.96	-	-
Borrowings - NCCCPS (Level 3) (Refer note 19)	-	19,539.99	5,927.56
Total financial liabilities measured at FVTPL	**67.96**	**19,539.99**	**5,927.56**
Measured at amortised cost			
Other financial liabilities	80.87	45.13	10.72
Lease liabilities	440.55	203.31	0.32
Trade payables	1,629.88	803.41	219.01
Total financial liabilities measured at amortised cost	**2,151.30**	**1,051.85**	**230.05**
Total financial liabilities	**2,219.25**	**20,591.84**	**6,157.61**

iii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
		March 31, 2022		
Financial assets and liabilities measured at fair values				
Investment in mutual funds	2,972.81	-	-	2,972.81
Total financial asset measured at fair value	**2,972.81**	**-**	**-**	**2,972.81**
Derivative liability	-	-	47.81	47.81
Stock appreciation rights	-	-	20.16	20.16
Total financial liabilities measured at fair value	**-**	**-**	**67.97**	**67.97**
		March 31, 2021		
Financial assets and liabilities measured at fair values				
Investment in mutual funds	1,644.26	-	-	1,644.26
Total financial asset measured at fair value	**1,644.26**	**-**	**-**	**1,644.26**
Borrowings - NCCCPS	-	-	19,539.99	19,539.99
Total financial liabilities measured at fair value	**-**	**-**	**19,539.99**	**19,539.99**
		April 01, 2020		
Financial assets and liabilities measured at fair values				
Investment in mutual funds	1,058.90	-	-	1,058.90
Total financial asset measured at fair value	**1,058.90**	**-**	**-**	**1,058.90**
Borrowings - NCCCPS	-		5,927.56	5,927.56
Total financial liabilities measured at fair value	**-**	**-**	**5,927.56**	**5,927.56**

(All amounts in Rs millions , unless otherwise stated)

Notes:
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:
a. Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Company can assess at the measurement date
b. Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
c. Level 3 - Unobservable inputs for the assets or liabilities.
Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire management.

The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets-others (current), other financial liability (current), lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments.

The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. There is no significant change in fair value of such liabilities and assets.

Valuation techniques and significant unobservable inputs - Level 3

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
March 31, 2021			
Type	**Valuation technique**	**Significant unobservable inputs**	**Sensitivity analysis**
Borrowings - NCCCPS	Discounted cash flow method	Growth rate - 5% Cost of equity - 16.4%	Year on year Growth rate - increase/(decrease) in growth rate by 1% would result in increase/(decrease) in NCCCPS liability by Rs 1,615 million/(Rs 1,354 million). Cost of equity - increase/(decrease) in Cost of equity by 0.5% would result in (decrease)/increase in NCCCPS liability by (Rs 966 million)/Rs 1,058 million.
April 01, 2020			
Type	**Valuation technique**	**Significant unobservable inputs**	**Sensitivity analysis**
Borrowings - NCCCPS	Discounted cash flow method	Growth rate - 5% Cost of equity - 15%	Year on year Growth rate - increase/(decrease) in growth rate by 1% would result in increase/(decrease) in NCCCPS liability by Rs 545 million/(Rs 446 million). Cost of equity - increase/(decrease) in Cost of equity by 0.5% would result in (decrease)/increase in NCCCPS liability by (Rs 308 million)/Rs 342million.

Below is the reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy

	April 01, 2020	Charge to profit and loss	March 31, 2021	Charge to profit and loss	Addition	Accounted in equity	March 31, 2022
Borrowings - NCCCPS	5,927.56	13,612.43	19,539.99	-	-	(19,539.99)	0.00

41 Financial risk management

Objective and policies
The Company’s principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations.

The Company's activities exposes it to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financials risks are identified, measured and managed in accordance with Company's policies and risk objectives. The Company reviews and agrees on policies for managing each of these risks which are summarised below:

a) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include investments, loans and borrowings, debt instrument, trade receivables, trade payables and lease liabilities.

i. Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the company does not have any floating interest rate borrowings or deposits, it is not exposed to interest rate risk.

ii. Foreign Currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign currency assets and liabilities. The Company's exposure to the risk of changes in foreign exchange rates arises on account of purchases from foreign countries and export sales. The Company has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end.

iii. Price risk
We invest our surplus funds in liquid mutual funds. We are exposed to market price risk arising from uncertainties about future values of the investment. We manage the equity price risk through investing surplus funds in liquid mutual funds on a short term basis.

(All amounts in Rs millions , unless otherwise stated)

The Company's exposure in foreign currency at the end of reporting period :

Currency	Particulars	March 31, 2022		March 31, 2021		April 01, 2020	
		FC	Rs	FC	Rs	FC	Rs
AED	Liability						
	Trade payables	(0.01)	(0.47)	(1.21)	(24.14)	-	-
					-		
	Assets				-		
	Trade receivables	0.73	15.14	1.12	22.43	-	-
	Advance to suppliers	-	-	0.04	0.80	-	-
	Cash in hand	-	-	0.01	0.01	-	-
	Net exposure on foreign currency risk	0.72	14.67	(0.04)	(0.90)	-	-
GBP	Liability						
	Advance from customers	-	-	(0.02)	(0.27)	-	-
	Net exposure on foreign currency risk	-	-	(0.02)	(0.27)	-	-
USD	Liability						
	Trade Payables	-	-	(0.01)	(0.05)	-	-
	Assets						
	Trade receivables	0.26	19.42	0.22	16.12	0.03	0.23
	Net exposure on foreign currency risk	0.26	19.42	0.21	16.07	0.03	0.23

Sensitivity:

	Impact on profit before tax	
	March 31, 2022	March 31, 2021
AED		
Increases by 5%	0.73	(0.04)
Decreases by 5%	(0.73)	0.04
GBP		
Increases by 5%	-	(0.01)
Decreases by 5%	-	0.01
USD		
Increases by 5%	0.97	0.80
Decreases by 5%	(0.97)	(0.80)

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (primarily deposits with banks and investment in mutual funds). Further, other significant assets for the Company include security deposits for leased assets.

The Company monitors the exposure to credit risk on an ongoing basis through ageing analysis and historical collection experience. Outstanding customer receivables are regularly monitored by the senior management.

Accordingly the Company considers the credit risk low.

The maximum credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet.

	March 31, 2022	March 31, 2021	April 01, 2020
Trade receivables	647.67	338.43	106.06
Security deposits	17.52	10.71	4.48
Other financial assets	788.65	54.38	6.48
Cash and cash equivalents	246.27	97.59	19.16
Bank balance other than cash and cash equivalents	538.90	109.95	244.99

i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivable. The Company creates allowance for all trade receivables based on lifetime expected credit loss model (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

The following table summarises the change in the loss allowance measured using ECL.

	March 31, 2022	March 31, 2021
Opening balance	5.02	2.04
Allowance made during the year (net)	3.80	2.98
Closing balance	**8.82**	**5.02**

ii) Other financial assets

Other financial assets includes security deposits and deposits with banks. Cash and cash equivalents and interest receivable are placed with a reputable financial institution with high credit ratings and no history of default.

(All amounts in Rs millions , unless otherwise stated)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company manages its surplus funds centrally by placing them with reputable financial institution with high credit rating and no history of default.

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

Particulars	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2022					
Lease liabilities	-	61.17	277.37	232.14	570.68
Trade payables	-	1,629.89	-	-	1,629.89
Other financial liabilities	-	107.80	41.02	-	148.84
		1,798.87	**318.39**	**232.14**	**2,349.41**
As at March 31, 2021					
Borrowings	-	-	19,539.99	-	19,539.99
Lease liabilities	-	31.38	142.38	153.31	327.07
Trade payables	-	803.42	-	-	803.42
Other financial liabilities	-	45.13	-	-	45.13
		879.93	**19,682.37**	**153.31**	**20,715.61**
As at April 01, 2020					
Borrowings	-	-	5,927.56	-	5,927.56
Lease liabilities	-	0.24	0.10	-	0.34
Trade payables	-	219.01	-	-	219.01
Other financial liabilities	-	10.72	-	-	10.72
	-	**229.97**	**5,927.66**	-	**6,157.63**

(All amounts in Rs millions , unless otherwise stated)

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, NCCCPS, securities premium and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents, other bank balances and fixed deposits with maturity of more than 12 months.

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
Borrowings*	-	-	-
Trade Payables	1,629.89	803.42	219.01
Lease liabilities	440.55	203.31	0.32
Other Financial liabilities	148.84	45.13	10.72
Less : Other bank balances	(538.90)	(109.95)	(244.99)
Less : Cash and cash equivalents	(246.27)	(97.59)	(19.16)
Less: Fixed deposit with maturity of more than 12 months	(749.75)	(53.27)	-
Less: Current investments	(3,293.28)	(1,644.26)	(1,243.28)
Net adjusted debt (A)	**(2,608.92)**	**(853.20)**	**(1,277.38)**
Equity	7,121.35	(17,651.43)	(4,371.80)
Total equity capital (B)	**7,121.35**	**(17,651.43)**	**(4,371.80)**
Total debt and equity (C)=(A)+(B)	**4,512.43**	**(18,504.64)**	**(5,649.17)**
Gearing ratio (A)/(C)**	-	**5%**	**23%**

* Excludes the long term borrowings on NCCCPS which are classified as liability from equity. Refer note 19.
** Disclosed as nil since the same is negative, since the Company is funded majorly through own funds and equity investments

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets terms and conditions attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022, March 31, 2021 and April 01, 2020.

(All amounts in Rs millions , unless otherwise stated)

43 First time adoption of Ind AS ('FTA')

A. First time adoption

These standalone financial statements, for the year ended March 31, 2022, are the first standalone financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2021, the Company prepared its standalone 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").

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for the year ended on March 31, 2022, together with the comparative period data as at and for the year ended March 31, 2021, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at April 01, 2020, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP standalone financial statements, including the balance sheet as at April 01, 2020 and the standalone financial statements as at and for the year ended March 31, 2021.

B. Exemptions applied

Ind AS - 101 allows first-time adopters certain exemptions and certain optional exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions and optional exemptions :

Deemed cost for Property, plant and equipment and intangible assets
Ind AS - 101 permits a first-time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the Standalone Financial Statements as at the date of the transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS - 38 'Intangible assets'.
Accordingly the Company has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value.

The Company has made a transition to Ind AS 116 as per the transitional provisions of the AS. The Company has adopted modified retrospective approach wherein the PV of lease liability as on the date of transition is recognised as the lease liability. The Company adopted the 2nd model prescribed by Ind AS 116 wherein the value of Right to use assets are recognised equal to the value of discounted lease liabilities as on the date of transaction.

C. Mandatory Exceptions

Classification and measurement of financial assets
Ind AS - 101 requires a Company to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

Estimates
The Company estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2020, are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transitions as these were not required under previous GAAP :

• Impairment of financial assets based on expected credit loss method (Simplified approach).

D. Reconciliation of total equity between previous GAAP and Ind AS

1. Equity reconciliation

	Notes	March 31, 2021	April 01, 2020
Equity as reported under previous GAAP		1,820.48	1,531.43
Ind AS adjustments			
Fair value adjustments:			
Security deposits	a	0.25	0.02
Investments	b	102.09	24.34
Non- Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	c	(19,539.99)	(5,927.56)
Share based Payment	d		
Employee stock option outstanding reserve		(0.70)	4.78
Retained earnings (fair value impact)		0.70	(4.78)
Leases	e	(8.91)	(0.03)
Deferred tax impact on the aforesaid adjustments	g	(25.35)	-
Equity as per Ind AS		**(17,651.43)**	**(4,371.80)**

(All amounts in Rs millions , unless otherwise stated)

2. Total comprehensive income reconciliation for the year ended March 31, 2021

	Notes	March 31, 2021
Profit after tax as per previous GAAP		245.91
Ind AS adjustments		
Fair value adjustments:		
Security deposits	a	0.23
Investments at fair value through profit and loss account	b	77.75
Non- Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	c	(13,612.43)
ESOP expenses	d	0.70
Leases	e	(8.88)
Remeasurement of employee benefit obligation(net of tax)	f	(0.08)
Deferred tax impact on the aforesaid adjustments	g	(25.35)
Net Profit after tax as per Ind AS		**(13,322.15)**
Other comprehensive income (net of tax)		0.08
Total comprehensive income as per Ind AS		**(13,322.07)**

3. Cash flow reconciliation for the year ended March 31, 2021

	As per previous GAAP	Ind AS adjustments	As per Ind AS
Net cash flows from operating activities	287.17	10.08	297.25
Net cash flows used in investing activities	(208.41)	2.36	(206.05)
Net cash flows from financing activities	(0.33)	(12.44)	(12.77)
Cash and cash equivalents at the beginning of the year	19.16	-	19.16
Cash and cash equivalents at the end of the year	**97.59**	**-**	**97.59**

E Notes to reconciliations between previous GAAP and Ind AS

a) Security deposits

Under previous GAAP, interest free security deposits are recognised at their transaction value. Under Ind AS - 109, these deposits are initially recognised at fair value and subsequently measured at amortised cost at the end of each reporting period. Accordingly, the difference between transaction value and fair value of these deposits is recognised as Right-of-use assets and is amortised over the period of the lease term or agreement of deposit respectively. Further, interest is accrued on the present value of these security deposits. On transition date the Company has adjusted retained earning towards fair value of security deposits by Rs 0.02 million and during the year March 31, 2021 the Company has further adjusted Rs 0.23 million to retained earning towards increase in fair value of security deposit.

b) Investments

Under previous GAAP, the Company were carrying their current investments at the lower of carrying amount and face value. Under Ind AS, these investments are required to be measured at fair value. The resulting change in fair value is recognised in retained earnings at the date of transition i.e. April 01, 2020 and subsequently in the statement of profit and loss. The company has recorded a fair market value adjustment of Rs 24.34 million to retained earnings as at April 01, 2020. In the year March 31, 2021 the company has accounted other income of Rs 77.75 million on account of fair valuation of investments.

c) NCCCPS

Under the previous GAAP, Non-cumulative compulsorily convertible preference shares (NCCCPS) issued to the investors were classified as equity and carried at transaction value. In respect of NCCCPS, the NCCCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value as at April 01, 2020 and year ended March 31, 2021 and the change in fair value of liability i.e. difference between the fair value and the carrying amount as per previous GAAP is recognised in the retained earnings. Further, subsequently on April 01, 2021, the Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. The Company has recorded a fair market value adjustment of Rs 4,316.79 million to retained earnings as at April 01, 2020. In the year March 31, 2021 the company has accounted fair value loss of Rs 13,612.43 million on account of fair valuation of NCCCPS.

d) Share based payment

Under Indian GAAP accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. Under Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date when the grant is made based on Black Scholes valuation determined by independent valuer.

e) Lease

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incidental to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Pursuant to application of Ind AS - 116, for operating leases other than those for which the Company has opted for short-term or low value exemption, the Company has recorded a right-of-use assets and lease liabilities. Right-of-use asset is amortised over the lease term or useful life of the leased assets whichever is lower and lease liabilities is subsequently measured at amortised cost and interest expense is recognised. As the Company has opted the modified retrospective approach (i.e., lease liabilities = ROU) and the lease liability is measured at present value of the remaining lease payments as at the date of transition .Accordingly on adoption of Ind AS - 116, on transition date there is no impact against retained earning except for Rs 0.03 million on account of amortization of ROU and during the year ended March 31, 2021 the Company has recognised Rs 8.88 million in the Statement of Profit and loss.

On adoption of Ind AS, the laptops taken on finance lease which were previously classified under Computers and peripherals asset class of Property, plant and equipment are derecognised and recorded under Right of use assets by Rs 9.56 million in Note 6, as Ind AS 116 required the underlying assets on account of any lease including finance lease to be recognised as ROU.

f) Remeasurement of defined benefit obligation

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability which is recognised in other comprehensive income in the respective periods.

g) Deferred Tax Liabilities

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences.

F) Material regrouping

Appropriate adjustments have been made in these standalone financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Ind AS.

44 Business acquisitions

The Company had entered into Business Transfer agreement with Godrej Consumer Private Limited on March 16, 2022 to acquire its Product business under the brand name B-Blunt which constitutes a business for a consideration of Rs 583.06 million.

The following table presents the purchase consideration, fair value of asset acquired and goodwill recognised on the date of acquisition (i.e. March 16, 2022).

Details of Fair value recognised on acquisition as on March 16, 2022:

	Life	Amount (million)
Right to use Brand name	Indefinite	511.00
Bottle design	1 year	16.50
Formulations	6 months	4.00
Inventories*		42.67
Total fair value of net assets acquired (A)		**574.17**
Fair value of purchase consideration (B)		**583.06**
Goodwill arising on acquisition (C)- (A-B)		**8.89**

* Including inventories of Rs 15.55 million which has been subsequently transferred to vendor for contract manufacturing

The goodwill of Rs 8.89 million comprises the value of expected synergies arising from the acquisition which is not separately recognised.

Purchase consideration	**Amount (million)**
Cash consideration	**583.06**
Total purchase consideration*	**583.06**

Note (i): None of the goodwill recognised is expected to be deductible for Income tax purposes.

Note (ii): Intangible assets recognised are eligible for deduction for Income tax purposes.

*Consideration to the extent of Rs 20.53 million has not been settled yet as the inventory to that extent is lying with the contract manufacturer which will be subsequently delivered to the Company and the payable will be settled and is included under other financial liabilities.

(All amounts in Rs millions , unless otherwise stated)

45 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance exceeding 25% as compared to the preceding period
Current ratio	Current Assets	Current Liabilities	3.00	2.97	1%	
Debt- Equity Ratio*	Net debt = Total borrowings- Cash & Cash equivalents- Bank balances other than Cash & Cash equivalents- short term investments	Shareholder's Equity	-	-	-	
Debt Service Coverage Ratio^	Earnings for debt service = Net profit after taxes + Depreciation+Interest	Debt service = Interest & Principal Repayments (excluding lease liabilities)	-	-	-	
Return on Equity Ratio*	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	4%	23%	-84%	Change due to reduction in net profit
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	18.90	20.70	-9%	
Trade Payable Turnover Ratio	Purchases	Average Trade Payables	0.63	0.79	-20%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.45	2.52	-3%	
Net Profit Ratio*	Net Profit	Net sales = Total sales - sales return	2%	6%	-66%	Change due to reduction in net profit
Inventory Turnover Ratio	Sales	Average Inventory	17.59	16.72	5%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	4%	20%	-78%	Change due to reduction in net profit

* Excludes change in fair valuation of preference shares and long term borrowings, as applicable

46. Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) - Refer note 8

(b) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

48. The comparatives given in the standalone financial statements have been compiled after making necessary Ind AS adjustments to the respective audited standalone financial statements under Previous GAAP to give a true and fair view in accordance with Ind AS.

49. Events after the reporting period

a) Subsequent to the year end, the Company have acquired 63.07% stake in Fusion Cosmeceutics Private Limited which is engaged in formulation and trading of skin care products for a consideration of Rs 241.23 million. The acqusition has no impact on the standalone financial statements of the Company as at and for the year ended March 31, 2022.

b) Subsequent to the year end, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 on May 11, 2022. The bonus issue has no impact on the standalone financial statements of the Company, except for restatement of EPS for current and prior periods presented.

As per our report of even date

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

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Finance Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Bengaluru
Date: August 31, 2022

Place: Gurugram
Date: August 31, 2022

Honasa Consumer Private Limited
Consolidated Balance Sheet as at March 31, 2022
(All amounts in Rs millions, except as otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Assets				
Non-current assets				
Property, plant and equipment	3	43.71	11.26	4.15
Goodwill	4(A) & 7	1,732.90	-	-
Intangible assets	4(B)	1,107.28	-	0.01
Right of use assets	6	532.14	199.60	2.34
Intangible assets under development	5	18.83	-	-
Financial assets				
i. Other financial assets	9	846.16	60.61	3.12
Income tax assets (net)	10	48.61	1.52	0.57
		4,329.63	**272.99**	**10.19**
Current assets				
Inventories	11	658.52	413.47	136.71
Financial assets				
i. Investments	8	3,385.09	1,644.26	1,243.28
ii. Trade receivables	12	727.86	338.43	106.06
iii. Cash and cash equivalents	13	337.45	97.59	19.16
iv. Other bank balances	14	539.40	109.95	244.99
v. Other financial assets	9	46.32	4.48	7.84
Other current assets	15	325.85	145.22	38.29
		6,020.49	**2,753.40**	**1,796.33**
Total assets		**10,350.12**	**3,026.39**	**1,806.52**
Equity and liabilities				
Equity				
Equity share capital	16	0.13	0.13	0.13
Instruments entirely in the nature of equity	17	17,929.36	-	-
Other equity	18	(10,873.25)	(17,651.56)	(4,371.93)
Equity attributable to equity holders of the parent		**7,056.24**	**(17,651.43)**	**(4,371.80)**
Non Controlling Interest		-	-	-
Total equity		**7,056.24**	**(17,651.43)**	**(4,371.80)**
Non-current liabilities				
Financial liabilities				
i. Borrowings	19	-	19,539.99	5,927.56
ii. Lease liabilities	6	497.96	185.88	0.10
iii. Other financial liabilities	20	598.81	-	-
Provisions	21	35.54	9.55	3.24
Deferred tax liabilities (net)	24	85.60	14.20	-
		1,217.91	**19,749.62**	**5,930.90**
Current liabilities				
Financial liabilities				
i. Borrowings	19	35.86	-	-
ii. Trade payables	23			
(a) Total outstanding due to micro enterprises and small enterprises		34.99	121.27	76.97
(b) Total outstanding due to creditors other than micro enterprises and small enterprises.		1,668.53	682.15	142.04
iii. Lease liabilities	6	62.47	17.43	0.22
iv. Other financial liabilities	20	129.53	45.13	10.72
Provisions	21	23.89	9.46	2.57
Other current liabilities	22	120.70	52.76	14.90
		2,075.97	**928.20**	**247.42**
Total liabilities		**3,293.88**	**20,677.83**	**6,178.32**
Total equity and liabilities		**10,350.12**	**3,026.39**	**1,806.52**

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

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Bengaluru
Date: August 31, 2022

Place: Gurugram
Date: August 31, 2022

Honasa Consumer Private Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in Rs millions, except as otherwise stated)

	Notes	March 31, 2022	March 31, 2021
Income			
Revenue from contract with customers	25	9,434.65	4,599.90
Other income	26	208.80	121.11
Total income (I)		**9,643.45**	**4,721.01**
Expenses			
Purchases of traded goods	27	3,047.68	1,607.77
Increase in inventories of traded goods	28	(213.29)	(280.71)
Employee benefits expenses	29	788.46	277.59
Depreciation and amortization expenses	30	68.95	17.12
Finance costs	31	30.05	9.75
Other expenses	32	5,697.21	2,723.15
Change in fair valuation of preference shares	19	-	13,612.43
Total expenses (II)		**9,419.06**	**17,967.10**
Profit/(loss) before tax (III=I-II)		**224.39**	**(13,246.09)**
Tax expenses			
Current tax	24	64.11	61.89
Deferred tax charge	24	15.85	14.17
Total tax expenses (IV)		**79.96**	**76.06**
Profit/(loss) for the year (V=III-IV)		**144.43**	**(13,322.15)**
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gains on defined benefit plans		1.38	0.11
Income tax effect	24	(0.34)	(0.03)
Other comprehensive income/(loss) for the year, net of tax (VI)		**1.04**	**0.08**
Total comprehensive income/(loss) for the year (VII=V-VI)		**145.47**	**(13,322.07)**
Profit/(loss) for the year		**144.43**	**(13,322.15)**
Attributable to:			
Equity holders of the parent		157.15	(13,322.15)
Non-controlling interests		(12.72)	-
Other comprehensive income/(loss) for the year		**1.04**	**0.08**
Attributable to:			
Equity holders of the parent		1.03	0.08
Non-controlling interests		0.01	-
Total comprehensive income/(loss) for the year		**145.47**	**(13,322.07)**
Attributable to:			
Equity holders of the parent		158.18	(13,322.07)
Non-controlling interests		(12.71)	-
Earnings per equity share	33		
Basic, computed on the basis of profit/(loss) attributable to equity holders of the parent			
Equity shares, Nominal value of Rs. 10 each		0.53	(98.35)
Equity shares, Nominal value of Rs. 100 each		0.53	(98.35)
Diluted, computed on the basis of profit/(loss) attributable to equity holders of the parent			
Equity shares, Nominal value of Rs. 10 each		0.52	(98.35)
Equity shares, Nominal value of Rs. 100 each		0.53	(98.35)

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

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

Sd/-
per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru
Date: August 31, 2022

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Gurugram
Date: August 31, 2022

Honasa Consumer Private Limited
Consolidated Cash flow statement for the year ended March 31, 2022
(All amounts in Rs millions, except as otherwise stated)

	March 31, 2022	March 31, 2021
Operating activities		
Profit/(loss) before tax	**224.39**	**(13,246.09)**
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	7.56	2.97
Amortisation of intangible assets	10.52	0.01
Amortisation of right-of-use assets	50.87	14.14
Impairment allowance (allowance for bad and doubtful debts)	5.34	2.98
Provision for slow moving inventory	8.91	3.95
Loss on disposal of property, plant and equipment (net)	0.40	0.12
Share based payments expenses(equity settled- ESOP)	167.75	41.54
Employee stock appreciation rights expense	20.15	-
Fair value gain on investments	(88.84)	(76.64)
Change in fair valuation of preference shares	-	13,612.43
Gain/loss on sale of investment carried at fair value through profit and loss	(43.46)	(22.21)
Interest income	(66.59)	(19.38)
Finance costs	30.05	9.75
Operating cash flow before working capital changes	**327.05**	**323.57**
Movement in working capital:		
Increase in trade receivables	(331.17)	(235.35)
Increase in other financial assets	(10.05)	(10.45)
Increase in trade payables	874.39	584.40
Increase in financial liabilities	4.69	34.41
Increase in provisions	27.20	13.31
Increase in inventories	(212.68)	(280.71)
Increase in other liabilities	9.43	37.86
Decrease in other current assets	(148.33)	(106.94)
	540.53	**360.10**
Income tax paid	(94.63)	(62.85)
Net cash flow from operating activities	**445.90**	**297.25**
Investing activities		
Purchase of property, plant and equipment	(14.08)	(10.20)
Purchase of Intangible Assets	(12.20)	-
Investment in bank deposits	(1,195.95)	81.77
Purchase of current investment	(6,104.47)	(749.86)
Sale proceeds of current investment	4,496.65	447.73
Interest received	28.07	24.51
Acquisition of subsidiaries, net of cash acquired	(1,633.06)	-
Acquisition of business	(562.53)	-
Net cash flow (used in) investing activities	**(4,997.57)**	**(206.05)**
Financing activities		
Proceeds from equity shares	4,865.24	0.90
Principal repayment of lease liabilities	(27.24)	(3.92)
Finance cost on lease liabilities	(25.75)	(8.05)
Finance cost paid	(4.30)	(1.70)
Net cash flows from/(used in) financing activities	**4,807.95**	**(12.77)**
Net increase in cash and cash equivalents	**256.28**	**78.43**
Cash and cash equivalents at the beginning of the year	97.59	19.16
Add: Bank overdraft on acquisition (Refer note - 44)	(49.99)	-
Cash and cash equivalents at the end of the year (Refer note - 13)	**303.88**	**97.59**
Components of cash and cash equivalents		
Balance with banks		
- on current accounts	336.43	97.24
- Cash in hand	1.02	0.35
Less: Bank overdraft facilities (refer note 19)	(33.57)	-
Total cash and cash equivalents	**303.88**	**97.59**

(All amounts in Rs millions, except as otherwise stated)

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

	Opening balance	Additions due to acquisition	Cash flows	Non- cash movement	Closing balance
March 31, 2022					
Borrowings - NCCCPS	19,539.99	-	-	(19,539.99)	-
Short-term borrowings (excluding bank overdraft facilities)	-	2.29	-	-	2.29
Net movement in bank overdraft facilities	-	49.99	(16.42)	-	33.57
Lease liabilities (including interest)	203.31	119.88	(52.99)	290.23	560.43
Total liabilities from financing activities	**19,743.30**	**172.16**	**(69.42)**	**(19,249.76)**	**596.29**
March 31, 2021					
Borrowings - NCCCPS	5,927.56	-	-	13,612.43	19,539.99
Lease liabilities (including interest)	0.32	-	(11.97)	214.96	203.31
Total liabilities from financing activities	**5,927.88**	**-**	**(11.97)**	**13,827.39**	**19,743.30**

Corporate information and summary of significant accounting policies (refer note 1&2)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Bengaluru
Date: August 31, 2022

Place: Gurugram
Date: August 31, 2022

Honasa Consumer Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
(All amounts in Rs millions, except as otherwise stated)

a) Equity share capital

	No of Shares	Amount
(i) Equity shares of Rs 10 each issued, subscribed and fully paid		
At April 01, 2020	10,207	0.10
Issued during the year - Refer note (a) below	18	0.00
At March 31, 2021	**10,225**	**0.10**
Issued during the year- Refer note (a) below	31	-
At March 31, 2022	**10,256**	**0.10**

(a) During the year ended March 31, 2022 and March 31, 2021, the Company has issued 31 and 18 equity shares respectively, to the employees on exercise of Employee Share Options.

	No of Shares	Amount
(ii) Equity shares of Rs 100 each issued, subscribed and fully paid		
At April 01, 2020	290	0.03
Issued during the year	-	-
At March 31, 2021	**290**	**0.03**
Issued during the year	-	-
At March 31, 2022	**290**	**0.03**
Total equity share capital		**0.13**

b) Instruments entirely in the nature of equity

	No of Shares	Amount
0.001% Non Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of Rs. 10 each, fully paid		
As at April 01, 2020		
Class A NCCCPS- Refer note (i) below	581	-
Class B NCCCPS- Refer note (i) below	1,885	-
Class C NCCCPS- Refer note (i) below	4,845	-
Class D NCCCPS- Refer note (i) below	4,161	-
Total	**11,472**	**-**
Increase during the year	-	-
As at March 31, 2021	**11,472**	**-**
Reclassified during the year		
Class A NCCCPS- Refer note (i) below	581	989.60
Class B NCCCPS- Refer note (i) below	1,885	3,210.68
Class C NCCCPS- Refer note (i) below	4,845	8,252.38
Class D NCCCPS- Refer note (i) below	4,161	7,087.33
Increase during the year		
Class E NCCCPS- Refer note (ii) below	902	0.01
Class F NCCCPS- Refer note (iii) below	839	0.01
	13,213	**19,540.01**
Less: Reclassified to securities premium as per Companies Act, 2013		1,610.65
As at March 31, 2022	**13,213**	**17,929.36**

Note (i): In respect of Non-Cumulative Compulsorily convertible preference shares ('NCCCPS'), the NCCCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value as at April 01, 2020 and year ended March 31, 2021 and the change in fair value of liability has been recognized as an expense in the statement of profit and loss. Further, subsequently on April 01, 2021, the Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs 17,929.34 million and Rs 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity. Also, refer note 17, 19 and 46.
Note (ii): The Company has issued 902 Class E NCCCPS of Rs 10 during the year at a premium of Rs 2.24 million per share.
Note (iii): The Company has issued 839 Class F NCCCPS of Rs 10 during the year at a premium of Rs 3.39 million per share.

c) Other equity

	Attributable to equity holders of the Parent				
	Reserves and Surplus				
	Retained earnings (Note 18)	**Securities premium (Note 18)**	**Employee stock option reserve (Note 18)**	**Non-controlling interest**	**Total equity**
As at April 01, 2020	**(4,397.91)**	**18.76**	**7.22**	**-**	**(4,371.93)**
Loss for the year	(13,322.15)	-	-	-	(13,322.15)
Other comprehensive income/(loss)					
Re-measurement of the net defined benefit liability/asset, net of tax effect	0.08	-	-	-	0.08
Total comprehensive income	**(17,719.98)**	**18.76**	**7.22**	**-**	**(17,694.00)**
Add: Share based payment (Refer note 39 and note 40)	-	-	41.54	-	41.54
Less: Transferred to securities premium on exercise of stock options	-	0.42	(0.42)	-	-
Add: Premium received on issue of equity shares	-	0.90	-	-	0.90
As at March 31, 2021	**(17,719.98)**	**20.08**	**48.34**	**-**	**(17,651.56)**
Profit for the year	157.15	-	-	(12.72)	144.43
Other comprehensive income/(loss)		-	-		
Re-measurement of the net defined benefit liability/asset, net of tax effect	1.03	-	-	0.01	1.04
Total comprehensive income for the year	**158.18**	**-**	**-**	**(12.71)**	**145.47**
Add: Premium towards NCCCPS on reclassification from liability to equity (refer note 17)	-	1,610.65	-	-	1,610.65
Add: Premium on issue of NCCCPS	-	4,863.85	-		4,863.85
Add: Share based payment (Refer note 39 and note 40)	-	-	167.74	-	167.74
Less: Transferred to securities premium on exercise of stock options	-	8.74	(8.74)	-	-
Add: Premium received on issue of equity shares	-	6.26	-	-	6.26
Less: Transaction cost on issue of shares	-	(4.87)	-	-	(4.87)
Less: Change in fair value of non-controlling interest liability	(10.79)	-	-	-	(10.79)
Add/Less: Acquisition of Non-controlling interest (Refer note 44[A])	(12.71)	-	-	12.71	-
As at March 31, 2022	**(17,585.30)**	**6,504.71**	**207.34**	**-**	**(10,873.25)**

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

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

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Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Bengaluru
Date: August 31, 2022

Place: Gurugram
Date: August 31, 2022

1 Corporate Information

The consolidated financial statements comprise financial statements of Honasa Consumer Private Limited (the 'Company' or the ' Holding Company') and its subsidiaries (collectively, the Group) for the year ended March 31, 2022. The Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 ('the Act') on September 16, 2016 in New Delhi. The Group is principally engaged in trading of variety of beauty and personal care products such as baby care, skin care, hair and other related products which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co', 'Bblunt', 'Aqualogica' and 'Ayuga'. The Group is also engaged in the business of providing services of content development and influencer marketing as well as rendering of beauty salon and hair styling services. Information on the Group’s structure is provided in Note 45.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on August 31, 2022

2 Significant accounting policies

2.1 Basis of preparation

The Group has voluntarily adopted Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and section 133 of the Companies Act, 2013 (the Act) with effect from financial year 2021-22, with transition date being April 01, 2020. The Consolidated Financial Statements of the Company have been 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 presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable. Upto the year ended March 31, 2021, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) ("Previous GAAP"). These Consolidated Financial Statements are the first consolidated financial statements of the Group under Ind-AS. Refer note 46 for an explanation of how the transition from Previous GAAP to Ind-AS has affected the Group’s financial position as at March 31, 2021 and April 01, 2020 and financial performance and cash flows for the year ended March 31, 2021.

These Consolidated Financial Statements have been prepared on a going concern basis.
The Consolidated Financial Statements have been prepared on an accrual basis under the historical cost convention except for certain assets and liabilities that are measured at fair value as mentioned below.

- share-based payments – measured at fair value
- NCCCPS fair valued through profit and loss upto March 31, 2021 (Refer note 19)
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The Consolidated Financial Statements are presented in Indian Rupee (Rs). All the values are rounded off to the nearest millions, upto two decimal places except when otherwise indicated. These are the first consolidated financial statements considering the acquisitions undertaken during the year. Hence, the comparative financial information as at March 31, 2021, April 01, 2020 and year ended March 31, 2021 represents the standalone financial information.

2.2 Basis of Consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity’s returns by using its power over relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases. The financial year for the Holding Company and the subsidiaries is uniform i.e. April-March.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in statement of profit and loss. Any investment retained is recognised at fair value.

The subsidiaries which are included in the consolidation and the Company’s holdings therein is as under:

(All amounts in Rs millions, except as otherwise stated)

Basis of Consolidation (Continued)

Name of Company (Nature of Business)	Country of incorporation and functionaly currency	Ownership interest as March 31, 2022**	Ownership interest as March 31, 2021	Ownership interest as April 01, 2020
Just4Kids Services Private Limited* (acquired w.e.f. December 24, 2021) (content development and online blogging services)	India/INR	74.32%	0.00%	0.00%
PT Honasa Consumer Indonesia (incorporated on February 18, 2022)	Indonesia/Indonesian Rupiah	100.00%	0.00%	0.00%
Bhabani Blunt Hairdressing Private Limited (acquired w.e.f.March 16, 2022) (hair styling salon and academy)	India/INR	100.00%	0.00%	0.00%
B:Blunt-Spratt Hair dressing Private Limited (acquired w.e.f.March 16, 2022) (hair styling salon and academy) (100% subsidiary of Bhabani Blunt Hairdressing Private Limited)	India/INR	100.00%	0.00%	0.00%

These consolidated financial statements as at and for the year ended March 31, 2022, have been prepared by consolidation of the financial statements of the Company and its subsidiary on a line-by-line basis after fully eliminating the inter-company transactions. Since the acquisitions have taken place in the financial year 2021-22, the Company has consolidated the financial statements of the subsidiaries only for the year ended March 31, 2022. The earlier years presented are the standalone figures of the holding company.
* Also refer note 20.

** Refer note 44 for details

2.3 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:
•expected to be realized or intended to be sold or consumed in normal operating cycle;
•held primarily for the purpose of trading;
•expected to be realized within twelve months after the reporting period; or
•cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.
A liability is current when:
•expected to be settled in normal operating cycle;
•held primarily for the purpose of trading;
•due to be settled within twelve months after the reporting period; or
•there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
The Group classifies all other liabilities as non-current.
Deferred tax liabilities are classified as non-current liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.4 Foreign currency translation

(i) Functional and presentation currency:
Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Indian Rupee (Rs). For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

ii) Transactions and balances:
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity, such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net

iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.5 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.6 Business combination

In accordance with Ind AS 103, the Group accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Liability for put option issued to non-controlling interests which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

Goodwill:

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets and liabilities is recognized as goodwill. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected tIf the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.o benefit from the combination, irrespective of whether other assets or

2.7 Property, plant and equipment

Under the Previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Group has elected to continue with the carrying value for all of its property, plant and equipment recognised as of April 01, 2020 (date of transition to Ind AS) measured as per the Previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost. Such cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated on a written down value over the useful lives of assets estimated by the management, as below:

Asset category	Useful lives estimated by the management (years)	Useful lives as per schedule II of the Act (years)
Office equipment	5	5
Plant and Machinery	3 to 8	15
Furniture and fixtures	10	10
Computer & peripherals	3 to 6	3 to 6

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The useful lives have been determined based on managements' judgement, based on technical assessment, which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values, method of depreciation and useful life are reviewed, and adjusted if appropriate, prospectively at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.8 Intangible assets

Under the Previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Group has elected to continue with the carrying value for all intangible assets recognised as of April 01, 2020 (date of transition to Ind AS) measured as per the Previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Franchise agreements	5 years	Straight Line	Acquired
Non-compete agreement	3 years	Straight Line	Acquired
Trademark	7 years	Straight Line	Acquired
Right to use brand name	Indefinite*	No Amortisation	Acquired
Design and Formulation	0.5 - 1 year	Straight Line	Acquired
Software	1-10 years	Straight Line	Acquired
Goodwill	Indefinite	No Amortisation	Acquired

* Tested for impairment

2.9 Impairment of non-financial assets

The Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and brand are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill and brand by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill and brand relate to. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.10 Inventories

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.11 Revenue recognition

Revenues are recognised when, or as, control of a promised goods or services transfers to customers, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring those goods or services. To recognise revenues the following five step approach is applied: (i) identify the contract with a customer, (ii) identify the performance obligation in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognise revenues when a performance obligations is satisfied.

The following specific recognition criteria must also be met before revenue is recognized:

Revenue from sale of products

Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and incentives.

Revenue from sale of services

Revenue from Hair Styling services 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 from listing services is received in the form of fees which is recognized prorate over the subscription / advertising agreement, usually ranging between one to twelve months.

Revenue recognition (Continued)

Variable consideration

If the consideration in a contract includes a variable amount (discounts and incentives), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services to the customer and such discounts and incentives are estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of return and volume rebates give rise to variable consideration.

Rights of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

Volume rebates

The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability for the expected future rebates (i.e., the amount not included in the transaction price).

Customer wallet points

The Group has a wallet points programme, which allows customers to accumulate points that can be redeemed for subsequent purchase. The wallet points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on each reporting date and any adjustments to the contract liability balance are charged against revenue.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section 2.15 Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A trade receivable is recognised if an amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from the customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows-

	Useful lives (years)
Office buildings & Warehouses	2-9 years
Computer & Peripherals	3 years

Leases (Continued)

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising of the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate for Right of use assets at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group has adopted Ind AS 116 as per modified retrospective approach wherein the present value of lease liability as on the date of transition is recognised as the lease liability.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.13 Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme is the defined contribution plans. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.14 Employee share based payments

The Stock option plan of the Group is classified as equity settled transaction based on the constructive obligation for settlement of option in equity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black Scholes model.

That cost is recognised, together with a corresponding increase in employees stock option reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The Company's employees are granted share appreciation rights (SAR), settled in cash. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SAR by applying an option pricing model, taking into account the terms and conditions on which the SAR were granted, and the extent to which the employees have rendered services to date.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

• Debt instruments at amortised cost
• Debt instruments at Fair Value Through Other Comprehensive income (FVTOCI)
• Debt instruments and equity instruments at Fair Value Through Profit and Loss (FVTPL)
• Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)
• Equity instruments and equity instruments at Fair Value Through Profit and Loss (FVTPL)

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:
(i)The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:
(i)The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
(ii)The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial Instruments (Continued)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

•The rights to receive cash flows from the asset have expired; or

• The Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all th risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

After initial recognition, gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities.

For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

2.16 Income taxes

Income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Group has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

• when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.17 Segment reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group's operating businesses are organized and managed on a single segment considering the entire beauty and personal care products as one single operating segment. The analysis of geographical segments is based on the location in which the customers are situated.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

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

2.18 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

2.21 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.22 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 43
- Financial risk management objectives and policies Note 41 and 42
- Sensitivity analyses disclosures Notes 35,41 and 42.

The Group bases its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions, if any, about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the consolidated financial statements are as below.

Revenue from contracts with customers

Sale of goods includes expected discounts and incentives that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group uses the most likely amount methodology to determine the variable consideration.

The Group determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Group's past experience regarding these amounts may not be representative of actual amounts in the future.

Significant accounting judgements, estimates and assumptions (Continued)

Leases

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, the Group uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate (IBR) for Right of use assets at the lease commencement date.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Impairment of financial assets

Provision for expected credit loss on trade receivables

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated financial statement cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of consolidated financial instruments.

2.23 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The Group does not expect any significant impact on the consolidated financial statements due to these amendments.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.
The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.
It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify 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 amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

(All amounts in Rs millions, except as otherwise stated)

3. Property, plant and equipment ('PPE')

	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Total
Gross Block					
Deemed Cost					
At April 01, 2020	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**
Additions	0.74	2.33	2.41	5.33	10.81
Disposals	(0.73)	-	-	-	(0.73)
At March 31, 2021	**1.73**	**3.76**	**3.24**	**5.50**	**14.23**
Additions	0.19	7.00	2.75	4.13	14.07
Acquisition (Refer Note-44)	0.39	20.71	4.67	0.57	26.34
Disposals	-	(1.03)	(0.39)	-	(1.42)
At March 31, 2022	**2.31**	**30.44**	**10.27**	**10.20**	**53.22**
Accumulated Depreciation					
At April 01, 2020	-	-	-	-	-
Charge for the year	0.69	0.61	0.89	0.78	2.97
Disposals	-	-	-	-	-
At March 31, 2021	**0.69**	**0.61**	**0.89**	**0.78**	**2.97**
Charge for the year	0.69	2.00	1.87	3.00	7.56
Disposals	-	(0.77)	(0.25)	-	(1.02)
At March 31, 2022	**1.38**	**1.84**	**2.51**	**3.78**	**9.51**
Net book value					
At April 01, 2020	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**
At March 31, 2021	**1.04**	**3.15**	**2.35**	**4.72**	**11.26**
At March 31, 2022	**0.93**	**28.60**	**7.76**	**6.42**	**43.71**

Note:
a) For property, plant and equipment existing as on the date of transition to Ind-AS, i.e., April 01, 2020, the Group has used previous GAAP carrying value as deemed cost. Information regarding gross block of assets, accumulated depreciation has been disclosed by the Group separately as follows:

	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Total
Cost	2.85	1.68	1.20	0.24	5.97
Accumulated depreciation	(1.13)	(0.25)	(0.37)	(0.07)	(1.82)
Net book value as per previous GAAP/Deemed cost	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**

Honasa Consumer Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in Rs millions, except as otherwise stated)

4(A). Goodwill

Goodwill acquired pertains to the following:

	March 31, 2022	March 31, 2021	April 01, 2020
Acquisition of business:			
B Blunt - Product business (Refer Note-44)	8.89	-	-
Acquisition of subsidiary			
Just4Kids Services Private Limited (Refer Note-44)	1,360.63	-	-
Bhabani Blunt Hairdressing Private Limited (Refer Note-44)	363.38	-	-
	1,732.90	**-**	**-**

4(B). Intangible assets

	Franchise agreements	Non-compete agreement	Brand	Design and Formulation	Software	Trademarks	Total intangible assets
Deemed Cost							
At April 01, 2020	-	-	-	-	-	**0.01**	**0.01**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At March 31, 2021	-	-	-	-	-	**0.01**	**0.01**
Additions	-	-		-	0.82	0.29	1.11
Acquisition of business(Refer Note-44)	-	-	511.00	20.50	-	-	531.50
Acquisition of a subsidiary(Refer Note-44)	4.40	43.20	309.80	-	21.91	205.89	585.20
Disposals	-	-	-	-	-	-	-
At March 31, 2022	**4.40**	**43.20**	**820.80**	**20.50**	**22.73**	**206.19**	**1,117.82**
Amortisation							
At April 01, 2020	-	-	-	-	-	-	-
Amortisation	-	-	-	-	-	0.01	**0.01**
Disposals	-	-	-	-	-	-	-
At March 31, 2021	-	-	-	-	-	**0.01**	**0.01**
Amortisation	0.04	0.63	-	1.01	0.62	8.22	10.52
Disposals	-	-	-	-	-	-	-
At March 31, 2022	**0.04**	**0.63**	**-**	**1.01**	**0.62**	**8.23**	**10.53**
Net book value							
At April 01, 2020	-	-	-	-	-	**0.01**	**0.01**
At March 31, 2021	-	-	-	-	-	-	-
At March 31, 2022	**4.36**	**42.57**	**820.80**	**19.49**	**22.11**	**197.96**	**1,107.28**

Note:

a) For intangible assets existing as on the date of transition to Ind-AS, i.e., April 01, 2020, the Group has used previous GAAP carrying value as deemed cost. Information regarding gross block of assets, accumulated depreciation has been disclosed by the Group separately as follows:

	Trademarks	Total intangible assets
Cost	0.05	0.05
Accumulated amortisation	(0.04)	(0.04)
Net book value as per previous GAAP/Deemed cost	**0.01**	**0.01**

5. Intangible assets under development#

	Amount in Rs.
At April 01, 2020	-
- Asset additions	-
- Capitalised during the year	-
At March 31, 2021	-
- Asset additions	18.83
- Capitalised during the year	-
At March 31, 2022	**18.83**

	Amount in CWIP for a period of				
Intangible assets under development	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
At April 01, 2020					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
At March 31, 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
At March 31, 2022					
Projects in progress *	18.83	-	-	-	18.83
Projects temporarily suspended	-	-	-	-	-
Total	**18.83**	-	-	-	**18.83**

There are no overdue or cost overrun projects compared to its original plan and no Intangible assets under development which are temporarily suspended, on the above mentioned reporting dates.

* Projects in progress represents costs incurred for ERP implementation.

(All amounts in Rs millions, except as otherwise stated)

6. Right-of-use assets and lease liabilities

(a) Group as a lessee

The Group has lease contracts for office premises, warehouses, retail stores, computer and peripherals used in its operations. The lease term of the lease contracts are ranging from 2 years to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group has applied exemptions as per paragraph 6 of Ind AS 116 with respect to short term leases.

(b) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and Building	Computer and Peripherals	Total
Cost			
At April 01, 2020	**2.34**	**-**	**2.34**
Additions	200.10	11.30	211.40
Disposals	-	-	-
At March 31, 2021	**202.44**	**11.30**	**213.74**
Additions	249.78	18.56	268.34
Additions on Acquisition (Refer Note-44)	115.07	-	115.07
Disposals	-	-	-
At March 31, 2022	**567.29**	**29.86**	**597.15**
Depreciation			
At April 01, 2020	**-**	**-**	**-**
Charge for the year	12.40	1.74	14.14
Disposal	-	-	-
At March 31, 2021	**12.40**	**1.74**	**14.14**
Charge for the year	43.05	7.82	50.87
Disposal	-	-	-
At March 31, 2022	**55.45**	**9.56**	**65.01**
Net book value			
At April 01, 2020	**2.34**	**-**	**2.34**
At March 31, 2021	**190.04**	**9.56**	**199.60**
At March 31, 2022	**511.84**	**20.30**	**532.14**

(c) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Carried at amortised cost

	March 31, 2022	March 31, 2021	April 01, 2020
Non current			
Lease liabilities	497.96	185.88	0.10
Total non-current lease liabilities	**497.96**	**185.88**	**0.10**
Current			
Lease liabilities	62.47	17.43	0.22
Total current lease liabilities	**62.47**	**17.43**	**0.22**

(d) Following are the amounts recognised in statement of profit and loss:	March 31, 2022	March 31, 2021
Depreciation	50.87	14.14
Interest expense on lease liability	25.75	8.05
Rent expenses for short term lease (included in other expenses)	8.28	8.29
	84.90	**30.48**

(All amounts in Rs millions, except as otherwise stated)

(e) Movement in lease liabilities for year ended March 31, 2022 and March 31, 2021:

	March 31, 2022	March 31, 2021
Balance at beginning of the year	203.31	0.32
Add: Additions	264.84	206.91
Add: Acquisition (Refer note - 44)	119.54	-
Add: Interest	25.75	8.05
Less: Payment of lease liabilities	(52.99)	(11.97)
Less: Reduction in liability on account of rent concession	(0.02)	-
Balance at the end of the year	**560.43**	**203.31**

(f) Impact on Statement of cash flow(increase/(decrease))

Lease payments (including interest portion)	52.99	11.97
	52.99	**11.97**
Payment of principal portion of lease liabilities	27.24	3.92
Payment of interest portion of lease liabilities	25.75	8.05
	52.99	**11.97**

(g) The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

	March 31, 2022	March 31, 2021	April 01, 2020
Less than one year	98.81	31.38	0.24
one to five years	393.18	142.38	0.10
more than five years	238.40	153.31	-
Total	**730.39**	**327.07**	**0.34**

(All amounts in Rs millions, except as otherwise stated)

7. Impairment testing of goodwill and brand

Goodwill and Brand acquired through business combinations are:

Carrying amount of goodwill and brand allocated to each of the CGUs:

	Just4Kids Services Private Limited	B Blunt Product Business	B Blunt Services Business	Total
Intangible assets				
Goodwill (Also refer note 44)	1,360.63	363.38	8.89	1,732.90
Brand (Also refer note 44)	-	511.00	309.80	820.80

The Group had carried out an impairment assessment of brand and goodwill accounted upon acquisition of subsidiary (Just4Kids Services Private Limited and Bhabani Blunt Hairdressing Private Limited) and B Blunt Hair Product Business acquisition. The recoverable amount of a cash-generating unit (CGU) is the higher of its fair value less costs of disposal and its value in use. The Group is expected to benefit from the synergies of the acquisition of subsidiary and business acquisition. For the purpose of determining fair value of a CGU, 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 for which the estimates of future cash flows have not been adjusted. As the estimated recoverable amount of the CGU exceeded its carrying amount, no impairment was recorded.

The recoverable amount of the Just4Kids and B Blunt CGU, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. These budgets are in line with the Purchase Price allocation as the acquisition are closer to the year end. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 16.79% and cash flows beyond the five-year period are extrapolated using a 5-25% growth rate.

(This space has been intentionally left blank)

(All amounts in Rs millions, except as otherwise stated)

8 Investments

Current

	No of units			Amount		
	March 31, 2022	**March 31, 2021**	**April 01, 2020**	**March 31, 2022**	**March 31, 2021**	**April 01, 2020**
(valued at amortised cost)						
Unquoted Other Investments						
CFSL Commercial Paper	-	-	400	-	-	184.38
Total Unquoted investments				**-**	**-**	**184.38**
Quoted Bonds and Debentures						
HDFC Bank Limited Sr-1 8.85 BD Perpetual Fvrs	200	-	-	208.65	-	-
State Bank of India Series 1 9.56 NCD Perpetual Fvrs	100	-	-	111.82	-	-
Total quoted bonds and debentures valued at amortised cost				**320.47**	**-**	**-**
(valued at fair value through profit and loss)						
Quoted Mutual Funds						
Kotak Money Market Fund Direct - Growth	-	12,005	15,297	-	41.82	50.68
UTI MMMF Direct - Growth	1,675	1,675	26,806	4.17	4.01	60.79
Aditya Birla SL Savings Direct - Ultra Short term	-	1,43,477	1,43,477	-	61.24	57.51
SBI Magnum Ultra Short Duration Direct - Growth	16,781	16,781	13,578	82.18	79.19	60.83
IDFC Banking and PSU Debt Fun - Direct Plan - Growth*	60,89,294	60,89,294	60,89,294	124.22	118.99	109.39
HDFC Corporate Bond Direct - Growth	52,09,120	44,46,937	44,46,937	137.94	111.99	102.65
ICICI Prudential Corporate Bond Direct - Growth*	70,98,408	70,98,408	70,98,408	174.52	166.86	152.69
DSP Short Term Direct - Growth	36,85,984	36,85,984	36,85,984	149.44	143.18	132.46
HDFC Short Term Debt Direct - Growth	35,50,981	20,11,797	44,64,425	93.10	50.19	102.18
IDFC Bond ShortTerm Direct - Growth	23,54,846	23,54,846	23,54,846	115.38	110.35	102.11
IDFC Dynamic bond fund- Dir - Growth	33,27,510	-	-	101.12	-	-
Kotak Bond Short-term Direct - Growth	32,13,016	25,50,009	25,50,009	146.82	110.87	102.29
Tata Short Term Bond Direct-Growth	6,35,243	11,14,192	-	26.86	45.07	-
HDFC Money Market Direct-Growth	24,238	24,238	-	112.82	108.44	-
HDFC Floating Rate Debt Direct-Growth	17,90,652	-	-	71.80	-	-
HDFC Ultra Short Term Fund Direct-Growth	-	43,41,031	-	-	51.83	-
Axis Banking & PSU Debt Direct-Growth	12,250	12,250	-	26.79	25.70	-
Axis Strategic Bond Fund - Direct Growth	42,18,184	-	-	101.21	-	-
Kotak Banking and PSU Debt Direct-Growth	9,60,450	7,74,560	-	52.13	39.91	-
Kotak Corporate Bond Direct-Growth	29,390	10,038	-	92.08	29.96	-
Kotak Money Market Fund Direct-Growth	14,946	-	-	54.11	-	-
L&T Triple Ace Bond Direct-Growth*	24,51,157	13,30,969	-	154.08	79.38	-
Axis Treasury Advantage Direct-Growth	816	816	-	2.11	2.03	-
ICICI Pru Short Term Direct-Growth	11,94,439	2,06,717	-	60.97	10.05	-
ICICI Pru Medium Term Bond Direct-Growth	7,87,544	-	-	30.28	-	-
ICICI Prudential Overnight Fund Growth	120	-	-	0.01	-	-
Bharat Bond FOF - April 2025 Direct-Growth	93,79,196	47,10,982	-	101.51	48.21	-
Bharat Bond FOF - April 2030 Direct-Growth	46,20,515	46,20,515	-	53.01	50.08	-
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	-	21.53	20.51	-
POWERGRID INFRASTRUCTURE INVESTMENT TRUST	3,22,385	-	-	43.17	-	-
ICICI PRU CORPORATE CREDIT OPPORTUNITIES AIF I	99,995	-	-	10.00	-	-
UTI Liquid Cash Direct - Growth	-	-	7,789	-	-	25.32
Nippon India Money Market Direct-Growth	30,178	-	-	101.11	-	-
Nippon India Corporate Bond Direct-Growth	3,16,628	-	-	15.69	-	-
Nippon India ETF Nifty SDL - 2026 Maturity-Growth	5,00,000	-	-	54.03	-	-
HSBC Ultra Short Duration Fund Direct-Growth	73,319	-	-	80.82	-	-
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct-Growth	1,31,46,157	-	-	141.20	-	-
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2027 Direct-Growth	49,61,989	-	-	50.65	-	-
EDELWEISS CREDIT PLUS FUND AIF	1,500	-	-	15.00	-	-
Aditya Birla SL Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct-Growth	49,58,594	-	-	50.46	-	-
Aditya Birla SL Floating rate Direct-Growth	2,51,530	-	-	71.32	-	-
Aditya Birla Sun Life Money Manager Fund	3,538	-	-	1.06	-	-
HDFC low duration fund	13,238	-	-	0.62	-	-
HDFC overnight fund	28,850	-	-	91.09	-	-
Total				2,816.41	1,509.86	1,058.90
Quoted Bonds and Debentures						
Muthoot Fincorp Limited - Market Linked Debenture - Non Convertible	130	130	-	145.12	134.40	-
Asirvad Microfin Limited MLD	20	-	-	21.02	-	-
Shriram City Union MLD	80	-	-	81.97	-	-
Total				**3,064.52**	**1,644.26**	**1,058.90**
Total Quoted investments				**3,384.99**	**1,644.26**	**1,058.90**
Unquoted other investments						
Beauty Wellness Association India				0.10	-	-
Total Unquoted investments				**0.10**	**-**	**-**
Total Investments				**3,385.09**	**1,644.26**	**1,243.28**
Aggregate book value of quoted investments				3,064.52	1,644.26	1,058.90
Aggregate market value of quoted investments				3,064.52	1,644.26	1,058.90
Aggregate value of unquoted investments				0.10	-	184.38

*Includes an amount of Rs 294.12 million (March 31, 2021: Nil; April 01, 2020: Nil) at cost secured against bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease and performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department and TLG India Pvt Ltd.

(All amounts in Rs millions, except as otherwise stated)

	March 31, 2022	March 31, 2021	April 01, 2020
9 Other financial assets			
(Unsecured, considered good)			
Carried at amortised cost			
Non-current			
Security deposits	22.91	7.34	3.12
Fixed deposit with maturity of more than 12 months*#	821.84	53.27	-
Interest Accrued	1.41	-	-
	846.16	**60.61**	**3.12**
Current			
Security deposits	7.58	3.37	1.36
Interest Accrued	37.80	1.11	6.48
Advance to employees	0.94	-	-
	46.32	**4.48**	**7.84**

*Includes an amount of Rs 56.47 million (March 31, 2021: Rs 14.27 million; April 01, 2020: Nil) secured against bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease and performance guarantees issued in favour of TLG India Pvt Ltd.
Includes an amount of Rs 113.85 million (March 31, 2021: Nil; April 01, 2020: Nil) secured against overdraft facility with HDFC Bank.

	March 31, 2022	March 31, 2021	April 01, 2020
10 Income tax assets (net)			
Non-current			
Advance tax (net)	48.61	1.52	0.57
	48.61	**1.52**	**0.57**
11 Inventories			
(valued at lower of cost and net realizable value)			
Traded goods*	671.38	417.42	136.71
Less: Provision for slow moving inventories	(12.86)	(3.95)	-
	658.52	**413.47**	**136.71**

*Traded goods includes goods in transit of Rs 4.96 million (March 31, 2021: Rs 8.33 million; April 01, 2020: Rs 4.74 million)

	March 31, 2022	March 31, 2021	April 01, 2020
12 Trade receivables			
Carried at amortised cost			
Trade receivables	727.86	338.43	106.06
	727.86	**338.43**	**106.06**
Break-up for security details			
Trade receivables			
Unsecured, considered good	727.86	338.43	106.06
Trade receivables - credit impaired	16.34	5.02	2.04
	744.20	**343.45**	**108.10**
Impairment allowance (allowance for bad and doubtful debts)			
Trade receivables - credit impaired	(16.34)	(5.02)	(2.04)
	(16.34)	**(5.02)**	**(2.04)**
Total trade receivables	**727.86**	**338.43**	**106.06**

Movement in Impairment allowance (allowance for bad and doubtful debts)

	March 31, 2022	March 31, 2021
Opening balance	5.02	2.04
Add: Charge for the year	5.34	2.98
Add: Acquisition (Refer note - 44)	5.98	-
Closing balance	**16.34**	**5.02**

As at March 31, 2022

	Current but not due	0 - 6 months	6 months – 1 year	1-2 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	157.23	569.03	1.60	-	-	727.87
Undisputed Trade receivable – credit impaired	-	2.11	12.30	1.93	-	16.34
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	157.23	**571.14**	**13.90**	**1.93**	**-**	**744.21**
Less: Impairment allowance (allowance for bad and doubtful debts)	-	(2.11)	(12.30)	(1.93)	-	(16.34)
Total trade receivables	**157.23**	**569.03**	**1.60**	**-**	**-**	**727.86**

As at March 31, 2021

	Current but not due	0 - 6 months	6 months – 1 year	1-2 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	126.27	212.16	-	-	-	338.43
Undisputed Trade receivable – credit impaired	-	-	5.02	-	-	5.02
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	126.27	**212.16**	**5.02**	**-**	**-**	**343.45**
Less: Impairment allowance (allowance for bad and doubtful debts)	-	-	(5.02)	-	-	(5.02)
Total trade receivables	**126.27**	**212.16**	**-**	**-**	**-**	**338.43**

(All amounts in Rs millions, except as otherwise stated)

Trade receivables (Continued)

As at April 01, 2020

	Current but not due	0 - 6 months	6 months – 1 year	1-2 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	44.71	61.35	-	-	-	106.06
Undisputed Trade receivable – credit impaired	-	-	2.04	-	-	2.04
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	44.71	**61.35**	**2.04**	**-**	**-**	**108.10**
Less: Impairment allowance (allowance for bad and doubtful debts)	-	-	(2.04)	-	-	(2.04)
Total trade receivables	**44.71**	**61.35**	**-**	**-**	**-**	**106.06**

- There are no non-current trade receivables as on March 31, 2022 (March 31, 2021 : Nil ; April 01 2020: Nil).
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, other than those disclosed in Note 34. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 30-60 days.

13 Cash and cash equivalents

	March 31, 2022	March 31, 2021	April 01, 2020
Cash and cash equivalents			
Cash in hand	1.02	0.35	0.11
Balance with banks			
- on current accounts	336.43	97.24	19.05
	337.45	**97.59**	**19.16**

14 Other bank balances

Deposits with remaining maturity of more than three months but less than or equal to twelve months*	539.40	109.95	244.99
	539.40	**109.95**	**244.99**

*Fixed deposit overdraft facility account having facility of Rs 100 million overdraft set-up against Fixed Deposit

15 Other assets

Current			
Balance with government authorities	242.22	51.74	23.82
Advance to employees	0.88	6.50	-
Prepaid expenses	30.20	18.63	0.44
Advance to suppliers	51.93	68.35	14.03
Other receivables	0.62	-	-
	325.85	**145.22**	**38.29**

(This space has been intentionally left blank)

(All amounts in Rs millions, except as otherwise stated)

16 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares	
	Numbers	**Amount**
Equity share capital of Rs 10 each		
As at April 01, 2020	40,000	0.40
Increase during the year	-	-
As at March 31, 2021	**40,000**	**0.40**
Increase during the year	-	-
As at March 31, 2022	**40,000**	**0.40**
Equity share capital of Rs 100 each		
As at April 01, 2020	580	0.06
Increase during the year	-	-
As at March 31, 2021	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2022	**580**	**0.06**

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

	Equity Shares	
	Numbers	**Amount**
Equity share capital of Rs 10 each, fully paid up		
As at April 01, 2020	10,207	0.10
Issued during the year *	18	0.00
As at March 31, 2021	**10,225**	**0.10**
Issued during the year **	31	0.00
As at March 31, 2022 (i)	**10,256**	**0.10**

* Represents amount of Rs 180.
** Represents amount of Rs 310.

Equity share capital of Rs 100 each, fully paid up		
As at April 01, 2020	290	0.03
Issued during the year	-	-
As at March 31, 2021	**290**	**0.03**
Issued during the year	-	-
As at March 31, 2022 (ii)	**290**	**0.03**
Total (i)+(ii)	**10,546**	**0.13**

(c) Terms/rights attached to equity shares

i) The Company has two class of equity shares having par value of Rs 10 and Rs 100 per share. Each shareholder of equity shares is entitled to have one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval in the ensuing Annual General Meeting except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares is possible subject to prevalent regulations. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) The equity shares Nil (March 31, 2021: 916, April 01, 2020: 686) were redeemable at the option of the holder and therefore they are considered as a puttable instrument. These equity shares meet the conditions of equity classification as per Ind AS 32 and are therefore, classified and accounted for as equity.

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

	March 31, 2022		March 31, 2021		April 01, 2020	
	Nos.	**Holding %**	**Nos.**	**Holding %**	**Nos.**	**Holding %**
Equity shares of Rs. 10 each, fully paid						
Varun Alagh	8,282	81%	8,514	82%	8,514	83%
Ghazal Alagh	788	8%	788	8%	1,000	10%
	9,070		**9,302**		**9,514**	
Equity shares of Rs 100/- each fully paid						
Shilpa Shetty Kundra	108	37%	290	100%	290	100%
Evolvence Fund III LTD	102	35%	-	-	-	-
Evolvence India Coinvest PCC	68	23%	-	-	-	-
	278		**290**		**290**	

(e) Details of shares held by promoters:

Equity shares of Rs 10 each, fully paid
As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	8,514	-232	8,282	81%	-3%
Ghazal Alagh	788	-	788	8%	-

As at March 31, 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	8,514	-	8,514	82%	-
Ghazal Alagh	1,000	(212)	788	8%	-21%

As at April 01, 2020

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	9,000	(486)	8,514	83%	-5%
Ghazal Alagh	1,000	-	1,000	10%	-

(All amounts in Rs millions, except as otherwise stated)

(f) Shares reserved for issue under options

For details of shares reserved for issue on conversion of NCCCPS, refer note 17.
For details of shares reserved for issue against share warrants, refer note 37.
For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 39 and note 40.

g) The Company has not issued any bonus or issued shares for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. Refer note 50(a) for bonus shares issued subsequent to the year ended March 31, 2022.

17 Instrument entirely in the nature of equity

Preference shares
a) Authorised share capital

	NCCCPS Numbers	NCCCPS Amount
0.001% Non- Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of Rs 10 each		
As at April 01, 2020		
0.001% Class A NCCCPS	5,839	0.06
0.001% Class B NCCCPS	1,885	0.02
0.001% Class C NCCCPS	4,845	0.05
0.001% Class D NCCCPS	4,161	0.04
As at March 31, 2021	**16,730**	**0.17**
Increase during the year		
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
As at March 31, 2022	**26,730**	**0.27**

b) Issued, subscribed and fully paid shares

	Numbers	Amount
NCCCPS of Rs 10 each		
As at April 01, 2020		
Class A NCCCPS- Refer note (i) below	581	-
Class B NCCCPS- Refer note (i) below	1,885	-
Class C NCCCPS- Refer note (i) below	4,845	-
Class D NCCCPS- Refer note (i) below	4,161	-
Total	**11,472**	**-**
Increase during the year	-	-
As at March 31, 2021	**11,472**	**-**
Increase during the year		
Class A NCCCPS - Refer note (i) below	581	989.60
Class B NCCCPS - Refer note (i) below	1,885	3,210.68
Class C NCCCPS - Refer note (i) below	4,845	8,252.38
Class D NCCCPS - Refer note (i) below	4,161	7,087.33
Increase during the year		
Class E NCCCPS - Refer note (ii) below	902	0.01
Class F NCCCPS - Refer note (iii) below	839	0.01
	13,213	19,540.01
Less: Reclassified to securities premium as per Companies Act, 2013 (Refer note (i) below)		1,610.65
As at March 31, 2022	**13,213**	**17,929.36**

Note (i): In respect of Non-Cumulative Compulsorily convertible preference shares (‘NCCCPS’), the NCCCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value as at April 01, 2020 and year ended March 31, 2021 and the change in fair value of liability has been recognized as an expense in the statement of profit and loss. Further, subsequently on April 01, 2021, the Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs 17,929.34 million and Rs 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity.

Note (ii): The Company has issued 902 Class E NCCCPS of Rs.10 during the year at a premium of Rs.2.24 million per share.

Note (iii): The Company has issued 839 Class F NCCCPS of Rs.10 during the year at a premium of Rs.3.39 million per share.

(c) Terms/rights attached to NCCCPS

The Company has issued NCCCPS - Class A, B, C, D, E & F shares of Rs 10 each fully paid-up. NCCCPS Class A, B, C, D, E & F shares carry a minimum preferential dividend @ 0.001% p.a proportionately for the period for which the shares are being held and it shall be paid in preference to any dividend or distribution payable upon shares of any other class. Each holder of NCCCPS Class A, B, C, D, E & F shares is entitled to vote at each meeting of the holders of the Equity shares to the extent of such proportion of the total voting rights, as they would have been entitled assuming full conversion of the NCCCPS Class A, B, C, D, E & F shares. The holders of the NCCCPS shall be entitled to exercise voting rights on an as if converted basis i.e., assuming conversion of the NCCCPS in the manner set out in the shareholders agreement.

Each holder of NCCCPS Class A, B, C, D, E & F shares may convert the shares at the option of the holder into 1 equity share of the Company at the earlier of the following events:
1) Anytime at the option of the holder
2) Immediately upon the expiry of 20 years from the date of allotment; or
3) Qualified Initial Public Offering (IPO) as acceptable to the holder.
In the event of liquidation of the Company before conversion, the holder of NCCCPS Class A, B, C, D, E & F shares would be paid prior and in preference to any payment or distribution to equity share holders.

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

	March 31, 2022		March 31, 2021		April 01, 2020	
	Nos.	Holding %	Nos.	Holding %	Nos.	Holding %
Class A NCCCPS of Rs 10 each, fully paid						
Fireside Venture Trust	108	19%	141	24%	254	44%
Suhail Sameer	116	20%	116	20%	116	20%
SCI Investments VI	209	36%	209	36%	186	32%
Sofina Ventures S.A.	64	11%	64	11%	-	0%
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	33	6%	-	0%	-	-
	530		**530**		**556**	
Class B NCCCPS of Rs. 10 each, fully paid						
Fireside Ventures Investment Fund-I	199	11%	199	10%	1,347	72%
Kunal Bahl	-	-	-	-	269	14%
Rohit Kumar Bhansal	-	-	-	-	269	14%
SCI Investments VI	454	24%	454	24%	-	0%
Sofina Ventures S.A.	1,062	56%	1,062	56%	-	0%
	1,715		**1,715**		**1,885**	
Class C NCCCPS of Rs. 10 each, fully paid						
Fireside Ventures Investment Fund-I	1,780	37%	1,780	37%	1,780	37%
Stellaris Venture Partners	1,764	36%	1,764	36%	2,131	44%
Rishabh Mariwala	642	13%	642	13%	734	15%
Sofina Ventures S.A.	252	5%	252	5%	-	0%
	4,438		**4,438**		**4,645**	

(All amounts in Rs millions, except as otherwise stated)

Class D NCCCPS of Rs. 10 each, fully paid						
SCI Investments VI	3,346	80%	3,346	80%	3,346	80%
Fireside Ventures Investment Fund-I	363	9%	363	9%	363	9%
Stellaris Venture Partners	363	9%	363	9%	363	9%
	4,072		**4,072**		**4,072**	
Class E NCCCPS of Rs. 10 each, fully paid						
SCI Investments VI	82	9%	-	-	-	-
Sofina Ventures S.A	656	73%	-	-	-	-
Evolvence Fund III LTD	164	18%	-	-	-	-
	902		**-**		**-**	
Class F NCCCPS of Rs. 10 each, fully paid						
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	839	100%	-	-	-	-
	839		**-**		**-**	

18 Other equity

	March 31, 2022	March 31, 2021	April 01, 2020
Securities premium	6,504.71	20.08	18.76
Retained earnings	(17,585.30)	(17,719.98)	(4,397.91)
Employee stock option reserve	207.34	48.34	7.22
	(10,873.25)	**(17,651.56)**	**(4,371.93)**
a) Securities premium			
Opening Balance	20.08	18.76	338.79
Add: Premium on issue of equity shares	6.26	0.90	0.38
Add: Premium on issue of Class D NCCCPS	-	-	1,290.24
Less: Transaction cost on issue of shares	(4.87)	-	-
Less: Premium towards NCCCPS on classification from equity to liability (refer note 17)	-	-	(1,610.65)
Add: Premium on issue of NCCCPS	4,863.85	-	-
Add: Premium towards NCCCPS on reclassification from liability to equity (refer note 17)	1,610.65	-	-
Add: Transferred to securities premium on exercise of stock options	8.74	0.42	-
Closing balance	**6,504.71**	**20.08**	**18.76**
b) Retained earnings			
Opening Balance	(17,719.98)	(4,397.91)	
Add: Profit/(loss) for the year	157.15	(13,322.15)	
Add: Other comprehensive income	1.03	0.08	
Less: Change in fair value of non-controlling interest liability	(10.79)		
Less: Reclass for Non-controlling interest (Refer note 44[A])	(12.71)	-	
Closing balance	**(17,585.30)**	**(17,719.98)**	
c) Employee stock option reserve			
Opening Balance	48.34	7.22	
Add: Compensation expense for options granted during the year (Refer note 39 and note 40)	167.74	41.54	
Less: Transferred to securities premium on exercise of stock options	(8.74)	(0.42)	
Closing balance	**207.34**	**48.34**	

a) Securities premium:
Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

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

c) Employee stock option reserve
Share based payment reserve is used to record the fair value of equity-settled share based payment transactions with employees.

(All amounts in Rs millions, except as otherwise stated)

19 Borrowings

	March 31, 2022	March 31, 2021	April 01, 2020
Non Current			
Carried at fair value			
Non- Cumulative Compulsorily Convertible Preference Shares (NCCCPS) - (Refer note below)	-	19,539.99	5,927.56
	-	**19,539.99**	**5,927.56**

Note:
In respect of Non-Cumulative Compulsorily convertible preference shares (‘NCCCPS’), the NCCCPS holders of the Company, in terms of the shareholders agreement, had exit rights including requiring the Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value as at April 01, 2020 and year ended March 31, 2021 and the change in fair value of liability has been recognized as an expense in the statement of profit and loss. Further, subsequently on April 01, 2021, the Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs 17,929.34 million and Rs 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity.

	March 31, 2022	March 31, 2021	April 01, 2020
Current			
Carried at amortised cost			
Bank overdraft *	33.57	-	-
Unsecured loans (Repayable on demand)#	2.29	-	-
	35.86	**-**	**-**

* The aforesaid bank overdraft is secured by Fixed deposits with HDFC bank and is repayable on demand. The facility carries interest in the range of 8-9% p.a.
# The unsecured loans are interest free and are repayable on demand.

20 Other financial liabilities

	March 31, 2022	March 31, 2021	April 01, 2020
Non Current			
Carried at fair value			
Non-controlling interest liability (Refer note below)	589.79	-	-
Stock appreciation rights (refer note 39)	9.02	-	-
	598.81	**-**	**-**

Note: During the year ended March 31, 2022, the Company has acquired 74.32% shareholding in Just4Kids Services Private Limited for a consideration of Rs 944.58 million. Pursuant to the Shareholders Agreement between the Holding Company and existing shareholders of Just4kids Services Private Limited, both the parties have the obligation to purchase and sell the remaining shares of the existing shareholders at a pre-agreed valuation. The Group has accounted for the present value of future obligation amounting to Rs 579.00 million as a financial liability. The group has fair valued the obligation and has recorded a fair valuation loss of Rs.10.79 million in respect of the Non-controlling interests liability.

	March 31, 2022	March 31, 2021	April 01, 2020
Current			
Carried at fair value			
Stock appreciation rights (refer note 39)	11.13	-	-
	11.13	**-**	**-**
Carried at amortised cost			
Consideration payable (refer note 44)	20.53	-	-
Employee benefits payable	88.86	45.13	10.72
Payable for capital goods	7.18	-	-
Other payables	1.83	-	-
	118.40	**45.13**	**10.72**
	129.53	**45.13**	**10.72**

21 Provisions

	March 31, 2022	March 31, 2021	April 01, 2020
Non-current			
Provision for Gratuity (Refer note 35)	35.54	9.55	3.24
	35.54	**9.55**	**3.24**
Current			
Provision for Gratuity (Refer note 35)	1.68	0.04	-
Provision for Leave benefits	22.21	9.42	2.57
	23.89	**9.46**	**2.57**

22 Other liabilities

	March 31, 2022	March 31, 2021	April 01, 2020
Current			
Statutory dues payable	61.83	25.63	8.76
Advance from customers	38.94	15.32	3.03
Deferred revenue	19.93	11.81	3.11
	120.70	**52.76**	**14.90**

Movement during the year - Deferred revenue

Balance as at April 01, 2020	**3.11**
Arising during the year	11.81
Utilised during the year	(3.11)
Balance as at March 31, 2021	**11.81**
Arising during the year	19.93
Utilised during the year	(11.81)
Balance as at March 31, 2022	**19.93**

(All amounts in Rs millions, except as otherwise stated)

23 Trade payables
Carried at amortised cost

	March 31, 2022	March 31, 2021	April 01, 2020
Total outstanding dues of micro enterprises and small enterprises	34.99	121.27	76.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,668.53	682.15	142.04
	1,703.52	**803.42**	**219.01**

There are no non-current trade payables as on March 31, 2022 (March 31, 2021: Nil, April 01, 2020: Nil).
The amount due to Micro, small and medium enterprise as per the "Micro, small and medium Enterprise Development Act, 2006" (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosure relating to micro, small and medium enterprises are as under:

Particular	March 31, 2022	March 31, 2021	April 01, 2020
(i) 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	33.82	120.32	76.87
Interest due on the above	1.17	0.95	0.10
Total	**34.99**	**121.27**	**76.97**
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.22	0.85	0.04
(v) 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	1.17	0.95	0.10

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/ suppliers.

(a) Trade payables are non-interest bearing and are generally settled up to 60 days
(b) For explanations on the Group's credit risk management processes, refer to Note 42.
(c)Trade payables (outstanding for following periods from the date of transaction) ageing schedule:

	Unbilled and not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2022						
(i) MSME	-	34.99	-	-	-	34.99
(ii) Others	501.87	1,164.13	2.53	-	-	1,668.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**501.87**	**1,199.12**	**2.53**	**-**	**-**	**1,703.52**
March 31, 2021						
(i) MSME	-	121.27	-	-	-	121.27
(ii) Others	172.02	508.99	1.14	-	-	682.15
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**172.02**	**630.26**	**1.14**	**-**	**-**	**803.42**
April 01, 2020						
(i) MSME	-	76.97	-	-	-	76.97
(ii) Others	35.31	106.73	-	-	-	142.04
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**35.31**	**183.70**	**-**	**-**	**-**	**219.01**

(All amounts in Rs millions , except as otherwise stated)

24 Tax expense (net)

The major components of income tax expense for the period ended March 31, 2022 and March 31, 2021 are:

a) Statement of Profit and Loss

Profit or loss section

	March 31, 2022	March 31, 2021
Current income tax:		
Current tax	64.11	61.89
Deferred tax:		
Relating to origination and reversal of temporary differences	15.85	14.17
Total tax expense	**79.96**	**76.06**

b) Other comprehensive income/(loss)

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

	March 31, 2022	March 31, 2021
Deferred tax charge on remeasurements of defined benefit plans	0.34	0.03
Tax expense charged to OCI	**0.34**	**0.03**

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

	March 31, 2022	March 31, 2021
Accounting profit/ (loss) before income tax	224.39	(13,246.09)
Applicable tax rate in India	25.17%	25.17%
Computed tax charge/(credit)	56.48	(3,334.04)
Deferred tax asset not recognised in previous years	-	(18.49)
Deferred tax asset not recognised in subsidiaries	12.79	-
Expenses not deductible under income tax (change in fair valuation of preference shares)	7.59	3,426.59
Others	3.10	2.00
Income tax expense reported in the statement of profit and loss	**79.95**	**76.06**

d) Deferred tax relates to the following:

	March 31, 2022	March 31, 2021	April 01, 2020
Deferred Tax Liability			
Investments - Fair value	50.64	25.41	6.13
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	7.10	-	-
Movement on account of Written down value of Intangible assets (Refer Note - 44)	66.93	-	-
	124.67	**25.41**	**6.13**
Deferred Tax Asset			
Provision for bad & doubtful debts	2.22	1.26	0.51
Provision for Gratuity	7.18	2.41	0.81
Provision for leave encashment	5.59	2.37	0.65
Provision for bonus	0.58	0.27	-
Provision for Customer Credits	5.02	2.97	0.78
Brought forward losses and unabsorbed depreciation	12.46	-	20.80
Provision for slow moving inventory	3.24	-	-
Right of Use Asset, net	2.05	0.93	-
Interest Income on security deposits	0.73	0.03	0.51
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	-	0.97	0.55
	39.07	**11.21**	**24.62**
	85.60	**14.20**	**(18.49)**
Less: Deferred tax not recognised (Refer note (i) below)	**-**	**-**	**18.49**
Net Deferred tax liability	**85.60**	**14.20**	**-**
	-	-	-

Notes:

(i) No deferred tax asset has been recognised in the absence of reasonable certainty that sufficient future taxable income will be available in the foreseeable future against which such deferred tax can be utilized.

(ii) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(All amounts in Rs millions , except as otherwise stated)

e) Reconciliation of deferred tax liabilities (net):

	March 31, 2022	March 31, 2021
Opening balance	14.20	-
Tax credit/(expense) during the period		
- recognised in statement of profit and loss	15.85	14.17
- recognised in OCI	0.34	0.03
- Acquisition (Refer note 44)	55.21	-
Closing balance	**85.60**	**14.20**

f) Movement for the year ended March 31, 2022

	March 31, 2021	Additions from acquisition	Recognised in profit or loss	Recognised in OCI	March 31, 2022
Deferred Tax Liability					
Investments - Fair value	25.41	3.06	22.17	-	50.64
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	-	(4.63)	11.73	-	7.10
Movement on account of Written down value of Intangible assets (Refer Note - 44)	-	69.31	(2.38)	-	66.93
	25.41	**67.74**	**31.52**	**-**	**124.67**
Deferred Tax Asset					
Provision for bad & doubtful debts	1.26	-	0.96	-	2.22
Provision for Gratuity	2.41	1.66	3.45	(0.34)	7.18
Provision for leave encashment	2.37	-	3.22	-	5.59
Provision for bonus	0.27	-	0.31	-	0.58
Provision for Customer Credits	2.97	-	2.05	-	5.02
Brought forward losses and unabsorbed depreciation	-	12.65	(0.19)	-	12.46
Right of Use Asset, net	0.93	(2.42)	3.54	-	2.05
Provision for slow moving inventory	-	-	3.24	-	3.24
Interest Income on security deposits	0.03	0.64	0.06	-	0.73
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.97	-	(0.97)	-	-
Total	**11.21**	**12.53**	**15.67**	**(0.34)**	**39.07**
Net Deferred tax liability	**14.20**	**55.21**	**15.85**	**0.34**	**85.60**

g) Movement for the year ended March 31, 2021

	April 01, 2020	Recognised in profit or loss	Recognised in OCI	March 31, 2021
Deferred Tax Liability				
Investments - Fair value	6.13	19.28	-	25.41
	6.13	**19.28**	**-**	**25.41**
Deferred Tax Asset				
Provision for bad & doubtful debts	0.51	0.75	-	1.26
Provision for Gratuity	0.81	1.63	(0.03)	2.41
Provision for leave encashment	0.65	1.72	-	2.37
Provision for bonus	-	0.27	-	0.27
Provision for Customer Credits	0.78	2.19	-	2.97
Brought forward losses and unabsorbed depreciation	20.80	(20.80)	-	-
Right of Use Asset, net	0.52	0.41	-	0.93
Interest Income on security deposits	-	0.03	-	0.03
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.55	0.42	-	0.97
Total	**24.62**	**(13.38)**	**(0.03)**	**11.21**
Deferred tax	**(18.49)**	**32.66**	**0.03**	**14.20**
Less: Deferred tax not recognised	**(18.49)**	**18.49**	**-**	**-**
Net Deferred tax liability	**-**	**14.17**	**0.03**	**14.20**

(All amounts in Rs millions, except as otherwise stated)

25 Revenue from contract with customers

	March 31, 2022	March 31, 2021
Sale of products	9,318.74	4,599.90
Sale of services	115.91	-
Revenue from contract with customers	**9,434.65**	**4,599.90**
Sale of products (net of Goods and Service Tax)		
Traded goods	9,318.74	4,599.90
	9,318.74	**4,599.90**
Sale of services		
Content creation and infulencer marketing	101.12	-
Hair care	14.79	-
	115.91	-

25.1 Details of disaggregation of revenue

The Group derives its major revenue from sale of baby care, skin care, hair and other related products by selected platforms and online blogging services , which is a single line of business.

25.2 Contract balances

	March 31, 2022	March 31, 2021	April 01, 2020
(a) Contract assets			
Trade receivables	727.86	338.43	106.06
(b) Contract liabilities			
Advance from customers	38.94	15.32	3.03
Deferred revenue	19.93	11.81	3.11

25.3 Timing of revenue recognition

	March 31, 2022	March 31, 2021
Goods transferred at a point in time	9,318.74	4,599.90
Goods transferred over a period of time	115.91	-
Revenue from contract with customers	**9,434.65**	**4,599.90**

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

	March 31, 2022	March 31, 2021
Revenue as per contracted price	9,881.45	4,739.81
Adjustments		
Claims and rebates	(466.73)	(128.10)
Provision for customer wallets	19.93	(11.81)
Revenue from contract with customers	**9,434.65**	**4,599.90**

25.5 Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or lesser.

26 Other income

	March 31, 2022	March 31, 2021
Interest income on:		
Investments	54.41	15.10
Deposits with bank	11.45	4.03
Unwinding of discount on security deposits	0.73	0.25
Foreign exchange fluctuation gain (net)	-	1.76
Fair value gain on investments measured at FVTPL	88.84	76.64
Gain on sale of investments measured at FVTPL	43.46	22.21
Others	9.91	1.12
	208.80	**121.11**

27 Purchases of traded goods

	March 31, 2022	March 31, 2021
Purchases (traded goods)	3,047.68	1,607.77
	3,047.68	**1,607.77**

28 (Increase) in inventories of traded goods

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year	417.42	136.71
Inventory acquired during the year from:		
- Acquisition * (Refer note 44)	40.67	-
	458.09	136.71
Inventories at the end of the year	671.38	417.42
	671.38	417.42
(Increase) in inventories of traded goods	**(213.29)**	**(280.71)**

* Net of Rs 15.55 million which has been transferred to vendor for contract manufacturing

(All amounts in Rs millions, except as otherwise stated)

29 Employee benefits expenses

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	560.61	215.69
Contribution to provident and other funds (Refer note 35)	10.41	4.88
Gratuity (Refer note 35)	14.40	6.46
Share based payments expenses(equity settled- ESOP) (Refer note 39)	167.75	41.54
Employee stock appreciation rights expense (Refer note 39)	20.15	-
Staff welfare expenses	15.14	9.02
	788.46	**277.59**

30 Depreciation and amortisation expense

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment	7.56	2.97
Depreciation of right-of-use-assets	50.87	14.14
Amortisation of intangible assets	10.52	0.01
	68.95	**17.12**

31 Finance costs

	March 31, 2022	March 31, 2021
Interest on		
Lease liabilities	25.75	8.05
Borrowings from bank	0.49	-
Others	0.56	1.16
Bank charges	3.25	0.54
	30.05	**9.75**

32 Other expenses

	March 31, 2022	March 31, 2021
Advertisement expense	3,914.74	1,779.38
Freight and forwarding charges	919.07	543.53
Sales Commission	286.88	134.29
Packaging materials and other consumables	137.71	83.73
Software support expenses	128.22	48.28
Legal and professional charges (refer (i) below)	94.57	30.45
Contract Labour charges	62.97	59.41
Travelling and conveyance	26.51	9.07
Influencer expense	25.58	-
Content creation expense	17.20	-
Payment gateway charges	16.84	11.37
Rates and taxes	12.03	0.93
Provision for slow moving inventory	8.91	3.95
Rent	8.28	8.29
Research and insights expense	7.69	-
Repairs and maintenance - Other	6.06	3.56
Impairment allowance (allowance for bad and doubtful debts)	5.34	2.98
Bad Debts	3.85	-
Foreign exchange fluctuation loss (net)	3.03	-
Insurance	2.77	1.00
Power and fuel	1.83	0.80
Corporate social responsibility expenses - Refer note (ii) below	1.44	-
Communication costs	1.89	1.04
Printing and stationery	0.36	0.77
Loss on sale/disposal of PPE	0.40	0.12
Miscellaneous expenses	3.04	0.20
	5,697.21	**2,723.15**

(i) Payment to auditor (included under legal and professional charges)

	March 31, 2022	March 31, 2021
Audit fee paid to statutory auditors of Standalone and Consolidated financial statements	3.50	2.20
Statutory audit fees paid to subsidiary companies auditors	1.10	-
Other services fees paid to subsidiary companies auditors	0.04	-
Reimbursement of expenses	0.02	0.01
	4.66	**2.21**

(All amounts in Rs millions, except as otherwise stated)

(ii) Details of CSR Expenditure

Consequent to the requirements of section 135 and Schedule VII of the Companies Act, 2013 the Company is required to contribute 2% of its average net profits during the immediately three preceeding financial years in pursuance of its Corporate Social Responsibility ('CSR') policy.

The Group has spent Rs. 1.44 million (March 31, 2021: Nil) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
a) Gross amount required to be spent by the Company during the year	1.44	-

b) Amount spent during the year ended March 31, 2022	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	1.44	-	1.44

c) Amount spent during the year ended March 31, 2021	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	-	-	-

33 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Profit/(loss) after tax attributable to equity holders of the Parent (a) (including minority share - Refer note 44A)	157.15	(13,322.15)
Equity shares of Rs. 10 each	155.16	(12,954.20)
Equity shares of Rs. 100 each	1.99	(367.95)
Weighted average number of shares outstanding during the year for basic EPS (b)		
Equity shares of Rs. 10 each	29,18,25,532	13,17,09,000
Equity shares of Rs. 100 each	37,41,000	37,41,000
Weighted average number of shares outstanding during the year for diluted EPS (c)		
Equity shares of Rs. 10 each	29,75,40,878	28,18,71,922
Equity shares of Rs. 100 each	37,41,000	37,41,000
Basic earnings/(loss) per share (in Rs) (a/b)		
Equity shares of Rs. 10 each	0.53	(98.35)
Equity shares of Rs. 100 each	0.53	(98.35)
Diluted earnings/(loss) per share (in Rs) (a/c)		
Equity shares of Rs. 10 each	0.52	(98.35)
Equity shares of Rs. 100 each	0.53	(98.35)
Equity share reconciliation for EPS		
Equity shares of Rs. 10 each	13,19,94,532	13,17,09,000
NCCCPS as equity	15,98,31,000	-
Total considered for basic EPS	**29,18,25,532**	**13,17,09,000**
Add: ESOP	57,15,346	21,74,122
Add: NCCCPS	-	14,79,88,800
Total considered for diluted EPS	**29,75,40,878**	**28,18,71,922**
Equity share reconciliation for EPS - Face value Rs.100		
Equity shares of Rs. 100 each	37,41,000	37,41,000

Notes:

a) Subsequent to the year end, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 on May 11, 2022. The weighted average number of shares have been adjusted to reflect the impact of bonus issue as per Ind AS 33. Equity shares with face value of Rs.10 and Rs.100 rank paripassu and does not have differential voting rights.

b) Employee share options and NCCCPS are anti-dilutive in nature during the year end March 31, 2021.

(All amounts in Rs millions, except as otherwise stated)

34 Related party disclosures

Entities where control exists	**Nature of relationship**
Just4Kids Services Private Limited (w.e.f. December 24, 2021)	Subsidiary
Bhabani Blunt Hairdressing Private Limited (w.e.f. March 16, 2022)	Subsidiary
B:Blunt-Spratt Hair dressing Private Limited (w.e.f. March 16, 2022)	Subsidiary
PT Honasa Consumer Indonesia (w.e.f. February 18, 2022)	Subsidiary

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

Fireside Ventures Investment Fund-I	Investors
SCI Investments VI	Investors
Stellaris Venture Partners	Investors
Sofina Ventures S.A.	Investors
Sequoia Capital Global Growth Fund III	Investors

Key management personnel (KMP) of Holding company

Directors

Varun Alagh	Director
Ghazal Alagh	Director
Ishaan Mittal	Nominee Director
Vivek Gambhir	Independent Director
Rahul Chowdhri (Resigned w.e.f. June 08, 2022)	Nominee Director
Subramaniam Somasundaram (w.e.f. February 11, 2022)	Independent Director
Vettakkorumakankav Siva Subramaniam Sitaram	Nominee Director

Other KMP

Ramanpreet Sohi (w.e.f. July 26, 2022)	Chief Financial Officer
Dhanraj Dagar (w.e.f. May 11, 2022)	Company Secretary

Transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the 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 March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021 : Nil; April 01, 2020: 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.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions	March 31, 2022	March 31, 2021
Sale of products (net)		
Varun Alagh	-	-
Ghazal Alagh	-	0.01
	-	**0.01**
Reimbursement of expenses		
Varun Alagh	0.06	0.15
Ghazal Alagh	-	0.13
	0.06	**0.28**
Remuneration paid*		
Varun Alagh	11.31	6.39
Ghazal Alagh	7.43	3.94
	18.74	**10.34**
Issue of equity shares and instruments entirely in the nature of equity (including securities premium)		
SCI Investments VI	183.98	-
Sequoia Capital Global Growth Fund III	2,840.05	
Sofina Ventures S.A	1,471.86	-
	4,495.89	**-**

*The remuneration to the Key Management Personnel does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole. Also, the Group has granted stock options to some of its directors and KMP.

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

	March 31, 2022	March 31, 2021	April 01, 2020
Expense payable			
Varun Alagh	-	0.04	0.04
Ghazal Alagh	-	-	0.02
	-	**0.04**	**0.06**
Trade receivables			
Ghazal Alagh	-	0.02	-
Sofina Ventures S A	-	0.26	-
	-	**0.28**	**-**
Employee Benefits Payable			
Varun Alagh	-	0.54	0.35
Ghazal Alagh	-	0.40	0.16
	-	**0.94**	**0.51**

(All amounts in Rs millions, except as otherwise stated)

35 Employee benefits plan

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

The Group makes Provident Fund, Employee State Insurance Scheme and Welfare Fund contribution contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group recognised Rs. 10.41 million (March 31, 2021 : Rs. 4.88 million) towards such contribution in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(ii) Defined benefit plans (unfunded):

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The plan is unfunded benefit plan for qualifying employee.

Gratuity is a defined benefit plan and the Group is exposed to the following risks:

Interest risk	The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Liquidity risk	This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

	March 31, 2022	March 31, 2021	April 01, 2020
Current	1.68	0.04	-
Non-current	35.54	9.55	3.24
	37.22	**9.59**	**3.24**

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

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2021:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2020	**3.24**	**-**	**3.24**
Amount recognised in statement of profit and loss			
Current Service cost	6.24	-	6.24
Interest cost on benefit obligation	0.22	-	0.22
Total amount recognised in statement of profit and loss	**6.46**	**-**	**6.46**
Benefits paid	-	-	-
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	-		-
Experience adjustments	(0.11)	-	(0.11)
Total amount recognised in other comprehensive income	**(0.11)**	**-**	**(0.11)**
Contributions by employer	-	-	-
As at March 31, 2021	**9.59**	**-**	**9.59**

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2022:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at March 31, 2021	**9.59**	**-**	**9.59**
Acquisition related obligation (Refer note 44)	14.60	-	14.60
Amount recognised in Statement of Profit and loss:			
Current service cost	13.65	-	13.65
Interest cost on benefit obligation	0.75	-	0.75
Total amount recognised in statement of profit and loss	**14.40**	**-**	**14.40**
Benefits paid	-	-	-
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(1.51)	-	(1.51)
Experience adjustments	0.14	-	0.14
Total amount recognised in other comprehensive income	**(1.37)**	**-**	**(1.37)**
Contributions by employer	-	-	-
As at March 31, 2022	**37.22**	**-**	**37.22**

(All amounts in Rs millions, except as otherwise stated)

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

	March 31, 2022	March 31, 2021	April 01, 2020
Discount rate	5.66% - 7.22%	6.76%	6.76%
Future salary increases	7% - 10%	10.00%	10%
Normal retirement age	58-60 years	60 years	60 years
Attrition / withdrawal (per annum)	1% - 10%	10.00%	5%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

	Sensitivity Level	March 31, 2022		March 31, 2021		April 01, 2020	
		Defined benefit obligation on increase/decrease in assumptions					
		Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase / decrease	(6.25)	7.73	(0.90)	1.01	(0.31)	0.35
Future salary increase	0.5% increase / decrease	7.30	(5.94)	0.84	(0.78)	0.28	(0.25)
Attrition rate sensitivity *	0.5% increase / decrease	(1.32)	1.37	(0.26)	0.28	-	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

* Sensitivities due to attrition are not material as at April 01, 2020 and hence impact of change due to these not disclosed.

The following payments are expected cash flows to the defined benefit plan in future years:
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is between 4 years to 16.92 years (March 31, 2021: 17.03 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2022	March 31, 2021	April 01, 2020
Within the next 12 months	1.68	0.04	-
Between 2 and 5 years	8.37	0.69	0.23
Beyond 5 years	27.17	9.54	3.01

(All amounts in Rs millions, except as otherwise stated)

36 Segment information

The Group is engaged in the business of buying and selling of beauty and personal care products under the brand name Mamaearth, The Derma Co, Bblunt, Aqualogica and Ayuga. The Group is also engaged in the business of providing services of content development and infleuncer marketing as well as rendering of beauty parlour and hair styling services. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risks and returns hence, CODM reviews them as one component. Further, the economic environment in which the Group operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and net profit of the sole reportable segment.

(b) Geographical Information

The operations of the Group are managed on a worldwide basis and they operate in two principal geographical areas of the world, in India and outside India. The following table describes the segment information of the Group.

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	March 31, 2022	March 31, 2021
(i) The amount of revenue from external customers broken down by location of customers is shown below:		
India	9,182.40	4,517.63
Outside India	252.25	82.27
	9,434.65	**4,599.90**

(ii) The non-current assets of the Group are located in the country of domicile i.e. India. Hence no specific disclosures have been made.

37 Commitments

(i) The Company has entered into a celebrity endorsement agreement ('Agreement') dated April 04, 2018 with Shilpa Shetty Kundra ('Celebrity') and an addendum to the Agreement dated May 30, 2020. As per the first addendum, the Company is obliged to issue a warrant certificate of Rs 10 million to the celebrity against the services to be provided by the celebrity. 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. The warrant subscription price is based on the price equivalent to the fair value of the equity share of the Company as on the date of exercise of the warrant. Basis further negotiation, the Celebrity and the Company have agreed to issue additional share warrants certificate of Rs 20.47 million with respect to agreement dated May 30, 2020 with similar terms as per the earlier warrant certificate.
The Company has also entered into a second addendum in the financial year ended March 31, 2022. As per the addendum, the Company is oblige to issue the shares worth Rs 30 million against the services to be provided by the celebrity. The share subscription price is based on the price equivalent to the fair value of the Company as on the date of exercise.

(ii) With respect to commitment relating to purchase of balance equity shares of Just4Kids Services Private Limited, refer note 20.

38 Contingent liabilities

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Claims against the Group not acknowledged as debts*	-	-	-
Bank guarantee**#	393.21	14.27	-
	393.21	**14.27**	**-**

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

**Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease amounting to Rs 56.47 million (March 31, 2021: Rs 14.27 million; April 01, 2020: Nil) and performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department and TLG India Pvt Ltd amounting to Rs 248.20 million (March 31, 2021: Nil; April 01, 2020: Nil).
\# Includes Bank Guarantees against overdraft facility with HDFC Bank amounting to Rs 113.85 million (March 31, 2021: Nil; April 01, 2020: Nil).

(This space has been intentionally left blank)

(All amounts in Rs millions, except as otherwise stated)

39 Share based payments

[A] Employee Share Option Plan (ESOP)

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 holding 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:

Class of Share	Equity Shares (as amended vide board meeting held on August 02, 2018).
Ownership	Legal Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 25% in the first year and 6.25% each quarter from the date of grant and become fully exercisable, subject to employee being in the employment of the Holding Company.
Exercise Price	Exercisable at an exercise price of Rs 25,788, Rs 54,512 and Rs 263,566 per option.
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Holding Company as duly approved by the shareholders at the meeting held on August 02, 2018.

Movements during the year

The following are the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	March 31, 2022		March 31, 2021	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	429	1,76,661.96	279	1,16,143.23
Granted during the year	193	2,63,565.86	168	2,63,565.86
Forfeited during the year	(7)	2,63,565.86	-	-
Exercised during the year	(31)	-	18	49,724.80
Outstanding at the end of the year	584	2,02,985.66	429	1,76,661.96
Exercisable at the end of the year	204	1,42,427.36	102	1,03,271.93
Weighted Average Remaining Contractual Life	5.17 years		5.62 years	

The weighted average fair value of the options granted during the year is Rs 0.76 million (March 31, 2021 - Rs 0.28 million)

Share appreciation rights (SAR)

On September 30, 2021 the board of directors approved the Honasa Consumer Private Limited Share Appreciation Rights Plan 2021 for issue of appreciation rights to the permanent employees of the company. The Company's employees are granted share appreciation rights (SARs), to be settled in cash. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying an option pricing model, taking into account the terms and conditions on which the SARs were granted, and the extent to which the employees have rendered services to date.

The carrying amount of the liability relating to the SARs at March 31, 2022 was Rs 20.15 million (March 31, 2021: Nil). The number of SARs vested as at March 31, 2022 was Nil (March 31, 2021: Nil)

There were no cancellations or modifications to the plan in the year .

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2022		March 31, 2021	
	ESOP	SAR	ESOP	SAR
Weighted average fair values at the measurement date	0.75	1.42	0.28	-
Dividend yield (%)	0.00%	0.00%	0.00%	-
Expected volatility (%)	45.00%	45.00%	45.00%	-
Risk-free interest rate (%)	6.21% - 6.72%	4.37% - 4.98%	6.23% - 5.69%	-
Expected life of the options/SARs granted (in years)	7.00	1.15	7.00	-
Weighted average share price	1.92	2.13	0.24	-

The expected life of the share options and SARs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

[B] The promotors of Just4Kids Services Private Limited are entitled to retention bonus from the Holding Company in the following manner:

Particulars	Total Options	Vesting period
- Three equity shares to each Promoters of Just4Kids Services Private Limited	9	2 years
- Equity shares equity shares worth Rs 10.83 million to each Promoters of Just4Kids Services Private Limited	3	4 years

(All amounts in Rs millions, except as otherwise stated)

Movements during the year

The following are the movements in share options during the year:

Particulars	March 31, 2022
	No. of options
Granted during the year	12
Forfeited during the year	-
Exercised during the year	-
Outstanding at the end of the year	12
Exercisable at the end of the year	-
Weighted Average Remaining Contractual Life	3 years

The expense recognised for employee services received by the Holding company during the year is shown in the following table:

	March 31, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions	167.75	41.54
Expense arising from cash-settled share-based payment transactions	20.16	-
Total expense arising from share-based payment transactions	**187.91**	**41.54**

40 Employee Share Option Plan (ESOP) of the Subsidiary Company

[A] Just4Kids Services Private Limited

The Subsidiary Company instituted the Employee Stock Option and Share Plan 2012 to grant equity - based incentives to its eligible employees. According to the Scheme 2012, the employee selected by the committee headed by the Managing Director from time to time will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions, viz. continuing employment up to date of vesting. The equity shares covered under the scheme shall vest over a period of three years; vesting shall vary based on the meeting of the performance criteria. The Optionee may exercise their vested options at any moment after the earliest applicable vesting date and prior to the completion of Seven years from the date of vesting of options. The contractual life (comprising the vesting period and the exercise period) of options granted is 10-11 years.

The relevant terms of the grants are below:

Scheme 1

Class of Share	Equity Share
Vesting terms	Three-year vesting term and vest at the rate of 33% in the first year, 33% in the second year and 33% in the third year, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of Rs.10 per option.

Scheme 2

Class of Share	Equity Share
Vesting terms	Four-year vesting term and vest at the rate of 10% in the first year, 30% in the second year, 30% in the third year and 30% in the fourth year subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of Rs. 10 per option.

Movement during the year

The following are the number, weighted average exercise prices (WAEP) and movements in Share option post acquisition:

	March 31, 2022		March 31, 2022	
	Scheme I		Scheme II	
	No. of options	WAEP (Rs.)	No. of options	WAEP (Rs.)
Outstanding at the date of acquisition	335	10	301	2,787
Granted during the year	-	Not Applicable	-	Not Applicable
Forfeited during the year	-	10	-	2,787
Exercised during the year	-	Not Applicable	-	Not Applicable
Outstanding at the end of the year	335	10	301	2,787
Exercisable at the end of the year	335	10	301	2,787
Weighted average remaining contractual life	0.002 Years		0.002 Years	

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2022
Expected dividend yield	0
Expected Annual Volatility of Shares	0.01%
Risk-free interest rate (%)	5.85%
Exercise price (Rs) - Scheme I	10.00
Exercise price (Rs) - Scheme II	16,926.46
Expected life of the options granted (in years) - Scheme I	5-10 Years
Expected life of the options granted (in years) - Scheme II	5-11 Years

(All amounts in Rs millions , unless otherwise stated)

41 Financial instruments- accounting classification and fair value measurement

i) The carrying value of financial assets by categories is as follows:

	March 31, 2022	March 31, 2021	April 01, 2020
Measured at fair value through statement of profit and loss (FVTPL)			
Investment in mutual funds - Level I	3,064.52	1,644.26	1,058.90
Total financial assets measured at FVTPL	**3,064.52**	**1,644.26**	**1,058.90**
Measured at amortised cost			
Investment in mutual funds, commercial paper and unquoted investments	320.57	-	184.38
Trade receivables	727.86	338.43	106.06
Cash and cash equivalents	337.45	97.59	19.16
Other bank balances	539.40	109.95	244.99
Other financial assets	892.48	65.09	10.96
Total financial assets measured at amortised cost	**2,817.76**	**611.06**	**565.55**
Total financial assets	**5,882.28**	**2,255.32**	**1,624.45**

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

	Fair Value		
	March 31, 2022	March 31, 2021	April 01, 2020
Measured at fair value through statement of profit and loss (FVTPL)			
Borrowings - NCCCPS (Level 3) (Refer note 19)	-	19,539.99	5,927.56
Other financial liabilities	609.95	-	-
Total financial liabilities measured at FVTPL	**609.95**	**19,539.99**	**5,927.56**
Measured at amortised cost			
Lease liabilities	560.43	203.31	0.32
Borrowings	35.86	-	-
Trade payables	1,703.52	803.41	219.01
Other financial liabilities	118.40	45.13	10.72
Total financial liabilities measured at amortised cost	**2,418.21**	**1,051.85**	**230.05**
Total financial liabilities	**3,028.16**	**20,591.84**	**6,157.61**

iii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
		March 31, 2022		
Financial assets and liabilities measured at fair values				
Investment in mutual funds	3,064.52	-	-	3,064.52
Total financial asset measured at fair value	**3,064.52**	**-**	**-**	**3,064.52**
Non-controlling interests liability	-	-	589.79	589.79
Stock appreciation rights	-	-	20.16	20.16
Total financial liabilities measured at fair value	**-**	**-**	**609.95**	**609.95**
		March 31, 2021		
Financial assets and liabilities measured at fair values				
Investment in mutual funds	1,644.26	-	-	1,644.26
Total financial asset measured at fair value	**1,644.26**	**-**	**-**	**1,644.26**
Borrowings - NCCCPS	-	-	19,539.99	19,539.99
Total financial liability measured at fair value	**-**	**-**	**19,539.99**	**19,539.99**
		April 01, 2020		
Financial assets and liabilities measured at fair values				
Investment in mutual funds	1,058.90	-	-	1,058.90
Total financial asset measured at fair value	**1,058.90**	**-**	**-**	**1,058.90**
Borrowings - NCCCPS	-	-	5,927.56	5,927.56
Total financial liability measured at fair value	**-**	**-**	**5,927.56**	**5,927.56**

(All amounts in Rs millions , unless otherwise stated)

Notes:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:
a. Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Group can assess at the measurement date
b. Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
c. Level 3 - Unobservable inputs for the assets or liabilities.
Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire management.

The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets(current), other financial liability (current), lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments.

The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. There is no significant change in fair value of such liabilities and assets.

Valuation techniques and significant unobservable inputs - Level 3

March 31, 2022

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Non-controlling interests liability	Estimated Revenue multiple	Estimated revenue	Increase/(decrease) in revenue by 5% would result in increase/(decrease) in NCI liability by Rs 28.72 million/(Rs 28.72 million).

March 31, 2021

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Borrowings - NCCCPS	Discounted cash flow method	Growth rate - 5% Cost of equity - 16.4%	Year on year Growth rate - increase/(decrease) in growth rate by 1% would result in increase/(decrease) in NCCCPS liability by Rs 1,615 million/(Rs 1,354 million). Cost of equity - increase/(decrease) in Cost of equity by 0.5% would result in (decrease)/increase in NCCCPS liability by (Rs 966 million)/Rs 1,058 million.

April 01, 2020

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Borrowings - NCCCPS	Discounted cash flow method	Growth rate - 5% Cost of equity - 15%	Year on year Growth rate - increase/(decrease) in growth rate by 1% would result in increase/(decrease) in NCCCPS liability by Rs 545 million/(Rs 446 million). Cost of equity - increase/(decrease) in Cost of equity by 0.5% would result in (decrease)/increase in NCCCPS liability by (Rs 308 million)/Rs 342million.

Below is the reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy

	April 01, 2020	Charge to profit and loss	March 31, 2021	Charge to profit and loss	Addition	Accounted in equity	March 31, 2022
Borrowings - NCCCPS	5,927.56	13,612.43	19,539.99	-	-	(19,539.99)	-
Non-controlling interests liability	-	-	-	-	579.00	10.79	589.79

42 Financial risk management

Objective and policies

The Group’s principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations.

The Group's activities exposes it to market risk, credit risk and liquidity risk. The Group's senior management overseas the management of these risks. The senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financials risks are identified, measured and managed in accordance with Group's policies and risk objectives. The Group reviews and agrees on policies for managing each of these risks which are summarised below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. Financial instruments affected by market risk include investments, loans and borrowings, trade receivables, trade payables and lease liabilities.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group does not have any floating interest rate borrowings or deposits, it is not exposed to interest rate risk.

(All amounts in Rs millions , unless otherwise stated)

ii. Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign currency assets and liabilities. The Group's exposure to the risk of changes in foreign exchange rates arises on account of purchases from foreign countries and export sales. The Group has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end.

The Group's exposure in foreign currency at the end of reporting period :

		March 31, 2022		March 31, 2021		April 01, 2020	
Currency	**Particulars**	**FC**	**Rs.**	**FC**	**Rs.**	**FC**	**Rs.**
AED	Liability						
	Trade payables	(0.01)	(0.47)	(1.21)	(24.14)	-	-
					-		
	Assets				-		
	Trade receivables	0.80	20.50	1.12	22.43	-	-
	Advance to suppliers	-	-	0.04	0.80	-	-
	Cash in hand	-	-	0.01	0.01	-	-
	Net exposure on foreign currency risk	0.80	20.03	(0.04)	(0.90)	-	-
GBP	Liability						
	Advance from customers	-	-	(0.03)	(0.27)	-	-
	Net exposure on foreign currency risk	-	-	(0.03)	(0.27)	-	-
USD	Liability						
	Trade Payables	-	-	(0.01)	(0.05)	-	-
	Assets						
	Trade receivables	0.26	19.42	0.22	16.12	0.03	0.02
	Net exposure on foreign currency risk	0.26	19.42	0.21	16.07	0.03	0.02

Sensitivity:

	Impact on profit before tax	
	March 31, 2022	**March 31, 2021**
AED		
Increases by 5%	1.00	(0.04)
Decreases by 5%	(1.00)	0.04
GBP		
Increases by 5%	-	(0.01)
Decreases by 5%	-	0.01
USD		
Increases by 5%	0.97	0.80
Decreases by 5%	(0.97)	(0.80)

(All amounts in Rs millions , unless otherwise stated)

iii. Price risk

We invest our surplus funds in liquid mutual funds. We are exposed to market price risk arising from uncertainties about future values of the investment. We manage the equity price risk through investing surplus funds in liquid mutual funds on a short term basis.

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (primarily deposits with banks and investment in mutual funds). Further, other significant assets for the Group include security deposits for leased assets.

The Group monitors the exposure to credit risk on an ongoing basis through ageing analysis and historical collection experience. Outstanding customer receivables are regularly monitored by the senior management.

Accordingly the Group considers the credit risk low.

The maximum credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet.

	March 31, 2022	March 31, 2021	April 01, 2020
Trade receivables	727.86	338.43	106.06
Cash and cash equivalents	337.45	97.59	19.16
Other bank balances	539.40	109.95	244.99
Other financial assets	892.48	65.09	10.96

i) Trade receivables

Customer credit risk is managed by the Group subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivable. The Group creates allowance for all trade receivables based on lifetime expected credit loss model (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

The following table summarises the change in the loss allowance

	March 31, 2022	March 31, 2021
Opening balance	5.02	2.04
Allowance made during the year (net)	5.34	2.98
Acquisition (Refer note - 44)	5.98	-
Closing balance	**16.34**	**5.02**

ii) Other financial assets

Other financial assets includes security deposits and deposits with banks. Cash and cash equivalents and interest receivable are placed with a reputable financial institution with high credit ratings and no history of default.

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Group's operations. Typically the Group ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Group manages its surplus funds centrally by placing them with reputable financial institution with high credit rating and no history of default.

The table below summarises the maturity profile of the Group’s financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Particulars	On demand	Less than 1 year	1 to 5 years	Total
As at March 31, 2022				
Borrowings	35.86	-	-	35.86
Lease liabilities	-	98.81	631.58	730.39
Trade payables	-	1,703.52	-	1,703.52
Other financial liabilities	-	129.53	598.81	728.34
	35.86	**1,931.87**	**1,230.39**	**3,198.12**
As at March 31, 2021				
Borrowings	-	-	19,539.99	19,539.99
Lease liabilities	-	31.38	295.69	327.07
Trade payables	-	803.42	-	803.42
Other financial liabilities	-	45.13	-	45.13
	-	**879.93**	**19,835.67**	**20,715.62**
As at April 01, 2020				
Borrowings	-	-	5,927.56	5,927.56
Lease liabilities	-	0.24	0.10	0.34
Trade payables	-	219.01	-	219.01
Other financial liabilities	-	10.72	-	10.72
	-	**229.97**	**5,927.66**	**6,157.63**

(All amounts in Rs millions , unless otherwise stated)

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, NCCCPS, securities premium, all other equity reserves attributable to the shareholders of the Group and borrowings. The primary objective of the Group's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, interest bearing borrowings, trade and other payables, other financial liabilities, lease liabilities less cash and cash equivalents, fixed deposits and current investments..

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
s			
Borrowings*	35.86	-	-
Trade Payables	1,703.52	803.42	219.01
Other financial liability	728.34	45.13	10.72
Lease liabilities	560.43	203.31	0.32
Less : Cash and cash equivalents	(337.45)	(97.59)	(19.16)
Less : Other bank balances	(539.40)	(109.95)	(244.99)
Less: Fixed deposit with maturity of more than 12 months	(821.84)	(53.27)	-
Less: Current investments	(3,385.09)	(1,644.26)	(1,243.28)
Net adjusted debt (A)	**(2,055.63)**	**(853.20)**	**(1,277.39)**
Equity	7,056.24	(17,651.43)	(4,371.80)
Total equity capital (B)	**7,056.24**	**(17,651.43)**	**(4,371.80)**
Total debt and equity (C)=(A)+(B)	**5,000.61**	**(18,504.64)**	**(5,649.18)**
Gearing ratio (A)/(C)**	**-**	**5%**	**23%**

* Excludes the long term borrowings on NCCCPS which are classified as liability from equity. Refer note 19.
** Disclosed as nil since the same is negative, since the Group is funded majorly through own funds and equity investments

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets terms and conditions attached to the interest-bearing loans and borrowings that define capital structure requirements.
No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021

44 Business combinations and Business Acquisition

Acquisitions during the year ended March 31, 2022

A] Acquisition of Subsidiary - Just4Kids Services Private Limited

On December 24, 2021, the Group acquired 74.32% of the voting shares of Just4Kids Services Private Limited, a company based in India, with the strategic objective of increasing the presence of "content to commerce" platforms. The company owns mymoeny.com which is the largest platforms for nano influencers & momspresso.com which is one of India's largest women content platform. The Group acquired this business to gain the synergies and the customers base of Just4Kids Services Private Limited, and hence the management concluded this transaction to be a business combination as per Ind AS 103.

(i) The Group had conducted the fair valuation on the date of acquisition and accordingly have recognised the following assets and liabilities on the acquisition date:

	Purchase price allocated
Property, plant and equipment	0.30
Intangible assets	227.80
Cash and cash equivalents	31.18
Trade receivables	60.62
Investments	0.61
Other assets	18.43
Total assets (a)	**338.94**
Trade payables	12.76
Borrowings	52.27
Provisions	8.02
Other liabilities	45.61
	118.66
Deferred tax liability	57.33
Total liabilities (b)	**175.99**
Net assets acquired (a-b)	**162.95**

(ii) Goodwill arising on acquisition:

Particulars	**Amount**
Purchase consideration	1,523.58
Less: Carrying amount of net assets acquired	162.95
Goodwill arising on acquisition	**1,360.63**

(iii) Nature of consideration and terms of payment:

The fair value of purchase consideration is Rs 1,523.59 million. The details are as follows:

Nature of consideration and terms of payment	**Amount**
Cash consideration	944.58
Financial liability [refer note below]	579.00
	1,523.58

Note:
The obligation to acquire remaining stake in Just4Kids Services Private Limited has been recorded as financial liability amounting to Rs 579.00 million. The Group recorded transferred identifiable assets (tangible and intangible) basis a fair valuation. Consequent to this business acquisition, Just4kids Services Private Limited results were consolidated effective December 24, 2021. Pending acquisition of remaining stake, the Group has attributed the profit and each component of OCI (if any) to Non Controlling Interest, which is included in financial liability for future acquisition. This financial liability has been measured at the date of acquisition, basis a fair valuation report, in accordance with lnd AS 109.

(iv) From the date of acquisition, Just4Kids Services Private Limited contributed Rs 101.12 million of revenue and Rs 49.14 million to loss from continuing operations of the Group. If the combination had taken place at the beginning of year ended March 31, 2022, the Group's revenue would have been Rs 9,646.20 million and the profit before tax would have been Rs 153.76 million.
The goodwill of Rs 1,371.28 million comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated entirely to the content development CGU None of the goodwill and intangible assets recognized on business combination are deductible for income tax purposes.

B] Acquisition of Subsidiary - Bhabani Blunt Hairdressing Private Limited and Acquisition of Business - Godrej Consumer Private Limited

On March 16, 2022, the Group acquired 100% of the voting shares of Bhabani Blunt Hairdressing Private Limited, a company based in India, which is India's premier hair styling salon and academy ("Service Business"). The Group acquired this business to have presence in salon market and develop adjacent product categories., and hence the management concluded this transaction to be a business combination as per Ind AS 103. Bhabani Blunt Hairdressing Private Limited has a subsidiary called B:Blunt-Spratt Hairdressing Private Limited.
The Group had entered into Business Transfer agreement with Godrej Consumer Private Limited on March 16, 2022 to acquire its "Product Business" under the brand name B-Blunt which constitutes a business.

(i) The Group had conducted the fair valuation on the date of acquisition and accordingly have recognised the following assets and liabilities on the acquisition date:

	Purchase price allocated
Property, plant and equipment	26.03
Intangible assets	889.46
Right of use asset	115.07
Other financial assets	12.97
Tax assets	30.67
Inventories	56.20
Cash and cash equivalents	64.36
Trade receivables	2.95
Investments	0.10
Other assets	2.68
Total assets (a)	**1,200.49**
Lease liabilities	119.54
Provisions	6.58
Trade payables	6.69
Other liabilities	60.94
	193.75
Deferred tax liability	11.98
Total liabilities (b)	**205.73**
Net assets acquired (a-b)	**994.76**

(ii) Goodwill arising on acquisition:

Particulars	**Amount**
Purchase consideration	1,367.03
Less: Carrying amount of net assets acquired	994.76
Goodwill arising on acquisition	**372.27**

(iii) Nature of consideration and terms of payment:

The fair value of purchase consideration is Rs 1,367.03 million. The details are as follows:

Nature of consideration and terms of payment	**Amount**
Cash consideration	
- Service business	783.97
- Product business	583.06
	1,367.03

(iv) From the date of acquisition, Bhabani Blunt Hairdressing Private Limited and B:Blunt-Spratt Hairdressing Private Limited contributed Rs 15.97 million of revenue and Rs 4.20 million of loss of the Company. If the combination had taken place at the beginning of year ended March 31, 2022, the Groups revenue would have been Rs 9,655.23 million and the profit before tax would have been Rs 166.40 million.
The goodwill of Rs 372.27 million comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated entirely to the Hair care CGU. None of the goodwill and intangible assets recognized on business combination are deductible for income tax purposes. The intangible assets recognised pertaining to Product Business are tax deductible.

C] Incorporation of Subsidiary - PT Honasa Consumer Indonesia
On February 18, 2022, the Group incorporated PT Honasa Consumer Indonesia, a company based in Indonesia. The total cost incurred for incorporation amounts to Rs 1.03 million. There are no other material transactions incurred during the period ended March 31, 2022.

(All amounts in Rs millions, except as otherwise stated)

45. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financials statements to Schedule III of the Companies Act, 2013

As at March 31, 2022

Name of the Entity	Country of Incorporation	Relationship as at March 31, 2022	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Private Limited	India	-	94.99%	7,121.35	136.73%	198.74	107.59%	1.11	136.52%	199.85
Subsidiaries										
Just4Kids Services Private Limited	India	Subsidiary	2.59%	194.36	-33.84%	(49.19)	4.38%	0.05	-33.56%	(49.14)
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	2.41%	181.01	-2.89%	(4.20)	-11.97%	(0.12)	-2.95%	(4.32)
PT Honsa Consumer Indonesia	Indonesia	Subsidiary	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment arising on consolidation				(440.48)		(0.91)				(0.91)
TOTAL			**100.00%**	**7,056.24**	**100.00%**	**144.44**	**100.00%**	**1.04**	**100.00%**	**145.47**

As at March 31, 2021

Name of the Entity	Country of Incorporation	Relationship as at March 31, 2021	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Private Limited	India	-	100.00%	(17,651.43)	100.00%	(13,322.15)	100.00%	0.08	100.00%	(13,322.07)

(All amounts in Rs millions, unless otherwise stated)

46 First time adoption of Ind AS ('FTA')

A. First time adoption

These consolidated financial statements, for the year ended March 31, 2022, are the first consolidated financial statements, the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2021, the Group prepared its consolidated 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"). The Group had no subsidiary, JV or associate upto year end March 31, 2021, hence the FTA represents the FTA of the Holding Company.

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for the year ended on March 31, 2022, together with the comparative period data as at and for the year ended March 31, 2021, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at April 01, 2020, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2020 and the financial statements as at and for the year ended March 31, 2021.

B. Exemptions applied

Ind AS - 101 allows first-time adopters certain exemptions and certain optional exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions and optional exemptions :

Deemed cost for Property, plant and equipment and intangible assets
Ind AS - 101 permits a first-time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the Consolidated Financial Statements as at the date of the transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS - 38 'Intangible assets'.
Accordingly the Group has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value.

The Group has made a transition to Ind AS 116 as per the transitional provisions of Ind AS. The Group has adopted modified retrospective approach wherein the PV of lease liability as on the date of transition is recognised as the lease liability. The Group adopted the 2nd model prescribed by Ind AS 116 wherein the value of Right to use assets are recognised equal to the value of discounted lease liabilities as on the date of transaction.

C. Mandatory Exceptions

Classification and measurement of financial assets
Ind AS - 101 requires a Group to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

Estimates
The Group estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2020, are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transitions as these were not required under previous GAAP :

• Impairment of financial assets based on expected credit loss method (Simplified approach).

D. Reconciliation of total equity between previous GAAP and Ind AS

1. Equity reconciliation

	Notes	March 31, 2021	April 01, 2020
Equity as reported under previous GAAP		1,820.48	1,531.43
Ind AS adjustments			
Fair value adjustments:			
Security deposits	a	0.25	0.02
Investments at fair value through profit and loss account	b	102.09	24.34
Non- Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	c	(19,539.99)	(5,927.56)
Share based payment:	d		
Employee stock option outstanding reserve		0.70	4.78
Retained earnings(fair value impact)		(0.70)	(4.78)
Leases	e	(8.91)	(0.03)
Deferred tax impact on the aforesaid adjustments	g	(25.35)	-
Equity as per Ind AS		**(17,651.43)**	**(4,371.80)**

(All amounts in Rs millions, unless otherwise stated)

2. Total comprehensive income reconciliation for the year ended March 31, 2021

	Notes	March 31, 2021
Profit after tax as per previous GAAP		245.91
Ind AS adjustments		
Fair value adjustments:		
Security deposits	a	0.23
Investments at fair value through profit and loss account	b	77.75
Non- Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	c	(13,612.43)
ESOP expenses	d	0.70
Leases	e	(8.88)
Remeasurement of employee benefit obligation(net of tax)	f	(0.08)
Deferred tax impact on the aforesaid adjustments	g	(25.35)
Net Profit after tax as per Ind AS		**(13,322.15)**
Other comprehensive income (net of tax)		0.08
Total comprehensive income as per Ind AS		**(13,322.07)**

3. Cash flow reconciliation for the year ended March 31, 2020

	As per previous GAAP	Ind AS adjustments	As per Ind AS
Net cash flows from operating activities	287.17	10.08	297.25
Net cash flows used in investing activities	(208.41)	2.36	(206.05)
Net cash flows from financing activities	(0.33)	(12.44)	(12.77)
Cash and cash equivalents at the beginning of the year	19.16	-	19.16
Cash and cash equivalents at the end of the year	**97.59**	**-**	**97.59**

E Notes to reconciliations between previous GAAP and Ind AS

a) Security deposits

Under previous GAAP, interest free security deposits are recognised at their transaction value. Under Ind AS - 109, these deposits are initially recognised at fair value and subsequently measured at amortised cost at the end of each reporting period. Accordingly, the difference between transaction value and fair value of these deposits is recognised as Right-of-use assets and is amortised over the period of the lease term or agreement of deposit respectively. Further, interest is accrued on the present value of these security deposits. On transition date the Group has adjusted retained earning towards fair value of security deposits by Rs 0.02 million and during the year March 31, 2021 the Group has further adjusted Rs 0.23 million to retained earning towards increase in fair value of security deposit.

b) Investments

Under previous GAAP, the Group was carrying their current investments at the lower of carrying amount and face value. Under Ind AS, these investments are required to be measured at fair value. The resulting change in fair value is recognised in retained earnings at the date of transition i.e. April 01, 2020 and subsequently in the statement of profit and loss. The Group has recorded a fair market value adjustment of Rs 24.34 million to retained earnings as at April 01, 2020. In the year March 31, 2021 the Group has accounted other income of Rs 77.75 million on account of fair valuation of investments.

c) NCCCPS

Under the previous GAAP, Non-cumulative compulsorily convertible preference shares (NCCCPS) issued to the investors were classified as equity and carried at transaction value. The terms of the instrument provided the holder an option to convert the instrument at any time and also a right to put back the instrument to the Company on non completion of an 'Initial Public Offering'. On such occurrence, the Company will be obliged to buyback NCCCPS at a price equal the fair value of equity shares at redemption. The instrument is assessed to be a financial liability with an embedded derivative liability in the form of settlement option. At initial recognition it is recorded at its fair value and difference between its fair value and the carrying amount as per previous GAAP is recognised in the retained earnings. The Group has recorded a fair market value adjustment of Rs 4,316.79 million to retained earnings as at April 01, 2020. In the year March 31, 2021 the Group has accounted fair value loss of Rs 13,612.43 million on account of fair valuation of NCCCPS.

d) Share based payment

Under Indian GAAP accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. Under Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date when the grant is made based on Black Scholes valuation determined by independent valuer.

e) Lease

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incidental to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Pursuant to application of Ind AS - 116, for operating leases other than those for which the Group has opted for short-term or low value exemption, the Group has recorded a right-of-use assets and lease liabilities. Right-of-use asset is amortised over the lease term or useful life of the leased assets whichever is lower and lease liabilities is subsequently measured at amortised cost and interest expense is recognised. As the Group has opted the modified retrospective approach (i.e., lease liabilities = ROU) and the lease liability is measured at present value of the remaining lease payments as at the date of transition .Accordingly on adoption of Ind AS - 116, on transition date there is no impact against retained earning except for Rs 0.03 million on account of amortization of ROU and during the year ended March 31, 2021 the Group has recognised Rs 8.88 million in the Statement of Profit and loss.

On adoption of Ind AS, the laptops taken on finance lease which were previously classified under Computers and peripherals asset class of Property, plant and equipment are derecognised and recorded under Right of use assets by Rs 9.56 million in Note 6, as Ind AS 116 required the underlying assets on account of any lease including finance lease to be recognised as ROU.

f) Remeasurement of defined benefit obligation

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability which is recognised in other comprehensive income in the respective periods.

g) Deferred Tax Liabilities

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences.

F) Material regrouping

Appropriate adjustments have been made in these consolidated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Ind AS.

47. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), the details of which are as below:

Name of the intermediary in which the funds are invested	Year of funds invested	Amount of funds invested (In Rs million)	Year in which funds are further invested invested by Intermediaries to Ultimate Beneficiaries	Amount of fund further invested by such Intermediaries to Ultimate Beneficiaries (In Rs million)	Ultimate Beneficiary
Bhabani Blunt Hairdressing Private Limited	2021-2022	89.97	2021-2022	89.97	Gauri Meghan Spratt, Shauna Mekhla Spratt and Robert Spratt - Erstwhile shareholders of B:Blunt-Spratt Hairdressing Private Limited

(b)The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

49. The comparatives given in the financial statements have been compiled after making necessary Ind AS adjustments to the respective audited financial statements under Previous GAAP to give a true and fair view in accordance with Ind AS.

50. Events after the reporting period

a) Subsequent to the year end, the Company have acquired 63.07% stake in Fusion Cosmeceutics Private Limited which is engaged in formulation and trading of skin care products for a consideration of Rs 241.23 million. The acqusition has no impact on the consolidated financial statements of the Group as at and for the year ended March 31, 2022.

b) Subsequent to the year end, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 on May 11, 2022. The bonus issue has no impact on the consolidated financial statements of the Group, except for restatement of EPS for current and prior periods presented.

As per our report of even date

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

Sd/-
per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: August 31, 2022

For and on Behalf of Board of Directors of
Honasa Consumer Private Limited
CIN: U74999DL2016PTC306016

Sd/-
Varun Alagh
Director
DIN: 07597289

Sd/-
Ghazal Alagh
Director
DIN: 07608292

Sd/-
Ramanpreet Sohi
Chief Financial Officer

Sd/-
Dhanraj Dagar
Company Secretary
Membership no.: ACS 33308

Place: Gurugram
Date: August 31, 2022