



September 1, 2025

Listing Department
National Stock Exchange of India Limited,
Symbol - HONASA

Listing Department
BSE Limited,
Scrip Code - 544014

Sub.: Notice of 9th Annual General Meeting and Annual Report for the financial year 2024-25

Dear Sir/Madam,

In continuation to our letter dated May 22, 2025, we wish to inform that 9th Annual General Meeting ("AGM") of the Company is scheduled to be held on Thursday, September 25, 2025 at 11:00 am (IST) through Video Conference/Other Audio-Visual Means.

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed notice of 9th AGM ("Notice") and Annual Report of the Company for the financial year 2024-25. The same are also available on the Company's website at:

Particulars	Links to Access/Download
Notice of 9 th AGM	Click here
Annual Report 2024-25	Click here

The aforesaid documents are being sent electronically to all members whose e-mail address is registered with the Depositories/Company/Registrar and Transfer Agent ("RTA").

Further, pursuant to Regulation 36(1)(b) of the SEBI Listing Regulations, the Company will be sending a letter to members whose e-mail addresses are not registered with the Depositories/Company/RTA, providing the weblink from where the Annual Report 2024-25 can be accessed on the Company's website.

This disclosure will also be hosted on the Company's website viz. www.honasa.in.

Kindly take the same on record.

Thanking you,

Yours truly,

For **Honasa Consumer Limited**

Gaurav
Pandit

Digitally signed
by Gaurav Pandit
Date: 2025.09.01
20:31:18 +05'30'

Gaurav Pandit
Company Secretary and Compliance Officer

Encl.: As above

Honasa Consumer Limited

Registered Office: Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi 110075

Corporate Office: 10th & 11th Floor, Capital Cyberscape, Sector-59, Gurugram, Haryana - 122102

Email: info@mamaearth.in; Phone: 011 - 44123544 | Website: www.honasa.in

| CIN: L74999DL2016PLC306016 |



Honasa Consumer Limited

CIN: L74999DL2016PLC306016

Registered Office: Unit No – 404, 4th Floor, City Centre, Plot No. 5, Sector-12, Dwarka, New Delhi – 110 075

Corporate Office: 10th & 11th Floor, Capital Cyberscape, Sector-59, Gurugram, Haryana – 122 102

E-mail: compliance@mamaearth.in; Telephone No.: 011 – 44123544; Website: www.honasa.in

Notice of Annual General Meeting

Notice is hereby given that **9th Annual General Meeting ("AGM")** of the members of Honasa Consumer Limited ("Company") will be held on **Thursday, September 25, 2025 at 11:00 am (IST)** through video conference/other audio-visual means to transact the following businesses:

ORDINARY BUSINESS

1. Adoption of Audited Standalone Financial Statements

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Resolved That the audited standalone financial statements of the Company for the financial year ended March 31, 2025 together with the reports of board of directors and auditor's thereon, be and are hereby received, considered and adopted."

2. Adoption of Audited Consolidated Financial Statements

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Resolved That the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 together with the report of the auditor's thereon, be and are hereby received, considered and adopted."

3. Appointment of Director in place of Mr. Ishaan Mittal, who retires by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Resolved That pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Ishaan Mittal (DIN: 07948671), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

4. Re-appointment of Mr. Vivek Gambhir as an Independent Director for a further term of 5 Years

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"Resolved That pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and all other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant circulars issued by BSE Limited and National Stock Exchange of India Limited, nomination and remuneration policy of the Company and based on recommendation of the Nomination and Remuneration Committee and the board of directors of the Company ("Board"), Mr. Vivek Gambhir (DIN: 06527810), who holds the office as an Independent Director of the Company and who meets the criteria for independence as prescribed under the Act and SEBI Listing Regulations and being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years effective from March 24, 2026 to March 23, 2031 (both days inclusive).

Resolved Further That the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient, including but not limited to filing forms, applications

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and making representations, seeking all necessary approvals from relevant authorities, including governmental authorities, if any, to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers conferred herein to director(s), committee(s), executive(s), officer(s) or representative(s) of the Company or to any other person, to do all such acts, deeds, matters and things as may be considered necessary and/or expedient and to execute such documents, writings etc. as may be necessary to give effect to forgoing resolution."

5. Appointment of Arora Shekhar and Company, Practicing Company Secretaries as Secretarial Auditor

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Resolved That pursuant to the provisions of Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with circulars issued thereunder from time to time and Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendation of audit committee and board of directors ("Board") of the Company, Arora Shekhar and Company, Practicing Company Secretaries having Firm Registration No.: S2015DE540700 and holding a valid Peer Review Certificate No. 3159/2023, be and is hereby appointed as Secretarial Auditor of the Company for a period of

5 (five) consecutive financial years viz. from financial year 2025-26 till 2029-30 on such terms & conditions including remuneration as may be determined by the Board of the Company.

Resolved Further That the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient, including but not limited to filing forms, applications and making representations, seeking all necessary approvals from relevant authorities, including governmental authorities, if any, to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers conferred herein to director(s), committee(s), executive(s), officer(s) or representative(s) of the Company or to any other person, to do all such acts, deeds, matters and things as may be considered necessary and/or expedient and to execute such documents, writings etc. as may be necessary to give effect to forgoing resolution."

By Order of the Board
For **Honasa Consumer Limited**

Registered Office:
Unit No – 404, 4th Floor, City
Centre, Plot No 05, Sector-12,
Dwarka, New Delhi – 110075

Gaurav Pandit
Company Secretary &
Compliance Officer
Membership No. F13667

August 12, 2025
Gurugram



NOTES

Virtual Meeting

1. In continuation of the framework prescribed by the Ministry of Corporate Affairs ("MCA") vide general circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard latest being 09/2024 dated September 19, 2024, SEBI vide circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (hereinafter collectively referred to as "Circulars"), have permitted the holding of the Annual General Meeting ("AGM") through Video Conference ("VC")/Other Audio Visual Means ("OAVM"), without physical presence of members at a common venue. Hence, the 9th AGM of the Company is being conducted through VC/OAVM.
2. The 9th AGM shall be deemed to be held at the registered office of the Company i.e., Unit No – 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi – 110075 as prescribed under the Circulars.
3. In terms of the provisions of Section 152 of the Companies Act, 2013 ("Act"). Mr. Ishaan Mittal, Director of the Company, retire by rotation at 9th AGM. Details of Director retiring by rotation at 9th AGM are provided in the "Annexure" to this Notice.
4. Since, 9th AGM is being held through VC/OAVM pursuant to the Circulars, requirement of physical attendance of members have been dispensed with. Accordingly, the facility for appointment of proxies by members is not available for 9th AGM, hence, proxy form and attendance slip including route map has not been annexed with the notice of 9th AGM ("Notice").
5. Members attending 9th AGM through VC/OAVM including authorised representative(s)/attorney holder(s) of corporate members, institutional investors etc. shall be counted for the purpose of reckoning the quorum under the provisions of section 103 of the Act.

6. Authorised Representative

Institutional/Corporate members (i.e., other than individuals/HUF/NRI, etc.) intending to authorise their representatives to attend 9th AGM through VC/OAVM on their behalf and to vote through electronic mode ("E-voting"), are requested to send a duly certified scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorisation letter, pursuant to section 113 of the Act, to the Scrutiniser by e-mail through its registered e-mail address at shekhara@arorashekhar.com with copies marked to the Company at compliance@mamaearth.in and to the registrar and share transfer agent at einward.ris@kfintech.com.

7. Explanatory Statement

The explanatory statement pursuant to section 102 of the Act setting out the material facts concerning the special businesses in respect of item nos. 4 and 5 of the Notice, is annexed hereto.

8. Electronic Dispatch of Notice and Annual Report

In compliance with the Circulars, the Notice along with Annual Report for the financial year 2024-25 are being sent to all members whose e-mail addresses are registered/available with the Company/depository participants ("DPs") and whose names appear in the register of members of the Company and/or in the register of beneficial owners maintained by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (collectively referred as "Depositories") as on Friday, August 29, 2025.

In terms of regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a letter providing the web-link, including the exact path and QR code, where complete details of the Notice and Annual Report of the Company are available, is being physically sent to those shareholder(s) who have not registered their email addresses with the Depository Participant(s), the Company or the KFin Technologies Limited ("RTA") of the Company. In case any member is desirous of obtaining physical copy of Notice and Annual Report for the financial year 2024-25, he/she may send a request to the Company by writing at compliance@mamaearth.com mentioning their Folio No./DP ID and Client ID.

Members may please note that Notice and Annual Report for the financial year 2024-25 will be available on the website of the Company at <https://honasa.in/pages/investor> and will also be available on the website of stock exchanges i.e. BSE Limited ("BSE") at www.bseindia.com and National Stock Exchange of India Limited ("NSE") at www.nseindia.com. Notice and Annual Report will also be available on the website of CDSL at www.evotingindia.com.

9. Process for Register/update Email address, Bank account and other KYC Details

Members are requested to register/update their e-mail address, Bank Account and other KYC details as per process advised by respective Depository Participants (DPs).

10. Nomination

Members holding shares in demat form are requested to submit choice of nomination, PAN and other details to their DPs.

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11. Online Dispute Resolution (ODR) Mechanism

- a. SEBI vide Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023, as updated from time to time, has established a common Online Dispute Resolution Portal ("ODR Portal") for the resolution of disputes arising in the Indian Securities Market.
- b. Pursuant to above circular, a member shall first take up his/her grievance with the Company by lodging a complaint directly with the Company/RTA and if the grievance is not redressed satisfactorily, the member may escalate the same through the existing SCORES Portal. Post exhausting all available options for resolution of the grievance, if the member is still not satisfied with the outcome, he/she can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

Instruction for remote E-voting

12. In compliance with the provisions of section 108 of the Act and rule 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the SEBI Listing Regulations and Circulars, the Company is providing facility of electronic voting ("E-voting") to its members in respect of the businesses to be transacted at the 9th AGM. For this purpose, the Company has availed the services of CDSL for facilitating E-voting, as an authorised agency. The facility of casting votes by a member using E-voting system during the remote E-voting period as well as E-voting during the 9th AGM will be provided by CDSL. The procedure for participating in the AGM through VC/OAVM is explained hereinafter.
13. In case of joint holders attending 9th AGM, the member whose name appears as first holder in the order of names as per the beneficial owners/register of members as maintained by the Depositories/Company will be entitled to vote.
14. The members can opt for only one mode of voting i.e. remote E-voting (before 9th AGM during the period as provided hereinafter) or E-voting during the 9th AGM. The members who have cast their vote by remote E-voting may also attend the 9th AGM but will not be able to vote again during 9th AGM.
15. The remote E-voting period commences on Sunday, September 21, 2025 at 9:00 am (IST) and ends on Wednesday, September 24, 2025 at 5:00 pm (IST).

During this period, members holding equity shares of the Company, as on the cut-off date i.e., Thursday, September 18, 2025 ("Cut-off date") may cast their vote through remote E-voting. The remote E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

E- voting Starts on	E-voting Ends on
Sunday, September 21, 2025 at 9:00 am (IST)	Wednesday, September 24, 2025 at 5:00 pm (IST)

16. As per the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, as amended, all "individual members holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETING:

- (i) Members who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (ii) Pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, under Regulation 44 of SEBI Listing Regulations listed entities are required to provide remote E-voting facility to its Members, in respect of all Members' resolutions. However, it has been observed that the participation by the public non-institutional Members/retail Members is at a negligible level.

Currently, there are multiple E-voting service providers (ESPs) providing E-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable E-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in E-voting process.

Login method for Individual Members holding securities in demat mode:

Type of members	Login Method
Individual Members holding securities in Demat mode with CDSL	Method 1: Through CDSL Easi/Easiest facility Members who have registered for CDSL Easi/Easiest facility: 1) Visit https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com. 2) Click on login My Easi New (Token) 3) Login with User ID and Password. 4) After successful login, the Easi/Easiest user will be able to see the E-voting option for the Company where the E-voting is in progress. On clicking the E-voting option, the member will be able to see E-voting page for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting. Members who have not registered for CDSL Easi/Easiest facility: 1. To register, visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 2. Proceed with updating the required fields. 3. Post registration, user will be provided Login ID and a password. 4. After successful Login using the login credentials, click on 'E-voting' link displayed alongside Company's Name' and member will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting. Method 2: By directly visiting the E-voting website of CDSL. 1. Visit URL: https://www.cdslindia.com/ 2. Go to the E-voting tab. 3. Enter Demat Account Number (BO ID) and PAN No. and click on 'Submit'. 4. The system will authenticate the member by sending OTP on the registered Mobile and Email as recorded in Demat Account. 5. After successful authentication, click on 'E-voting' link displayed alongside Company's Name' and member will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting.
Individual Members holding securities in Demat mode with NSDL	Method 1: Through NSDL IDeAS Facility Members who have registered for NSDL IDeAS facility: 1. Visit URL: https://eservices.nsdl.com and click on 'Beneficial Owner' icon under 'Login'. 2. Enter user ID and password. Post successful authentication, click on 'Access to E-voting'. 3. Click on the E-voting link displayed alongside the Company's Name, and the member will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting. Members who have not registered for NSDL IDeAS facility: 1. To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 2. Proceed with updating the required fields. 3. Post registration, user will be provided with Login ID and password. 4. After successful login, click on 'Access to E-voting'. 5. Click on E-voting link displayed alongside the Company's Name' and the member will be re-directed to the CDSL E-voting website for casting your vote during the remote E-voting period or joining virtual meeting & voting during the meeting.

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Type of members	Login Method
	Method 2: By directly visiting E-voting website of NSDL: 1. Visit URL: https://www.E-voting.nsdl.com/. 2. Click on the 'Login' tab available under 'Member/Member' section. 3. Enter User ID (i.e. sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, members will be re-directed to NSDL website wherein they can see "Access to E-voting". Click on Access to "E-voting". 5. Post that, click on the E-voting link displayed alongside Company's Name and member will be redirected to the CDSL E-voting website for casting your vote during the remote E-voting period or joining virtual meeting & voting during the meeting.
Individual Members (holding securities in demat mode) login through their Depository Participants (DP)	Individual members can also login using the login credentials of demat account through their depository participant registered with NSDL/CDSL for E-voting facility. 1. Login to DP website. 2. After Successful login, members shall navigate through 'E-voting' tab under Stocks option. 3. Click on E-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein members can see E-voting menu. 4. After successful authentication, click on 'E-voting' link displayed alongside Company's Name' and members will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve their User ID/Password are advised to use the Forget User ID and Forget Password options available at the above-mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdeskevoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Access through the CDSL E-voting system in case of members holding shares in physical mode and non-individual members in demat mode.

- 1) The members should log on to the E-voting website www.evotingindia.com.
- 2) Click on the "members" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier E-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

PAN	1) Enter your 10 digit alpha-numeric PAN details issued by Income Tax Department (Applicable for both demat members as well as physical Members) 2) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact the Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	1) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to log in. 2) If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

- (iii) After entering these details appropriately, click on "SUBMIT" tab.
- (iv) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the 'Password Creation' menu, wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.
- (v) For members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN for the relevant Honasa Consumer Limited on which you choose to vote.
- (vii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (viii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (ix) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot password & enter the details as prompted by the system.
- (xiii) There is also an optional provision to upload BR/POA if any are uploaded, which will be made available to the scrutiniser for verification.
- (xiv) Additional Facility for Non – Individual Members and Custodians–For Remote Voting only.
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
 - Alternatively Non Individual Members are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; compliance@mamaearth.in, if they have voted from individual tab & not uploaded same in the CDSL E-voting system for the scrutiniser to verify the same.

17. Instructions for Members Attending the AGM through VC/OAVM & E-voting during Meeting are as under:

- a) The procedure for attending meeting & E-voting on the day of the AGM is same as the instructions mentioned above for E-voting.

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- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for E-voting.
- c) Members who have voted through Remote E-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- d) Members are encouraged to join the Meeting through Laptops/iPads for a better experience.
- e) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) Facility for joining the 9th AGM through VC/OAVM shall open 30 minutes before the time scheduled for the 9th AGM and will be available to the members on first-come-first-served basis.
- h) Members holding more than 2% equity shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel's ("KMPs"), Chairman of audit committee, nomination & remuneration committee, stakeholders relationship committee and auditors etc. may be allowed to the meeting without restrictions of first-come-first-served basis.
- i) Instructions for Members to speak during the 9th AGM
 - i. Members who would like to express their views or ask questions during the 9th AGM may register themselves as a speaker by sending their request from their registered E-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at compliance@mamaearth.in from Monday, September 15, 2025 (9.00 am IST) to Monday, September 22, 2025 (till 5:00 pm IST)
 - ii. Members will get confirmation on first-come-first-served basis depending upon the provision made by the company
 - iii. Those members who have registered themselves as a speaker will only be allowed to express their views, ask questions during the 9th AGM.
 - iv. Members will receive 'speaking serial number' once they mark attendance for the 9th AGM.
 - v. Member are requested to remember their allotted 'speaking serial number'.
 - vi. Members are requested to speak only when moderator will announce their name and 'speaker serial number'.
 - vii. Thereafter, members may start conversation with panelist by switching on video and audio mode of your device.
 - viii. The Company reserves the right to restrict the number of speakers as well as the speaking time depending on the availability of time during 9th AGM.
- j) If any Votes are cast by the Members through the E-voting available during 9th AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members may be considered invalid as the facility of E-voting during the meeting is available only to the Members attending 9th AGM.
- k) If a member has any queries or issues regarding attending AGM & E-voting from the CDSL E-voting System, member may write to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

18. General guidelines for Members

- a) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off Date. The person who is not a member as on the Cut-off Date should treat this Notice for information purpose only.
- b) Only those persons whose name is recorded in the register of members or register of beneficial owners maintained by the Depositories as on the Cut-off Date, shall be entitled to avail the facility of remote E-voting as well as E-voting during 9th AGM
- c) Members who would like to express their views/ have questions may send their questions in advance from their registered e-mail address along with their name, DP ID and Client ID/folio number, PAN and mobile number at compliance@mamaearth.in. The same will be replied by the Company suitably.

19. Inspection of Documents

- a) All documents referred to in the Notice, will be available for inspection electronically, without any fee, by the members from the date of circulation of the Notice up to the date of 9th AGM i.e., Thursday, September 25, 2025.
- b) The Register of Directors & Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act; Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act; and certificate from the Secretarial Auditor of the Company under regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021, will be available for electronic inspection by the members during the 9th AGM.
- c) Members seeking to inspect such documents may send a request on the e-mail address at compliance@mamaearth.in.

20. Voting Results

- a) Mr. Shashi Shekhar, Practicing Company Secretary (FCS No. 12475, COP No. 14145), has been appointed as "Scrutiniser" to scrutinise remote E-voting process and E-voting during the 9th AGM, in a fair and transparent manner, who has communicated willingness to be appointed for the said purpose.

- b) The Scrutiniser, immediately after the conclusion of voting at the 9th AGM, will first download the votes cast at the 9th AGM and thereafter unblock the votes cast through remote E-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall submit a consolidated scrutiniser's report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting.
- c) The results of 9th AGM shall be declared by the Chairman or any person duly authorised by him on this behalf, after 9th AGM within the prescribed statutory timelines. The resolutions shall be deemed to be passed on the 9th AGM date i.e. Thursday, September 25, 2025, subject to receipt of the requisite number of votes in favor of the resolutions.
- d) The results declared along with the scrutiniser's report shall be placed on the Company's website at <https://honasa.in/pages/investor> and on the website of CDSL besides submitted with BSE and NSE. The results shall also be displayed at the Registered Office and Corporate Office of the Company.

EXPLANATORY STATEMENT

The following statement in terms of section 102 of the Companies Act, 2013 sets out all material facts relating to the special businesses proposed in the Notice convening 9th Annual General Meeting of the Company.

Item No. 4

The members of the Company, at their extraordinary general meeting held on March 24, 2021, had appointed Mr. Vivek Gambhir as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from March 24, 2021 and his current term shall expire on March 23, 2026.

Board & Committee meetings attendance

Mr. Vivek Gambhir is Chairman of Nomination & Remuneration Committee ("NRC") and member of Audit Committee. The details of attendance of Mr. Gambhir at the meetings of the Board and its committees for last 3 (three) years are as under:

Particulars	FY 2023-24	FY 2024-25	FY 2025-26*
Board Meeting	13 of 14	5 of 5	3 of 3
Audit Committee Meeting	4 of 4	5 of 5	3 of 3
Nomination & Remuneration Committee Meeting	3 of 3	2 of 2	1 of 1

* Till date of AGM Notice

As per the requirements of Section 149(11) of the Companies Act, 2013 ("Act"), an Independent Director may hold office for two consecutive terms of up to 5 (five) years each. Further, in terms of Section 149(10) of the Act read with Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), an Independent Director shall be eligible for re-appointment for a second term of up to 5 (five) consecutive years on passing of a special resolution by the members of the Company.

Notice

Brief Profile of Mr. Vivek Gambhir

Mr. Vivek Gambhir holds a bachelor's degree in arts and a bachelor's degree in science from Lafayette College, Pennsylvania. He also holds a master's degree in business administration from Harvard Business School, Commonwealth of Massachusetts.

Mr. Gambhir has more than three decades of experience in operations and strategy. He is currently associated with Lightspeed India Ventures. His previous roles include leadership positions at Imagine Marketing Limited (boAt Lifestyle), Godrej Consumer Products Limited and Godrej Industries & Associate Companies. He was also a founding member of Bain & Company's consulting operations in India, where he led the FMCG practice. He has previously been the co-chair of the Confederation of Indian Industry, National FMCG Committee and served as the president of the Harvard Business School Club of India.

NRC at its meeting held on July 17, 2025, based on the performance evaluation of Mr. Vivek Gambhir as summarised below, has recommended his re-appointment as an Independent Director of the Company for a second term of 5 (five) consecutive years effective from March 24, 2026, not liable to retire by rotation. While recommending Mr. Gambhir's re-appointment, NRC duly recognised his remarkable skills, deep understanding and rich experience in FMCG Sector. In view of his contributions over the years as an Independent Director of the Company, NRC believes that his continued association would be of immense benefit during this pivotal growth phase of the Company.

The Company has received a declaration from Mr. Gambhir confirming that he meets the criteria for independence under Section 149(6) of the Act and the rules made thereunder and regulation 16(1)(b) of the SEBI Listing Regulations. The Company has received a notice in writing from a member under Section 160(1) of the Act proposing Mr. Gambhir's candidature for the office of Director. Mr. Gambhir has conveyed his consent to act as an Independent Director of the Company for a second term and confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the Act.

The Company has also received other necessary disclosures and declarations from Mr. Gambhir including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. Mr. Gambhir has confirmed that he has complied with the requirements of Rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Mr. Gambhir has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties with an objective independent judgment and without any external influence.

Performance Evaluation Summary

Mr. Gambhir has demonstrated a high level of commitment and independence in his role as an Independent Director. His contributions have been instrumental in guiding the Company on key strategic matters. The performance evaluation reflected his active participation in Board meetings, valuable insights and adherence to the highest standards of integrity and corporate governance. In view of his consistent performance and the value that he adds, the Board considers his continued association to be in the best interest of the Company.

Proposal for Re-appointment

The Board believes that Mr. Vivek Gambhir's continued association will bring significant strategic value to the Company. With a distinguished track record as former MD & CEO of Godrej Consumer Products, Mr. Gambhir brings deep expertise in business strategy, leadership, risk management, global operations, marketing, finance and governance. His extensive experience in the FMCG sector and his ongoing board-level roles position him as a valuable asset in guiding the Company's growth and long-term vision.

The Board, at its meeting held on July 17, 2025, based on the recommendation of the NRC and after considering Mr. Gambhir's rich knowledge, background, experience and significant contribution made during his first term, recommended the re-appointment of Mr. Gambhir as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years effective from March 24, 2026 to March 23, 2031 (both days inclusive).

In the opinion of the Board, Mr. Gambhir fulfils the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and is independent of the management.

Mr. Gambhir fulfils the identified core skills, expertise and competencies and meets the criteria laid down by the Board for appointment as a director and as required in the context of the Company's business and the sector in which it operates.

Mr. Vivek Gambhir shall be entitled to receive remuneration by way of commission as may be decided by the Board based on the recommendation of the NRC, in accordance with the resolution passed by the members at the extraordinary general meeting held on July 20, 2022 or any other remuneration as may be approved by the members from time to time on the recommendation of the Board and NRC.

As per the resolution passed by the members at the extraordinary general meeting held on July 20, 2022, the total commission payable to Non-Executive Directors per annum shall not exceed 1% of the net profits of the Company calculated in accordance with the provisions of Section 198 the Act, subject to maximum of ₹ 1 Crore in aggregate.

In addition to the aforesaid remuneration, Mr. Gambhir shall also be entitled to sitting fees for attending meetings of the Board or any its committee and reimbursement of expenses for attending such meetings, as permissible under the Act and/or SEBI Listing Regulations.

The copy of draft letter for re-appointment of Mr. Gambhir as an Independent Director setting out the terms and conditions is available for electronic inspection to the members. The members may follow the process for inspection of document as mentioned in 'Notes' section forming part of the Notice.

The details as required under the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and all other applicable provisions are provided in Annexure.

The Board recommends the resolution as set out in item no. 4 for approval of the members as special resolution.

Except Mr. Gambhir and his relatives to the extent of their shareholding, if any, in the Company, none of the other directors/key managerial personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") requires every listed entity to appoint at the Annual General Meeting, a peer reviewed Company Secretary in Practice or a Firm of Company Secretary(ies) as a Secretarial Auditor on the basis of recommendation of the board of directors ("Board").

The Board, at its meeting held on May 22, 2025 has, considering the experience and expertise and on the recommendation of the Audit Committee, recommended to the members, appointment of Arora Shekhar and Company, Practicing Company Secretary (Firm Registration Number: S2015DE540700 & Peer Review No. 3159/2023) as Secretarial Auditor of the Company for a term of 5 (five) consecutive financial years commencing from the financial year 2025-26 to the

financial year 2029-30, on such remuneration as may be determined by the Board of the Company, from time to time.

Arora Shekhar and Company, is a practicing company secretary firm based in Delhi since 2013. Specialisation of the practice includes, but is not limited to, Secretarial Audit, Corporate Law and Taxation, Securities Law, including Corporate Governance & CSR, Capital Markets, RBI, etc. Over the years, Arora Shekhar and Company has built a diverse client base and has served various corporate clients. Its clientele spans across corporates in the public sector, listed and multinational companies, leading corporates, MSMEs and firms. Arora Shekhar and Company is peer-reviewed and quality reviewed in terms of the guidelines issued by the ICSI.

Arora Shekhar and Company has consented to the said appointment and confirmed that the appointment, if made, would be within the limits specified by the Institute of Companies Secretaries of India. Arora Shekhar and Company has further confirmed that it is not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 read with rules and regulations made thereunder and SEBI Listing Regulations.

The proposed remuneration to be paid to the Secretarial Auditor for the financial year 2025-26 is ₹2,50,000/-. The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent years of his term shall be fixed by the Board based on the recommendation of the Audit Committee of the Company.

In accordance with the provisions of Regulation 24A of the SEBI Listing Regulations, the appointment of Secretarial Auditor is required to be approved by the members of the Company.

The Board recommends the resolution as set out in item no. 5 for approval of the members as ordinary resolution.

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

Notice

Annexure

Additional Information of Directors seeking appointment/re-appointment

[Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]



Mr. Ishaan Mittal

Director Identification Number (DIN)

07948671

Age

37 years

Date of first appointment on the Board

January 3, 2020

Qualification

- (i) Bachelor's degree of technology in mechanical engineering from the Indian Institute of Technology, Delhi
- (ii) Master's degree in business administration from Harvard Business School, Commonwealth of Massachusetts.

Experience (including expertise in specific functional area)/Brief Resume

Mr. Ishaan Mittal is a Managing Director at Peak XV, a leading venture capital firm in India and Southeast Asia, with over \$9 billion of assets under management. Mr. Mittal has joined Peak XV in 2011 and focuses on sectors including consumer & consumer internet and fintech & financial services payments at Peak XV. Prior to joining Peak XV, he worked with The Boston Consulting Group.

List of Directorship of other Board

- 1. Finova Capital Private Limited
- 2. Girnar Software Private Limited

Membership/Chairmanship of Board Committees in other companies

None

Listed entities from which the Director has resigned in past 3 years

None

No. of shares held in the Company including shareholding as beneficial owner

Nil

Relationship with other Directors, Manager or Key Managerial Personnel, if any

None

Declaration of non-disqualification

Mr. Ishaan Mittal is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Number of Board Meeting Attended during FY 2024-25

5 of 5

Terms and conditions of appointment or re-appointment

Re-appointment as a Director on retirement by rotation basis in terms of Section 152(6) of the Act

Remuneration drawn for FY 2024-25

Nil

Remuneration proposed to be paid

Nil

**Mr. Vivek Gambhir****Director Identification Number (DIN)**

06527810

Age

56 years

Date of first appointment on the Board

March 24, 2021

Qualification

- (i) Bachelor's degree in arts and a bachelor's degree in science from Lafayette College, Pennsylvania.
- (ii) Master's degree in business administration from Harvard Business School, Commonwealth of Massachusetts

Experience (including expertise in specific functional area)/Brief Resume

Mr. Gambhir has more than three decades of experience in operations and strategy. He is currently associated with Lightspeed India Ventures. His previous roles include leadership positions at Imagine Marketing Limited (boAt Lifestyle), Godrej Consumer Products Limited and Godrej Industries & Associate Companies. He was also a founding member of Bain & Company's consulting operations in India, where he led the FMCG practice. He

has previously been the co-chair of the Confederation of Indian Industry, National FMCG Committee and served as the president of the Harvard Business School Club of India.

For more details, please refer explanatory statement of item no. 4.

List of Directorship of other Board

1. Imagine Marketing Limited
2. Metropolis Healthcare Limited
3. Kaha Technologies Private Limited
4. HOB Ventures Private Limited
5. Samast Technologies Private Limited
6. Comfort Grid Technologies Private Limited
7. Harvard Business School Club of India
8. Kaha Pte. Ltd. Singapore

Membership/Chairmanship of Board Committees in other companies

Imagine Marketing Limited		Corporate Social Responsibility Committee
		Stakeholders Relationship Committee
		Risk Management Committee
Metropolis Healthcare Limited		Audit Committee
		Nomination and Remuneration Committee
		Stakeholders Relationship Committee

 Chairman  Member

Listed entities from which the Director has resigned in past 3 years

None

No. of shares held in the Company including shareholding as beneficial owner

Nil

Relationship with other Directors, Manager or Key Managerial Personnel, if any

None

Declaration of non-disqualification

Mr. Vivek Gambhir is not debarred or disqualified from being appointed or continuing as a director of any company

by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Number of Board Meeting Attended during FY 2024-25

5 of 5

Terms and conditions of appointment or re-appointment

Refer explanatory statement of item no. 4

Remuneration drawn for FY 2024-25

₹22,00,000/- (including Sitting Fees and Commission)

Remuneration proposed to be paid

Refer explanatory statement of item no. 4



FROM REFLECTION
TO REINVENTION

ANNUAL REPORT
2024-25

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Focused Transformation. Meaningful Growth.

As India’s largest digital-first house of brands in the Beauty and Personal Care (BPC) sector, we continue to use the combined power of science and nature to meet the evolving needs of millennial consumers. FY 24-25 was a year of reflection and purposeful transformation. We sharpened our effort on select focus categories and consumer segments, restructured our General Trade distribution model, refreshed our marketing playbooks and accelerated purpose-led innovation. We also enhanced our technology backbone to drive scale and strengthened our consumer connect to build long-term brand relevance and impact.



Key Highlights of the Year

Financial

₹20,669_{Mn}

Revenue from Operations

↑ 7.7% YoY Growth

70.3%

Gross Margin

↑ 59 bps YoY Improvement

₹685_{Mn}

EBITDA

3.3%

EBITDA Margin

↑ 5.7% Adjusted EBITDA Margin¹

₹727_{Mn}

Profit After Tax

3.5%

PAT Margin

₹822_{Mn}

Cash Generated from Business

-24

Working Capital Days as on 31st March 2025



Operational

13.2%

Underlying Volume Growth

2,36,825

FMCG Retail Outlets Reached across India for Mamaearth²

3,528

Total Employees³ with 45% Women's Participation

75%

Contribution of Focus Categories in FY 24-25

18,500+

Pin Codes Serviced

²NielsenIQ, Number of FMCG retail outlets with Mamaearth's presence (All India Urban + Rural)

³Both on-roll and off-roll employees

Social

mamaearth[®]

910,000+

Number of Trees Planted through the 'Plant Goodness' Initiative

THE derma^{co}

DESIGNED BY DERMATOLOGISTS

30,000+

Students Empowered through Science-based Learning with 'Young Scientists' Programme

Aqualogica[®]

900+

Families Benefitted through 'Fresh Water for All' Programme

BBLUNT

15,000+

Women Upskilled in Hair Styling-Hair Salon Services through 'Shine Academy'

+ DR. SHETH'S

32,000+

Health Check-ups Conducted under 'Healthy India, Healthy You' Programme

¹Adjusted for Q2FY25 Inventory correction relating to Neev distribution transition

Founders' Message

Leading with Insight. Building with Intent.



Dear Shareholders,

As we complete our first full year as a publicly listed company, I want to pen down my thoughts on how the last year has been, share what we have learned and provide a glimpse into the exciting future we envision with newfound clarity.

7.7%

YoY Revenue Growth in FY 24-25

3.3%

FY 24-25 EBITDA Margin



At Honasa, we are not merely building a company but rewriting the playbook for brand building. This playbook is designed to be far more relevant and effective by aligning with the evolving needs of the Indian consumer and market trends. It aims to reinvent the foundations of product, media, messaging and distribution.

This new approach capitalises on a few underlying changes in our ecosystem:

- Indian consumers are evolving from a family-oriented to a more individual-centric consumption behaviour.
- The increased social connectivity of consumers is enabling global trends to percolate far more quickly, and hence, the expectation from brands is to be far more innovative than before.
- Emergence of content creators who are driving category education through a self-funded model and accelerating new category adoption and growth like never before.
- The ability of digital media to sharply target consumers with diverse niche interests is unlocking the power of long tail products and enabling more specialised brand creation.
- Rise of e-commerce and quick commerce as distribution channels, which can break physical distribution barriers without worrying about demand density, is allowing brands to scale much faster and wider than what was possible earlier.

We are building and sharpening our capabilities, keeping all these trends in mind. We have seen this create a sense of discomfort among many since several of our principles and structures are different compared to other FMCG companies, like the pace of innovation, skew towards online channels, capex light model, etc. Honestly, we are not only happy that these differences exist, but we celebrate them as well. We are very convinced that this playbook will drive disproportionate success in the medium to long term.

I am confident that by the end of this decade, we will achieve the following milestones:

- **Honasa will be a national market leader in at least two skin care categories and will be in the top three by market share in at least two more.**
- **Mamaearth has been the fastest brand to achieve ₹1,000 Crores in revenue. It will also be the fastest to hit ₹2,000 Crores in the top line, with almost 60% contribution coming from offline channels.**
- **We will have one more ₹1,000 Crores brand in The Derma Co, and we will have at least two more ₹500 Crores brands in our portfolio.**
- **We will have the most innovative and loved brands across BPC categories in our portfolio, objectively measured by search data.**
- **We will build industry-leading R&D capabilities to develop superior products for Indian consumers, measured by blind testing and pace of innovation.**

- We will have the edgiest marketing and content engines in the industry with best-in-class CTRs (click-through rates) and VTRs (view-through rates).
- We will have a strong future-forward GTM machinery to ensure our products are accessible to our consumers as per their preference.
- We will become the fastest FMCG company to reach ₹5,000 Crores ARR¹.

While some of these numbers may not seem significant in isolation, when viewed through the lens of our journey since 2017, they represent record-breaking achievements in the industry. These milestones validate the effectiveness of our brand-building playbooks and capabilities. However, at Honasa, we believe we have just gotten started, and our vision of becoming the largest FMCG company in India has a long way to go.

We are excited to see that many of our strategic bets are playing out very strongly. I would like to call out a few of them:

- We identified and capitalised on the active ingredients trend in skin care earlier than anyone else with The Derma Co. and the acquisition of Dr. Sheth's.
- The power of our 'House of Brands' strategy has enabled us to capture all the key consumer segments and gain a significant share of the Sunscreen market. (Leader in online market)
- Our data science capabilities enabled us to understand global category dynamics and invest in categories like Face Serums, which have shown disproportionate growth and consumer adoption.

¹Annual Recurring Revenue, derived by taking revenue of a period (lesser than a year, but not lesser than a month), and then extrapolating the revenue to the year

²Source: Redseer

³Source: Euromonitor

- Ability to bet on emerging channels like quick commerce earlier than others, which are now becoming new engines of growth.
- Continuously evolving data and listening capabilities to deliver bigger and better innovations for consumers.

That said, the journey of building something extraordinary is never linear. Not every experiment and strategy delivers the expected outcomes, but every challenge is an opportunity to learn and improve. We take pride in our desire to continuously learn both from our experiments and from the changing market landscape. This audacity to experiment and the freedom to change our minds to reorient our path in line with what we learn has been and will continue to be critical to our success. I would like to specifically share certain learnings which will shape our strategy and execution plan going forward.

What Got Us Here Will Not Take Us There

Mamaearth has been the fastest growing BPC brand in India to reach ₹1,000 Crores of annual net revenue², and we are proud that it has become the third-largest skin care brand in the country³. However, our ambition is to make it the No.1 Skin care brand in the country, and we are very confident that we will get there. Using the offline channel to drive the next phase of growth was the right strategy, but we need to fine-tune investment allocation, media mix, product design, GTM design, etc. to win in the offline domain.

While the playbook, which took from 0 to ₹1,000 Crores, was effective, it must now evolve for the ₹1,000+ Crores scale-up journey. Previous year has been one of acceptance and first principles thinking on this front. For the past few quarters, we have been experimenting with new approaches based on our learning. Some of these experiments still continue, as we look to scale up our learning in FY 25-26 to

deliver impact. Getting Mamaearth back on a strong, sustainable growth path is our top priority, and we are all spending a lot of time and effort across product superiority, marketing excellence and GTM build-out to achieve this objective.

To Win the War, Category Domination and Focus are Key

Over the last 4-6 quarters, the competitive intensity has increased significantly in the BPC space. This has made us rethink our category strategy and reinforced the value of a 'focused approach'. As an organisation, it has helped us understand that we need to win the war of BPC domination, one category battle at a time. This focused approach will allow us to allocate R&D resources and marketing investments more effectively towards these categories as well as fully utilise the power of the house of brands.

Offline GTM is Muscle, Not Just a Skill

While skills have a linear journey of evolution, muscles need to break down to become stronger. Our understanding of distribution systems is also similar. At different stages of the brand's evolution, we need to redesign the distribution systems to serve us best.

We designed our offline distribution system that best suit our size and complexity. Even if we were to go back and redo the same, we would not change much. But at our current scale, we are looking at this muscle to power the next decade of growth, and we have realised the need to reorganise the same to be future-ready. This change has been complex, painful, yet necessary for the long-term success of Honasa. As we speak, most of the key steps in project Neev are complete, and the journey of building the new muscle is taking a good shape.

I am confident that in a few quarters the new system will be fully in place to support the next wave of growth.

Play to Position but Position to Win

At different times, we see consumers adopting diverse consumption cycles when it comes to product propositions. As we speak, active and dermatological brands are far more popular in the online space, while offline consumption continues to prefer 'naturals' brands. What we need to do is consistently build brands on sharp propositions yet play our investment strategy in line with the consumer's proclivity to gain maximum share of the consumer's wallet. Hence, our north star metric as we move forward will be category-level growth rather than brand-level growth. We will plan on delivering strong competitive growth in our focus categories by growing different brands in those categories, depending on the kind of consumer trends we see, while the brand continues to stay sharply positioned in its domain. For example, our goal would be to deliver 20%+ growth in face washes, which might be driven online through The Derma Co. and Dr Sheth and offline through Mamaearth on account of how we forecast consumer behaviour. This will allow us to win in categories effectively as well as avoid the 'Lagaan' problem on our brand architectures (all players running in the direction of the ball, which we have seen with many large companies, leading to hazy brand architectures).

Product Superiority is the Next Moat

In the early part of our journey, we focused our limited resources on product innovation and marketing playbooks to drive growth, which also became our differentiator and strength. However, as we grow, we must make product superiority our defining edge. We have been strongly investing in our R&D capability through hiring, partnerships and acquisitions and intend to continue working on the same to deliver products that consumers love

and can't get enough of. Our goal is simple: for each of our core categories, our hero product should beat the core competition in blind testing. We will keep working relentlessly on the same till we get there and continuously evolve to maintain this standard. This will help us make product superiority and R&D strength as a lasting competitive advantage and build deep consumer loyalty.

Innovation with a sharper purpose, not just for trends, with a focus on owning it for a longer period. Over the last few years, we have been a very innovative organisation, and we take pride in the speed and trendiness of our innovations. Last year, we also further sharpened the role that innovation needs to play in our category strategy. This has been done to make our innovations more purposeful and so that they support the larger brand strategy and agenda. Going forward, our innovation engine will be targeted at laying the following key roles:

- Help brands enter or strengthen new partitions within a category by developing products which are best suited for Indian skin.
- Help brands expand into new categories and own build out of the new category over the next three years.
- Help brands move up from mass premium to prestige through format and ingredient innovation.
- Continuous improvement in product superiority core categories and bets in the form of renovation.
- Keep experimentation alive to bring the best of the world's innovation to India at affordable and effective prices.

We feel extremely confident that these learnings will help us evolve into a superior organisation which will enhance our performance, longevity and domination. Every morning, Ghazal and I walk into our office bubbling with excitement and energy about executing our vision. Building brands which are loved by consumers is our Ikigai, and we will continue to learn, grow and excel. Our journey

towards our vision hasn't been linear in the past and probably would not be so in the future either, but we can assure you that the outcomes in the long term will be extraordinary.

We also realise that our ambitious goals can only materialise if we have an exceptional set of individuals come together as a team behind a common vision. To strengthen this, we have also gone through an organisational structure change and strengthened key positions with leaders who we believe can shape this agenda. We have also crafted a new milestone-based ESOP plan linked to our medium-term goals for these leaders to make sure we are all driven towards a few common organisational goals and are fully committed to delivering the same.

I would like to express gratitude to our consumers, team members, customers and partners who have helped us get here. I would like to especially call out the guidance and mentorship provided by our esteemed Board in helping us remain true to our long-term goals. I would like to thank all the shareholders who have chosen to back our long-term vision and ability to execute that vision – we will not let you down.

I also express gratitude to all investors who might not have invested in us but shared feedback which has helped us improve. We will look forward to winning you over with our performance.

Signing off with some lines that my father used to quote to me.

“Kaun kehta hai akaash main suraakh ho nahin sakta, ek pathar to tabiyat se uchhalo yaaron”

Regards

Ghazal & Varun

We are Honasa

Anchored in Purpose

Driven by innovation, aspiration and purpose, we are building brands that empower consumers to look good, feel confident and live better every day.

Vision

Honasa is committed to creating innovative, high-quality products across the BPC category that serve the needs of evolving Indian consumers.

Mission

We execute our vision through our aspirational and purposeful brands crafted for the Indian skin, which make our consumers feel better about themselves and their choices so that they choose us across all their premiumisation occasions.

Core Values

Crafting Beauty that Inspires Positive Change

As we chart our course for the next phase of growth, we undertook a thoughtful re-alignment of our core values to better reflect the ambition, agility and purpose required to drive the next phase of our journey. We believe this will lead to sharpening of focus—ensuring that our values continue to guide our decisions, shape our culture and inspire our teams as we scale with greater impact and intent.



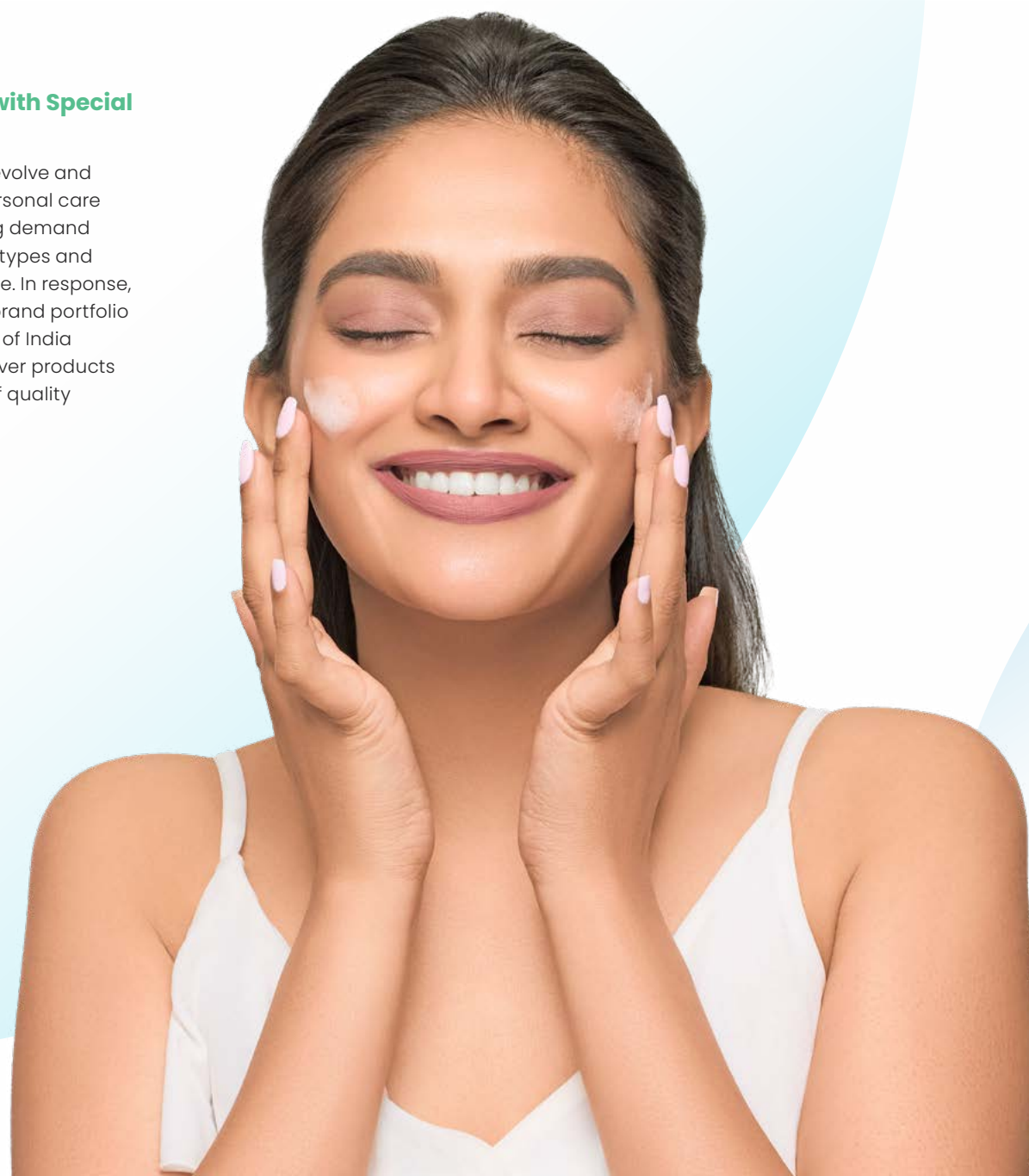
Our House of Brands

Leading the Future of Personal Care

As we scale, our focus is on building and disrupting categories which continue to drive momentum in the Beauty and Personal Care space. With an expanding presence across both online and offline channels, we capture real-time consumer insights that enable rapid innovation and agile execution, allowing us to stay closely aligned with evolving consumer expectations.

House of Brands – Crafted with Special Care for Indian Skin

As Indian consumers' aspirations evolve and awareness around beauty and personal care continues to rise, there is a growing demand for products tailored to Indian skin types and climatic conditions like never before. In response, we have thoughtfully aligned our brand portfolio to prioritise consumer preferences of India while ensuring we consistently deliver products that meet the highest standards of quality and performance.



mamaearth®

Goodness of Nature

Mamaearth offers a comprehensive range of products across face care, hair care, body care, baby care and colour cosmetics. The brand has pioneered the use of traditional DIY recipes and natural ingredients in convenient, modern formats tailored for Indian consumers. Formulated with toxin-free ingredients such as rice, onion, rosemary, ubtan (a turmeric-based Indian paste), and multani mitti (Fuller's Earth), Mamaearth appeals to those seeking safe, natural personal care solutions, including face cleansers, shampoos, sunscreens, moisturisers, colour cosmetics and baby care products.

Mamaearth holds the distinction of being Asia's first brand to offer MADE SAFE™-certified products. According to the Kantar Brand Health Track, it ranks as the #1 Online and #3 Offline brand in the face cleansers category by Brand Power/Equity. The brand's commitment to sustainability is evident in its plastic-positive practices—recycling more plastic than it consumes—and its unwavering cruelty-free philosophy. Through its 'Plant Goodness' initiative, Mamaearth is also addressing deforestation while creating livelihood opportunities for farmers, further reinforcing its purpose-led approach to business.



THE derma co
DESIGNED BY DERMATOLOGISTS

Dermatologist-crafted Solutions Rooted in Science

Launched in 2020, The Derma Co. aims to empower consumers to embrace their natural skin and live life filter-free. The brand offers science-led solutions across key skincare categories, including sunscreens, serums, face cleansers, and moisturisers, targeting concerns such as acne, pigmentation, and dark spots. Developed in collaboration with dermatologists, The Derma Co. fosters trust and transparency by clearly stating the concentration of active ingredients—such as Salicylic Acid, Niacinamide, Vitamin C, and Kojic Acid—on every product. The brand has also led the way in introducing premium, First-to-India innovations, delivering high-efficacy skincare powered by advanced actives through innovative formats. Beyond skincare, the brand is dedicated to enhancing the lives of underprivileged children by offering access to science education through its 'Young Scientists' initiative.



Aqualogica®

Hydration-based Skincare Formulated for the Indian Climate

Aqualogica offers effective hydration through lightweight formulations tailored for the Indian tropical climate. The brand's portfolio spans sunscreens, moisturisers, body mists, face cleansers and serums, each designed with Aqualogica's proprietary Water Lock Technology™. This combines natural fruit extracts with active ingredients to help lock in moisture and deliver long-lasting hydration.

All products are vegan, cruelty-free and free from harmful ingredients such as parabens, sulphates, phthalates, and mineral oil, reinforcing the brand's commitment to clean, skin-friendly care. Through its 'Fresh Water for All' initiative, the brand seeks to provide rural households with access to clean and safe drinking water.



+ DR. SHETH'S

Botanicals and Actives-led Skincare

With over 90 years of expertise across three generations of cosmetologists, Dr. Sheth's has built a legacy of science-backed skincare tailored for Indian skin. Its formulations blend potent actives with soothing botanicals, offering effective and balanced solutions across categories like sunscreens, moisturisers, serums, and face cleansers. The brand has also brought premium, First-to-India innovations to the market, introducing advanced actives like PDRN and Copper Peptides to support long-term skin health. Through its 'Healthy India, Healthy You' initiative, in partnership with Doctors for You, Dr. Sheth's provides essential medical care to marginalised communities with every purchase.



BBLUNT

Salon-like Haircare Delivered at Home

BBLUNT brings salon-quality hair care into consumers' homes. The brand continues to evolve, blending innovation with emerging trends to deliver high-performance hair care and styling solutions. Its product range includes shampoos, conditioners, hair masks, hair serums, sprays, colours, and styling tools, designed for easy, effective use.

BBlunt Salons offer personalised services delivered by trained professionals, ensuring a seamless salon experience thus adding to the brand's equity. The BBLUNT Shine Academy is dedicated to empowering underprivileged women by offering professional hairstyling certifications, enabling them to achieve financial independence.



STAZE

High-performance Make-Up for Gen-Z

Staze 9-to-9 is the latest addition to Honasa's brand portfolio, offering a long-lasting makeup range designed for Indian skin tones and types. Powered by advanced C-Lock Technology™, the products deliver a studio-finish look that lasts over 12 hours. The high-impact pigments create a 'second skin' effect, and the formulations are waterproof, transfer-proof and sweat-proof, ensuring all-day wear and confidence.

Developed with the expertise of over 40 beauty professionals, the brand offers a comprehensive portfolio across colour cosmetics, including eyes, lips, face, tools, and accessories.



From Reflection to Reinvention

FY 24–25 was a defining phase in our journey, one shaped by deliberate reflection and strategic reinvention. In an evolving Beauty and Personal Care (BPC) environment, we took a step back to reassess our strengths, understand shifting consumer needs, and refine our path forward.

With the ecosystem evolving fast, there have been a few visible shifts. Indian consumers are shifting from family-focused to more individual-centric buying habits. Enhanced social connectivity spreads global trends rapidly, raising brand innovation expectations. Self-funded content creators are accelerating category education and adoption like never before. Digital media's precise targeting unlocks niche markets, while the growth of e-commerce and quick commerce breaks distribution barriers, enabling brands to scale faster than ever.

This was more than a year of growth. It was a time to pause, listen and act with intent. As we move forward, we remain focused on sustainable growth driven by innovation, agile execution and the trust of our consumers.



Strategies in Focus

Sharpening Priorities. Strengthening Growth.

In FY 24-25, we remained deeply committed to learning—drawing insights from our own experiments while closely tracking the evolving dynamics of the market—to continuously refine our strategies and stay aligned with emerging trends and opportunities.

With the ecosystem evolving rapidly, several clear shifts have emerged. Indian consumers are moving from family-oriented to more individual-centric purchasing. Growing social connectivity is amplifying global trends, elevating expectations around brand innovation. Independent content creators are driving unprecedented levels of category awareness and adoption. Meanwhile, digital media's precision targeting is opening up niche segments, and the rise of ecommerce and quick commerce is dismantling distribution barriers, accelerating brand scale.

Sharpened Focus on Key Categories and Partitions

During the year, we made a strategic shift from focusing solely on 'How to Play' to balancing both 'How to Play' and 'Where to Play'. This pivot enabled us to move beyond trend-led innovation and concentrate on clearly defined focus categories and the partitions that we want to play in. During the year, we focused on creating the launchpad for success in focus categories, which are – face cleansers, shampoos, sunscreens, moisturisers, face serums, baby care and lipsticks.

Focus Categories



Face Cleansers

Category Size in FY 24-25¹: ₹9,000-11,000 Cr
CAGR²: 6-8%



Sunscreens

Category Size in FY 24-25¹: ₹3,000-3,200 Cr
CAGR²: 15%+



Shampoos

Category Size in FY 24-25¹: ₹8,000-10,000 Cr
CAGR²: 4-6%



Baby Care

Category Size in FY 24-25²: ₹1,200-1,500 Cr
CAGR²: 7%+



Face Serums

Category Size in FY 24-25¹: ₹2,700-2,900 Cr
CAGR²: 20%+



Moisturisers

Category Size in FY 24-25¹: ₹4,000-4,500 Cr
CAGR²: 15%+



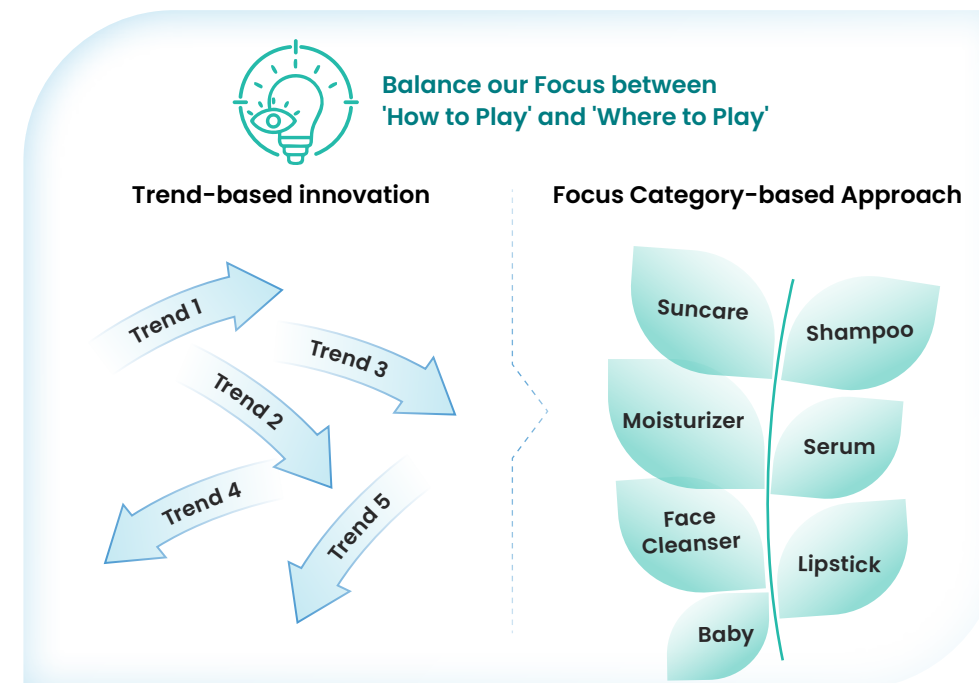
Lipsticks

Category Size in FY 24-25¹: ₹3,000-3,200 Cr
CAGR²: 10%+

¹Industry estimates based on GMV

²Industry estimates based on GMV and market size (includes only creams, lotion & other liquid based products)

Within each focus category, we identified sizeable and fast-growing partitions and developed a brand-specific strategy based on each brand's 'right to win' in those segments. We remain committed to strengthening and reinvesting in our product portfolio within the key partitions of those categories.



Face Wash Category

Glow



Mamaearth Ubtan Face Wash
Mamaearth Rice Face Wash

Acne



The Derma Co.
1% Salicylic Acid Gel Face Wash

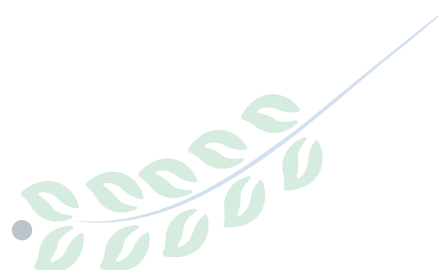
Oil Control



Mamaearth Tea Tree Face Wash

At the same time, reinvesting in high-performing core products is critical to sustaining momentum and deepening brand equity. We remain committed to strengthening and reinvesting in our product portfolio within the key partitions of those categories.

Reinvest in High-performing Core Products



This dual approach will enable focused investment, distinct brand propositions and scalable execution without overlap.

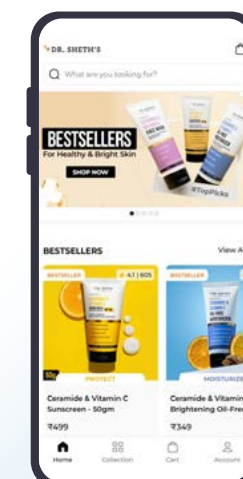


Reaching Consumers Where They Are

The Indian Beauty and Personal Care market is at the cusp of enormous growth, driven by rising online digital adoption and increasing demand for premium products.

Omnichannel Strategy: Bridging the Digital and Physical Divide

Our omnichannel playbooks reflect the strength of our strategy in meeting consumers where they choose to shop, ensuring accessibility and convenience across platforms.



Online Channels

With consumers shifting to online channels rapidly, it has emerged as the faster growing channel during the year. As a result, our digital channels, including D2C websites, mobile apps, e-commerce, and quick-commerce platforms, remain central to our go-to-market strategy. They serve as incubators for new products and ingredient-led innovations, helping us drive early adoption and build brand loyalty, particularly among our younger brands. We rely on real-time consumer feedback to refine offerings, stay ahead of trends and deliver products that align with evolving customer preferences.

Going forward, our online channel strategy will centre on scaling and strengthening the following key areas:

- Winning in quick commerce, a channel expected to grow in relevance and consumer adoption
- Deepening penetration across population strata and expanding regionally through e-commerce platforms
- Driving focused growth by concentrating investments on core categories and distinct proposition-based partitions
- Boosting brand visibility and media efficiency by enhancing search performance and optimising advertising across D2C and e-commerce channels

Offline Channels

We remain firmly committed to our offline channels, which include general trade outlets, modern trade chains, and exclusive brand outlets (EBOs). These channels play a vital role in scaling mature brands and products that have already built strong traction online. They help us deepen market presence and enhance consumer access across formats. FY 24-25 saw a strategic shift in offline channels where we transitioned from a super-stockist-led model to a direct-distribution model.

Going forward, our focus in offline distribution will be on scaling and strengthening the following key areas:

- Expanding distribution reach through direct distributors and extending into beyond-tier towns through a robust super stockist network
- Driving direct retail coverage across 200,000+ outlets through direct distributors, with a sharp focus on 80,000+ premium beauty and chemist stores
- Optimising distributor health through right-sized inventory management and ROI-focused operating models
- Improving supply chain efficiency via regional warehousing, dispatch-led order planning, and enhanced forecasting accuracy
- Implementing norm-based ordering to ensure greater consistency and operational excellence across the network

Making General Trade Distribution Future Ready: Transition from Super-stockist Led Model to Direct-distribution Model

This year, we firmly established Offline Go-To-Market (GTM) as a core execution capability. Key learnings from our earlier offline GTM strategy highlighted the need for stronger visibility and execution discipline, a transition to high-quality distribution partners, and greater tech

enablement in sales infrastructure. Acting on these insights, we moved from a super-stockist-led model to 'Tier-1', ROI-focused distribution partners, and implemented advanced DMS²/SFA³ tools to drive efficient operations at distributors and better selling at retailers with real-time visibility of secondary sales and transparency in retailer schemes and claims.

As our brands evolve, so must our distribution systems. While our

initial super-stockist-led model was well-suited to the early stage of our offline expansion, it resulted in high inventory holding and inefficient capital deployment. To unlock higher profitability and scalability, it became clear that this structure needed to be reimagined. As part of envisioning the transition, three critical learnings emerged that shaped our new approach:



Need for Greater Visibility and Execution Discipline

- Enhance visibility of secondary sales and retailer-level scheme deployment
- Ensure market price hygiene and stronger execution by frontline sales teams



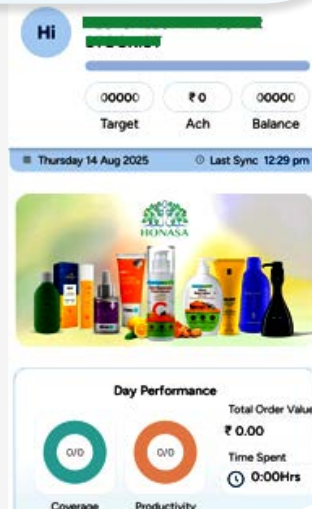
Shift to High-quality Distribution Partners

- Move from super-stockist dependency to a network of Tier-1, ROI-focused distribution partners
- Drive partner accountability through clear capital and manpower commitments



Technology Enablement for Sales Infrastructure

- Legacy tools limited visibility and operational efficiency
- Adopted advanced Distributor Management System (DMS) and Sales Force Automation (SFA) for tech-driven execution



Strengthening R&D to Drive Product Superiority to Unlock Long-term Wins

We strongly appreciate the pivotal role that product superiority and in-house R&D play in building long-lasting, successful brands. This understanding has reinforced our commitment to grounding our products in robust scientific development. This includes a strong emphasis on establishing a solid scientific foundation behind every product we create. As part of this journey, we took a major step by acquiring Cosmogenesis and expanding our internal R&D team, while forging collaborative partnerships, investments that have already contributed to enhancing the depth and rigour of our product development capabilities.

As a strategy, we are committed to further strengthening our focus on product superiority by ensuring:



Focus category products to continuously win in blind testing against industry leaders



Relentless product iteration to exceed category benchmarks based on evolving consumer feedback

As we look ahead to FY 25-26, we remain focused on raising the bar for product excellence. Our goal is to ensure that products in our focus categories consistently outperform competitors in blind testing, and that we relentlessly iterate on formulations to surpass category benchmarks, driven by ongoing consumer insights and feedback.

Making Innovation More Purposeful and Strategic

Consumer-led innovation continues to be at the heart of our business. We stay closely attuned to the evolving preferences of millennials and Gen Z consumers, ensuring our products reflect their values, aspirations, and needs. With consumer listening as a foundational principle, we actively monitor emerging trends in the Beauty and Personal Care (BPC) space, enabling us to respond early and stay ahead of the curve. At the same time, we remain deeply committed to delivering superior products through science-led innovation and winning formulations that consistently elevate the consumer experience.

As our business has grown, innovation has remained a key strength—evident in the speed, relevance, and trend-responsiveness of our launches. While maintaining this agility, we have refined our innovation approach to strategically drive long-term brand growth and portfolio differentiation.

Looking ahead, our innovation strategy will focus on four key roles:



Enabling brands to enter or strengthen their presence in new partitions



Expanding into adjacent or entirely new categories



Facilitating premiumisation journeys



Driving continuous improvement in our core categories and high-conviction products

This approach ensures that our innovation engine is not only fast and responsive, but also strategically aligned and future-focused.

¹Seasoned FMCG distributors working with at least one large company (₹ 1,000 Cr+ turnover), and proficient in process-led sales and outlet penetration

²Distributor Management System - Software environment which distributor uses to run his entire operations, like primary sales, inwards of goods received, inventory management, retailer creation and database management, secondary billing, schemes and claims, taxation, etc.

³Sales Force Automation - App that on-ground sales-team and feet-on-street use for beat-management, retailer management, order-collection and selling better at outlets

Redefining our Marketing Playbook for a Changing Media Landscape

As the media landscape continued to evolve, it became essential to revisit and refine our media playbooks. We re-evaluated our media mix modelling (MMM) to reassess ROI across channels. With audiences increasingly fragmented across platforms, content formats, and cohorts, we developed data-driven strategies tailored to each—ensuring the right message reached the right audience through their preferred medium. Additionally, shifting consumer content preferences prompted us to align our content creation with emerging formats and platform algorithms for greater relevance and impact.

- **Optimising Media Mix Models (MMM):** We are refining our MMM frameworks to better measure ROI and guide smarter channel-level investment decisions.
- **Precision Marketing, Across Platforms:** In response to increasing digital fragmentation, we are tailoring messaging by audience cohort, platform, and funnel stage using data-driven insights.
- **Refined Content for Higher Engagement:** Our content engines are shifting toward platform-first thinking and vernacular storytelling showing relevant content to consumers through nano-cohorts.
- **Influencer Strategy for Credible Impact:** We are recalibrating our influencer approach to focus on authenticity and resonance, especially during product launches, to drive deeper consumer trust and engagement.



Accelerating Growth of Younger Brands with 'House of Brands' Approach

We continue to target the focus categories with a House of Brands approach with each brand having a sharp positioning. Each of our younger brands, The Derma Co, Aqualogica, Dr. Sheth's, BBlunt and Staze has a distinct proposition ensuring maximising consumer wallet share. We focus on category-level growth by strategically investing in brands aligned with consumer trends, ensuring each brand remains sharply positioned in its niche. For example, in sunscreen category, while The Derma Co. comes with an actives-led proposition, Aqualogica focuses on lightweight, gel texture and Dr. Sheth's combines potent actives with botanicals for balanced skincare ensuring that we cater to different skin types and needs of Indian consumers.

30%+

YoY Growth of Younger Brands in FY 24-25

Scaling on the Channels of Future: Seizing the Quick Commerce Edge

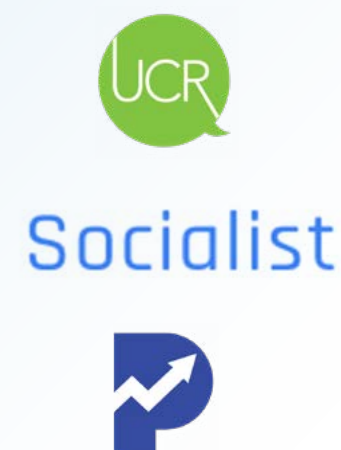
Honasa's early investment in emerging platforms like Quick Commerce has become a powerful growth lever. By identifying this shift early, we expanded brand reach and increased consumer trials, particularly for BBlunt and The Derma Co. This agility aligns with evolving consumer preferences for instant access to personal care products. Strategic activations, including targeted sampling via rapid delivery, have enhanced product discovery and improved conversion rates. As the Quick Commerce channel continues to evolve, our first-mover advantage continues to deliver strong momentum.

5%

Contribution of Quick Commerce to Total Products Revenue in FY 24-25 Vs 2% in FY 23-24

Leveraging Technology to Drive Efficiency

In FY 24-25, we deepened technology integration across operations, placing AI at the core of how we innovate, engage, and operate. Through agentic AI workflows, generative AI, and large language models (LLMs), we enhanced product conceptualisation, consumer communication design, message effectiveness evaluation, channel optimisation, purchase journey support, and consumer feedback analysis. This end-to-end AI adoption has enabled more personalised, automated, and timely engagement across touchpoints. Concurrently, we deployed AI-driven tools to automate demand forecasting, enhance planning accuracy, and strengthen fulfilment, enabling faster, more agile and reliable delivery.



User Collab & Research

Socialist

Prophet

Agentic AI Workflows Drive Speed and Precision

We are embedding Agentic AI across core business functions to elevate decision-making and operational efficiency. Our proprietary social listening platform, Prophet, captures real-time consumer sentiment and surfaces emerging trends. Tools like Skin Analyser and Purchase Assistant are enhancing the consumer journey with tailored, data-driven recommendations. In customer service, multilingual AI calling solutions and automated call audits are improving engagement and ensuring service consistency. These AI-driven workflows enable us to scale smartly while remaining closely aligned with evolving consumer needs.



Execution Drives Growth

Transformation in Motion

In FY 24–25, Honasa prioritised decisive action and strategic clarity. We navigated the market by leaning into our strengths: category focus, brand equity, product superiority, and channel agility, while embracing change with a bold, forward-looking mindset. From internal transformation to external impact, every move was guided by data, driven by innovation, and grounded in consumer trust.

As we continue evolving into a more agile, insight-led organisation, these defining moments of the year reflect our commitment to long-term value creation and sustainable brand-led growth.

Focus Category Execution

Our focused approach on select focus categories allows us to channel investments and R&D more effectively. Within our seven focus categories—Face Cleansers, Shampoos, Moisturisers, Sunscreens, Serums, Lipsticks, and Baby Care—we will adopt a strategic approach to ensure distinct non-overlapping propositions.

Face Cleansers

Winning Online, Gaining Share Offline

Face cleanser as a category, driven by increasing adoption, has reached ₹9,000–11,000 Crores and is expected to grow at a CAGR of 6–8% between 2025 and 2028 as per industry estimates based on GMV. The category also experienced premiumisation, as evidenced by masstige brands gaining share in offline channels, while mass and mass++ segments saw a decline (as per internal analysis of market-data). Honasa leads this space through its diverse brand portfolio, including Mamaearth, The Derma Co., Aqualogica, and Dr. Sheth's. Playing in selected Oil Control + Acne and Glow partitions, that are clearly defined with no overlap of proposition, we, as a house of brands, hold a market share in mid-teens in online as per internal estimates and ~5% in offline in Urban GT+MT as per Nielsen. The Rice Face Wash emerged as a standout success, becoming one of the year's most impactful product stories. The Derma Co.'s Sali-Cinamide Face Wash also gained strong traction, particularly among acne-prone consumers. Additionally, the relaunch of our Ubtan campaign successfully repositioned the range as the go-to solution for a natural glow, receiving overwhelming consumer appreciation.



Shampoos

Unlocking Share in Hero Formats and Treatments

The shampoo category, valued at ₹8,000–10,000 Crores, is expected to grow at a CAGR of 4–6%, as per industry estimates based on GMV, with Honasa actively participating through its brands Mamaearth and BBLUNT. As a house of brands, we hold an online market share of 4–6% (as per our internal estimates) and approximately 2% offline (in Urban GT+MT as per Nielsen). Mamaearth made significant progress with the launch of its Rosemary Shampoo, a carefully formulated product focused on scalp health and nourishment. BBLUNT reinforced its haircare leadership by introducing new shampoos in the Intense Moisture and Hairfall Control ranges, designed to address evolving consumer needs. These flagship products quickly gained popularity, especially in the quick commerce segment. The Intense Moisture range campaign, highlighting its deep moisturising, nourishing, and shine-enhancing benefits for hair, received strong consumer appreciation. Going forward, we will adopt a more strategic, chessboard-style approach to the shampoo category—operating within clearly defined, payoff-based partitions, that is, Anti-dandruff, Hairfall and Damage Repair, ensuring no overlap in product propositions.



Sunscreens

Designed Formulated for Indian Weather

Sunscreen is a ₹3,000–3,200 Crores category in India and is projected to grow at a CAGR of 15%+ between 2025 and 2028 as per industry estimates based on GMV. While India is still underpenetrated, with sun care contributing to only ~6% (as per our internal estimates), the education on sun care is driving consumer interest as indicated by increased Google Searches trend. Sunscreen remained a key category across our brand portfolio, where we hold a strong online market share of over 20%. Our brands — Mamaearth, The Derma Co., Aqualogica, and Dr. Sheth's — focused on developing formulations tailored to Indian skin types and climate. Gel-based textures, especially suited for humid conditions, along with innovative formats like sunscreen sticks, clearly resonated with consumers. Notable successes included The Derma Co.'s 1% Hyaluronic Sunscreen Aqua Gel and Mamaearth's Vitamin C Daily Glow Sunscreen. We also saw growing interest in skin-type-specific sunscreens. By communicating the lightweight nature of the sunscreen, ideal for India's tropical climate, Aqualogica's glow+ Dewy Sunscreen campaign significantly enhanced brand visibility and contributed to increased momentum across both the brand and the broader sunscreen category.



Moisturisers

Launching Multiple Offerings across Brands With Varied Propositions

Honasa expanded its presence in the ₹4,000–₹4,500 Crores moisturiser category, which is expected to grow at a CAGR of over 15% between 2025 and 2028 (based on industry GMV estimates), driven by a shift from legacy cream formats to light textured moisturisers. With strong momentum from our key brands—Mamaearth, The Derma Co., Aqualogica, and Dr. Sheth's—our online category share, though currently <5% (as per internal estimates), indicate a strong headroom to grow; while we are building presence in offline presence through Mamaearth. Dr. Sheth's Ceramide & Vitamin C Oil-Free Moisturiser, offering deep hydration and barrier repair, resonated strongly with consumers. The Derma Co.'s 1% Salicylic Acid Oil-Free Moisturiser offered lightweight hydration with acne-fighting benefits, broadening its consumer appeal. Aqualogica's glow+ Hydra Gel Moisturiser gained strong traction through innovative packaging and high recall. Mamaearth's Beetroot Hydraful Light Gel Moisturiser stood out for its long-lasting, non-sticky hydration — ideal for Indian climatic conditions — while the Beetroot Hydraful Light Moisturising Cream delivered 24-hour hydration.



Serums

Performance-first Skincare

Face serums in India are experiencing robust growth, fuelled by rising consumer awareness and increasing category penetration. Valued at ₹2,700–2,900 Crores in India, the face serum market is projected to grow at a CAGR exceeding 20% between 2025 and 2028 (based on industry GMV estimates). This surge in demand is reflected in a 47% CAGR increase in Google searches for the category—driven by greater consumer understanding of ingredient efficacy and a growing preference for active, problem-solving skincare solutions. This momentum has positioned serums as a strategic pillar for Honasa. Spearheaded by The Derma Co. and Dr. Sheth's, our portfolio emphasises performance-first formulations that deliver visible results. The Derma Co. continues to gain consumer trust through focused campaigns and high-efficacy offerings such as the 2% Salicylic Acid Serum for pigmentation and the 5% Niacinamide Daily Face Serum for glow and even skin tone. Its 10% Vitamin C Serum campaign, cantered on a deep-penetration formula, resonated strongly with consumers seeking radiant, healthy skin. Meanwhile, Dr. Sheth's has further strengthened its premium positioning with active-rich solutions that promote long-term skin health.

Searches: + Google Adwords for Serums
(For 2024: Actual data for YTD Sep 2024;
Oct – Dec extrapolated).



Baby Care

Sustaining Trust and Expanding Reach

Baby care, a ₹1,200–1,500 Crores category (covering creams, lotions, and other liquid-based products) expected to grow over 7% (based on industry GMV estimates), remains a key focus area for Honasa through Mamaearth. The baby care range continued to build strong consumer trust throughout the year. Mamaearth's Milky Soft Head to Toe Wash emerged as a bestseller, solidifying the brand's leadership in the online baby care space. The 'Hai Proof Tabhi Mama Approved' campaign endorsed by Shilpa Shetty further reinforced the brand's core values of trust and safety among customers.



Lipsticks

Lipstick is a ₹3,000–3,200 Crores category in India, projected to grow at a CAGR of over 10% from 2025 to 2028 (based on industry GMV estimates). Led by Staze and Mamaearth within Honasa, we are just getting started and currently hold <1% market share online while steadily expanding offline. Mamaearth's Moisture Matte Longstay Lipsticks, designed to deliver up to 12 hours of intense, smudge-free colour while nourishing lips with natural ingredients like Avocado Oil and Vitamin E, have been top sellers. Similarly, Staze's Gloss Lock 2-in-1 Liquid Lipstick stands out for its featherlight and non-sticky finish and transfer-proof formula.





Executing Presence across Consumer Touchpoints

Our integrated distribution network allows us to engage with consumers across every critical touchpoint in their shopping journey. By staying closely attuned to evolving consumer behaviour and market shifts, we have strategically expanded our presence across a diverse mix of channels—including E-commerce platforms and fast-growing quick-commerce, as well as offline formats like General Trade and Modern Trade. This well-timed channel expansion ensures we are available where consumers choose to shop, enhancing reach, improving convenience and driving sustained business growth.

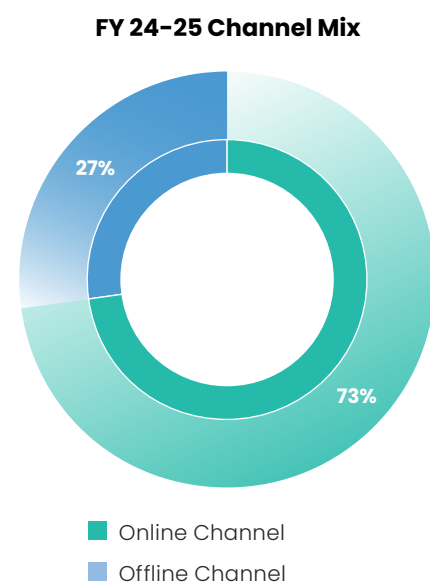
Scaling Brands through Omni-Channel Execution

As a digital-first, omni-channel focused organisation, we recognise the strategic importance of each distribution channel in our growth journey. Our brands typically follow a structured scale-up model—gaining initial traction and reaching key revenue milestones through online platforms before expanding into offline channels as they mature. This approach has been successfully demonstrated by our flagship brand,

Mamaearth, which has set a strong precedent. The insights and learnings from its journey now serve as a proven playbook, guiding the efficient scaling of our newer brands across channels.

Through this omni-channel strategy, Mamaearth has increased value market share in offline channel in key categories – 4.7%¹ (98 basis points Value Market Share YoY improvement for MAT⁴ Mar'25) in face cleansers and 1.8%¹ (22 basis points Value Market

Share YoY improvement for MAT⁴ Mar'25) in shampoos. The Derma Co. continued to lead across top online platforms while building strong offline traction and deepening consumer affinity. These efforts contributed to the brand achieving ₹500 Crores in revenue in FY 24-25 and reaching an ₹100 Crores ARR³ in the offline channel. Other younger brands continue to scale online.



2,36,825

FMCG Retail Outlets Reached across India for Mamaearth²

26% YoY Growth

140+

Exclusive Brand Outlets (EBOs)

10,000+

Stores across 30+ Modern Trade Chains

97.6%

Pincode Coverage in FY 24-25

733

Number of Districts Served out of 750 in FY 24-25

¹Source: NielsenIQ (All Indian Urban)

²Source: NielsenIQ, Number of FMCG retail outlets with Mamaearth's presence (All Indian Urban + Rural)

³Annual Recurring Revenue, derived by taking revenue of a period (less than a year, but not less than a month), and then extrapolating the revenue to the year

⁴MAT – Moving Annual Total

Making Offline Distribution Future-ready

As we continue to evolve and sharpen our strategic focus, Project Neev has emerged as a pivotal initiative to strengthen our distribution network. In FY 24-25, it became a key part of our broader efforts to streamline general trade distribution. This initiative focuses on building a future-ready distribution system by transitioning to a direct distributor-led model in the top 100 cities, while continuing to serve smaller towns through super-stockists.

Read More on page 20

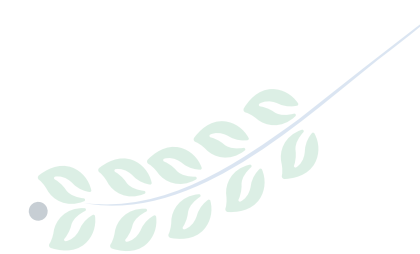
This transition has improved inventory optimisation, leading to efficient cash flow management, enabled the rollout of tech-enabled platforms such as Distributor Management System (DMS) and Sales Force Automation (SFA), and strengthened our direct relationships with retailers and consumers.



⁵Source: DMS

⁶General trade primary sales salience for direct distributors and super-stockists

⁷Seasoned FMCG distributors working with at least one large company (₹1,000 Cr+ turnover), and proficient in process-led sales and outlet penetration



100%

Appointment of Tier-1⁷ Distributors across the Top-100 Cities

100%

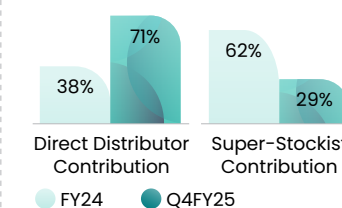
Capture of Secondary Sales through DMS⁵, ensuring:

- Full visibility into distributor inventory
- Seamless and leakage-free scheme and claim processing

1 Lakh+

Direct Outlets Billed through Distributors in FY 24-25, Expanding Retail Reach⁵

Rising Share of Direct Distribution⁶ in Overall General Trade Contribution



Inventory Days on Hand Reduced to Less than Half of Pre-Neev Levels

350+

Sales People Now Actively Booking Orders Daily via SFA



Driving Product Superiority

Unlocking Product Superiority as the Next Moat for Long-term Win

Product superiority emerged as a key competitive moat, positioning us for sustained long-term success. Our focus category products consistently outperformed in blind tests, and continuous iteration to surpass industry leaders ensured that our product superiority is unmissable. We also enhanced our R&D capabilities through strategic hiring, collaborative partnerships and targeted acquisitions.

Case Study

High-performance Serums – Technology-backed Formulations Now In-house

We reformulated our face serum using a deep-penetration formula enhanced by penetration boosters and nano-actives. This allows for more targeted and effective delivery of active ingredients. Blind testing confirmed superior skin absorption compared to standard formulations, reaffirming our commitment to science-led, evidence-backed skincare solutions.

Face Serum Reformulation with Deep Penetration Formula

Penetration Enhancers



Nano Actives

Targeted and Enhanced Delivery of Active Ingredients



Blind Testing Scores against Global Market Leaders¹

¹Conducted by Centre for Cruelty – Free Testing (CCFT)



Case Study

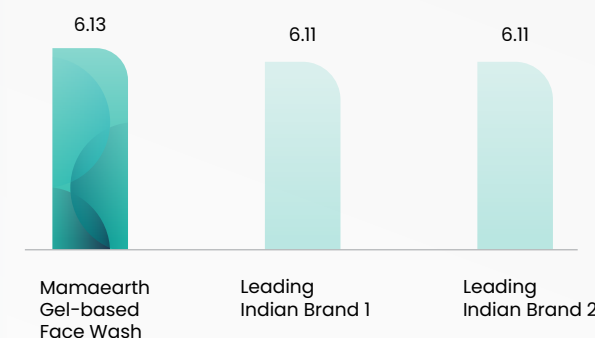
Gel-based Face Cleanser – Raising the Bar in Cleansing Performance

In a blind consumer test benchmarked against the category leader, our gel-based face cleanser emerged as the superior formulation. It performed strongly across key parameters, including moisturisation, cleansing efficacy, and skin smoothness, earning preference among both female and male users aged 18–40.

Beyond functional performance, the face wash scored high on overall likeability and purchase intent, highlighting strong consumer preference. From the initial sensory feel to post-application experience, the product journey was consistently rated as positive and satisfying. This outcome sets a new benchmark for skincare innovation at Honasa.

Superior Formulation of the Mamaearth Gel Face Cleanser Chassis against Leading Competition

Blind Testing Scores against Market Leaders²



Case Study

New Shampoo Chassis – A Category-leading Chassis Redefined

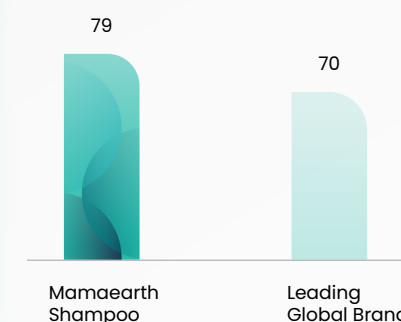
Our newly formulated Shampoo* chassis emerged as the clear winner in a blind test against a leading category brand. Developed with a strong focus on sensorial appeal and functional efficacy, it outperformed the benchmark across key drivers such as frizz reduction, lather, smoothness and hair silkiness.

The formulation resonated well across a broad consumer base – female and male participants aged 22–45 – demonstrating superiority in performance, overall likeability, and purchase intent.

From first use to post-wash hair feel, the product consistently delivered a satisfying experience, making it one of the most validated and promising innovations in our hair care portfolio.

Blind Testing Scores against Global Market Leaders²

Overall Experience



*Basic Mamaearth Onion Shampoo. Same chassis replicated across Mamaearth shampoos

²Conducted by Twintify Consumer Research

Seamless Innovation Engine to Aid Focus Category Growth

In FY 24–25, we strengthened our innovation engine by using data-led insights across our brand portfolio. Our proprietary AI and machine learning tools enabled us to better understand individual consumer needs and build solutions in skincare and personal care.

Key Innovations for the Year

mamaearth®

THE derma co
DESIGNED BY DERMATOLOGISTS

+DR. SHETH'S

Aqualogica®

BBLUNT



Beetroot
Hydraful Light
Moisturising Cream



1% Hyaluronic Long
Lasting Sunscreen



Kesar & Kojic
Acid Serum



illuminate+
hydra gel moisturiser



Hair Fall Range



Rice Face Wash – Raising the Bar in Cleansing Performance

The Rice Face Wash emerged as one of the year's standout success stories, delivering strong revenue growth and high consumer adoption. It led to overall likeability and purchase intent, signalling a clear consumer preference for the formulation.

From the initial sensory experience to post-application results, users consistently rated the product as positive and satisfying. This strong feedback set a new benchmark for skincare innovation at Honasa.



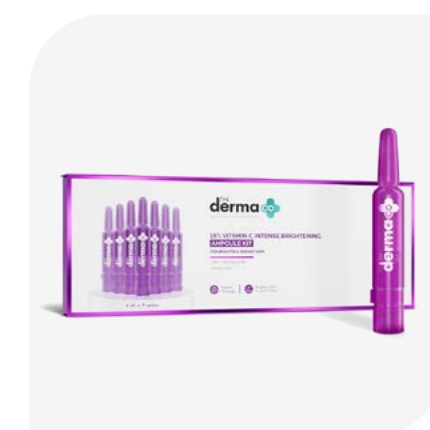
Bringing First-to-India Innovation at Prestige Pricing

This year marked Honasa's entry into the prestige pricing segment, led by high-efficacy products featuring advanced actives.

The Derma Co. launched performance-driven innovative products, such as:



- **Vitamin C Microneedle Serum Shot:** 5x higher penetration boosts the penetration and efficacy of active ingredients

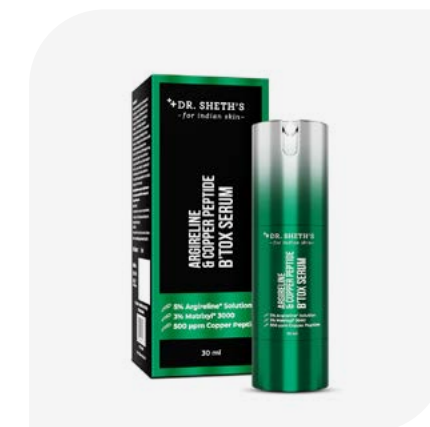


- **Vitamin C Intense Brightening Ampoule Kit:** Most potent form of Vitamin C sealed in small vials for maximum efficacy and stability

Dr. Sheth's advanced its premium portfolio with next-generation actives like PDRN and Copper Peptides, supporting its repositioning towards long-term skin health with a balance of potent actives and naturals.



- **Bakuchiol & Pdrn Ampoule Serum:** One stop solution for youthful, firm and plump skin



- **Argireline & Copper Peptide B'Tox Serum:** Advanced needle-free anti-ageing solution

Future-ready Marketing Strategies. Crafted for Now.

FY 24-25 marked a pivotal year in which we redefined our marketing playbooks in response to a rapidly evolving media landscape and shifting consumer preferences. With increasing audience fragmentation and changing content consumption habits, it became imperative to rethink our approach. Looking ahead, we are adopting a more agile and data-driven marketing strategy—anchored in continuous consumer engagement across formats, sharper audience targeting, advanced Media Mix Modelling, and a focused push toward vernacular and performance-driven content. This refreshed strategy is designed to drive brand awareness, advocacy, and conversion, ensuring we enhance our relevance and impact in an increasingly dynamic and diverse market.

36.0%

Consolidated Advertising and Promotion Spend across Brands in FY 24-25

Our marketing strategy focused on long-term impact by building brands that deeply connect with evolving Indian consumers. We aligned each brand with consumer aspirations and used data-led, contextually relevant marketing to engage them at every stage of their journey. This approach enabled us to drive meaningful connections and sustained brand engagement.

Each of our brands communicates through a distinct identity. Mamaearth reflects the philosophy that 'Goodness makes you beautiful'. The Derma Co. emphasises expert-led, science-based communication. Aqualogica, with its proposition of super-light texture, engages well with younger consumers via vibrant, youthful messaging. Dr. Sheth's combines potent actives with botanicals for balanced skincare, while BBLUNT offers salon-grade haircare at home.



Data-driven Marketing for Precision Targeting

As a digital-native brand, we have maintained consistent consumer engagement across platforms and content formats. Our data-led strategy enabled us to refine nano-marketing funnels continuously and deliver highly personalised experiences throughout the consumer journey—from awareness to conversion. FY 24-25 provided valuable insights, helping us strengthen our media mix modelling to better align with evolving consumer preferences. We also placed greater emphasis on awareness-led brand building. These initiatives led to increased household penetration¹ in our face wash and shampoo categories, reaching 4.3% (181 basis

points increase in last 2 years) and 2.1% (73 basis points increase in last 2 years) respectively, as of MAT² October 2024. Also, in the face cleanser category, Mamaearth is perceived as the #1 brand Online and #3 Offline in terms of Brand Power/Equity as per Kantar Brand Health Track.

Going forward, we will continue to leverage data to accurately identify and target the right households, improving media efficiency across diverse geographies and demographic segments. This data-driven approach will enable precise measurement of media impact, optimising campaign effectiveness and ROI.

¹As indicated by Kantar Household Moving Annual Total % penetration as on Oct'24 for last 12 months compared to Kantar Household Moving Annual Total % penetration as on Oct'22
²MAT refers to Moving Annual Total



Transforming Content to Drive Relevance and Results

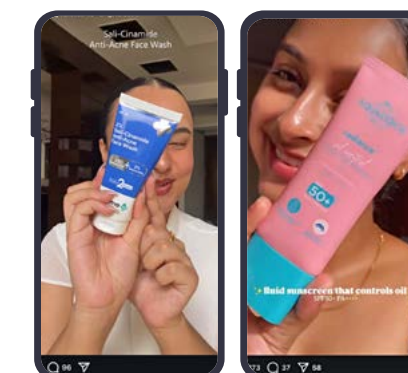
At Honasa, we are actively reshaping our content strategy to reflect current shifts in audience behaviour, platform dynamics, and AI-led targeting. Our teams are focused on delivering relevant, platform-specific content that drives discovery, engagement, and conversion across the funnel. To enable this, we are:

- Producing modular content in formats where engagement is highest
- Rolling out vernacular content to deepen cultural relevance and win in regional markets
- Using platform algorithms and data-backed insights to customise messaging by audience cohort, lifecycle stage, and funnel depth

This focused execution is helping us build stronger connections with consumers and improve marketing effectiveness across channels.

Strengthening Brand Impact through Credible Influencer Partnerships

Credible influencers endorsing our brands and products boost the awareness for our brands. This leads to consumers valuing authenticity and credibility, especially for our new product launches. Hence, influencers who can drive authentic, deeper topic-led engagement across platforms will be valued by brands as well as consumers, rather than just reach.



In-house Content Generation

Across platforms, our internal tools and creative teams craft platform-specific content that captures audience attention and drives engagement. Through our Content and Creative Excellence (CCE) team, we ensure our messaging is both relevant and resonant, deepening consumer connections and reinforcing brand recall.

~2,500

Unique Collaborations with Influencers in FY 24-25



Younger Brands Shine: Momentum across the Portfolio

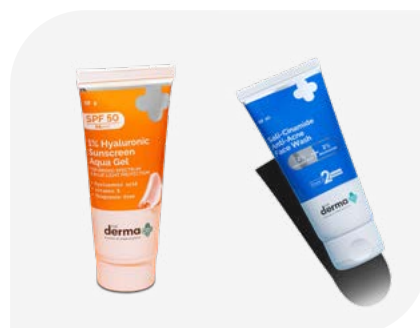
Younger brands, spearheaded by The Derma Co., continued their strong growth momentum with a 30%+ YoY growth in FY 24-25, building a multi-category portfolio through focused innovation and scaling presence on traditional and new-age channels.

30%+

YoY Growth among Younger Brands in FY 24-25

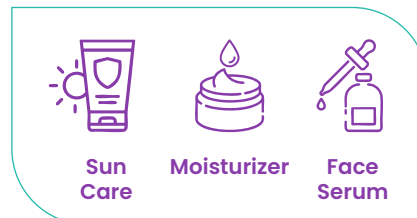
- **The Derma Co.** emerged as our second-largest brand, surpassing ₹500 Crores in revenue in FY 24-25 while operating profitably. It continued to lead across top e-commerce marketplaces and gained strong offline traction, reaching an ₹100 Crores ARR in the offline channel.

THE **derma**co
DESIGNED BY DERMATOLOGISTS



- **Aqualogica and Dr. Sheth** are building multi-category portfolio targeting moisturisers, serums and mists along with sunscreens.

DR. SHETH'S



Aqualogica®



- **BBLUNT** strengthened its shampoo and conditioner portfolio, with the Intense Moisture, Anti-hair Fall ranges and hair styling portfolio with Hot Shot Hold Spray gaining traction on online marketplaces, particularly in the quick-commerce channel.

BBLUNT



- **Staze** continues to build a Gen-Z-focused colour cosmetics brand.

STAZE



Accelerating Growth through Channels of Future - Unlocking the Power of Quick Commerce

We strategically scaled our presence on quick commerce platforms by leveraging platform-relevant product launches that aligned with evolving consumer needs, while simultaneously aiding in the premiumisation of some categories on these platforms. Through geography-specific interventions, we were effectively able to capture market share in targeted regions, ensuring relevance and competitiveness. By capitalising on an early mover advantage in newly launched cities of the platforms, we were able to build strong visibility and consumer preference ahead of the curve.

Furthermore, our effort was towards winning across platforms by intelligently tapping into geography-specific demand spikes based on cultural nuances of the geography, ensuring supply and marketing efforts are tailored to regional trends. Our portfolio of brands also comprises of categories inherently suited to the quick commerce model, thus, reinforcing our ability to drive consistent growth and maintain leadership in this high-velocity channel.

Leveraging Technology across Functions for Smarter Solutions

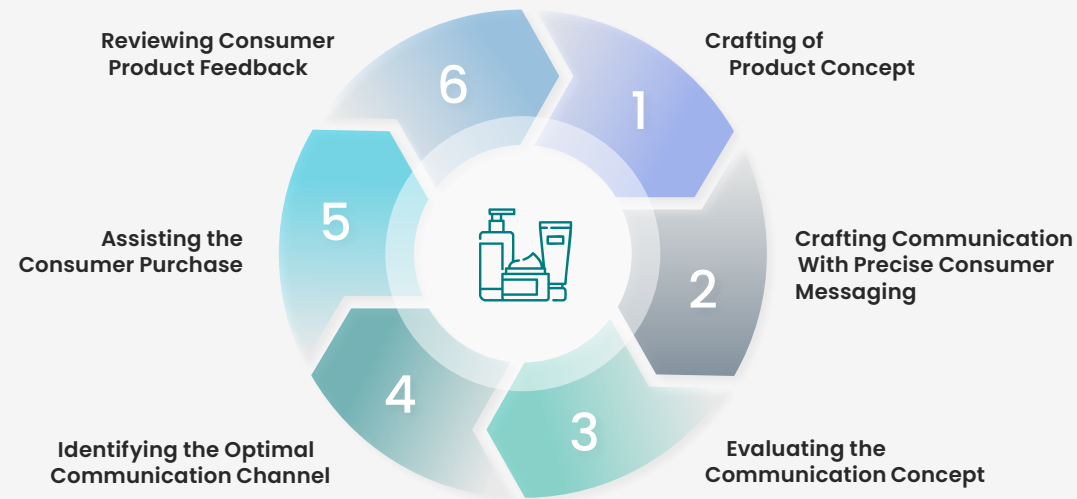
Technology is seamlessly integrated across functions at Honasa—from product innovation and R&D to marketing, supply chain, and consumer experience. It has enabled data-driven decision-making, enhanced operational efficiency, personalised consumer journeys, and ensured agility in responding to evolving trends and consumer needs.

FY 24-25 saw us leveraging agentic AI workflows to stay ahead of the curve by applying generative AI and Large Language Models (LLMs) to elevate customer interaction and brand engagement. We used these technologies across the product lifecycle, including crafting of product concept, communicating with precise consumer messaging, evaluating the communication concept, identifying the optimal communication channel, assisting the consumer purchase and reviewing consumer product feedback. This enabled us to

personalise experiences, automate responses, and deliver timely, relevant communication across touchpoints. By embedding AI across our operations, we strengthen agility, improve efficiency and deepen consumer connections.



Agentic AI across the Product Lifecycle



1. Creating Product Concept

Our proprietary tools enable us to track consumer trends and uncover emerging beauty and personal care (BPC) sub-categories, key ingredients, product propositions, and price points. This insight supports strategic decision-making and helps us stay ahead in a dynamic market by identifying growth opportunities and aligning with evolving consumer preferences.

2. Crafting Communication with Precise Consumer Messaging

Our in-house tools play a key role in powering content creation by extracting actionable insights from social media trends. They enable us to identify emerging content themes, formats, and consumer hooks in real-time. This helps us craft highly relevant and engaging content that aligns with audience interests, ultimately improving content performance and driving stronger consumer connection.

3. Evaluating the Communication Concept

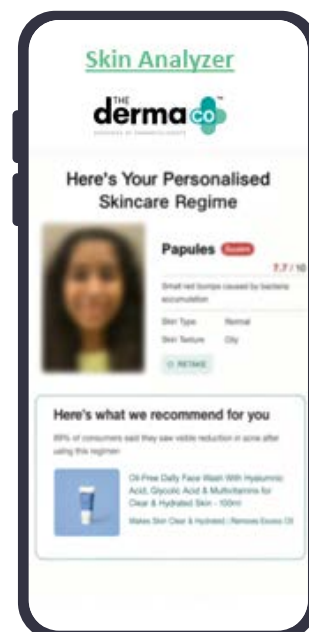
Tools like User Conversational Research allow direct consumer engagement to uncover the most effective product messaging, helping shape content strategy. Complementing this, our AI-powered content evaluation platform analyses content for accuracy, relevance, tone, and brand fit, enabling us to fine-tune and generate content that is both impactful and aligned with brand objectives.

4. Identifying the Optimal Communication Channel

We used media mix modelling to determine the most effective marketing budget allocation, monitor campaign performance post-implementation, and continuously refine both the model and our strategies based on insights. This data-driven approach enabled faster, smarter, and more dynamic marketing decisions, ultimately maximising impact and improving return on investment across channels.

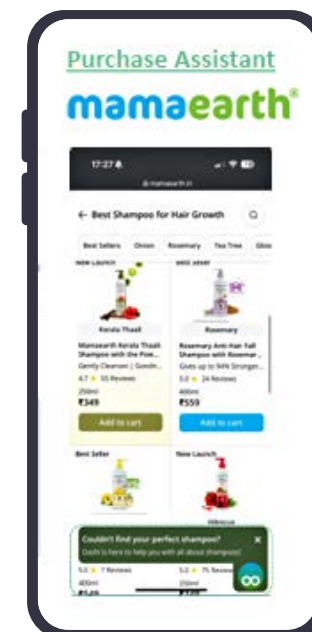
5. Assisting the Consumer Purchase

- **The Derma Co Skin Analyzer:** Analyses a consumer's skin to identify potential concerns such as acne, pigmentation, and dark spots, and suggests a personalised skincare regimen tailored to their specific needs.



6. Reviewing Consumer Product Feedback:

- **Mamaearth Purchase Assistant:** Helps consumers discover and shop for targeted products tailored to their specific skin concerns.



Using Technology in General Trade Distribution

Using Technology in General Trade Distribution

Honasa utilised technology tools like Distributor Management System and Salesforce Automation in its General Trade distribution, resulting in more efficient retail selling, improved sales team productivity, real-time tracking of secondary sales and distributor inventory, and optimised scheme execution, all contributing to enhanced operational effectiveness and better decision-making across the General Trade distribution network.

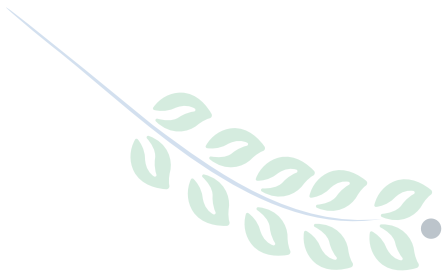
Using Technology in Supply Chain

Technology played a critical role in strengthening Honasa's supply chain. Pincode-level analytics guided strategic warehouse placement and capacity planning, while integrated ERP and Order Management Systems streamlined procurement, storage, and distribution. Advanced data science and machine learning models drove accurate demand forecasting, dynamic inventory management, and agile replenishment, enabling us to adapt quickly to shifting retail trends and consumer needs in a rapidly evolving market.



Key Performance Indicators

Monitoring Development.
Delivering Results.



Financial

Revenue from Operations
(₹ in million)



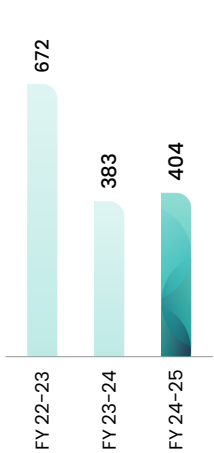
Revenue Share from Online Channels
(%)



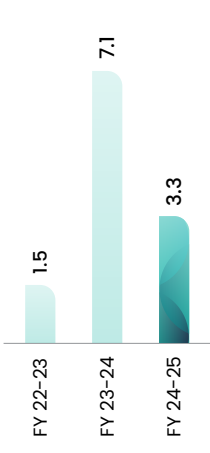
Revenue Share from Offline Channels
(%)



Revenue from Services
(₹ in million)

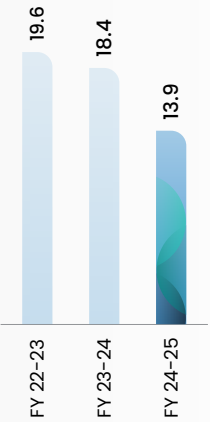


EBITDA Margin
(%)

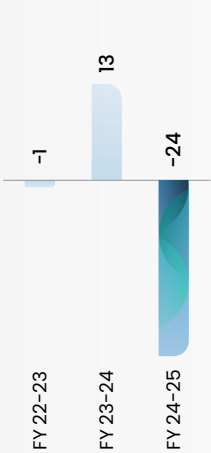


Operational

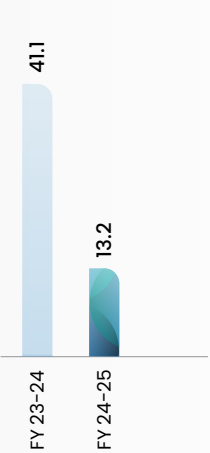
Contribution of Sales from New Products* (%)



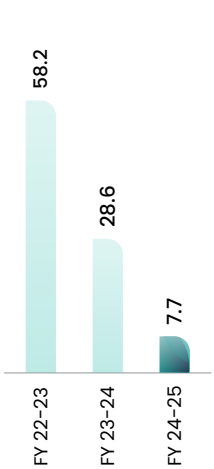
Working Capital Days of Sale
(Days)



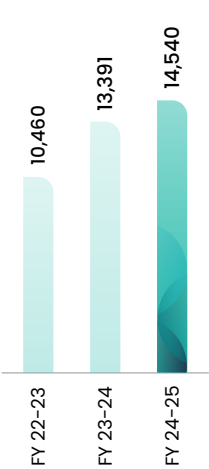
Underlying Volume Growth** (%)



Revenue Growth
(%)



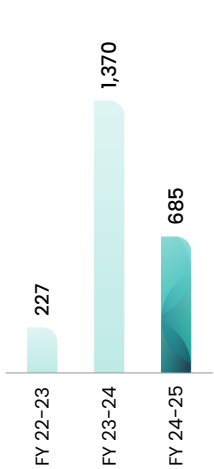
Gross Profit
(₹ in million)



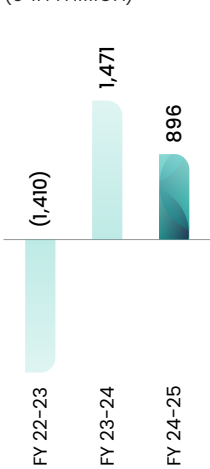
Gross Profit Margin
(%)



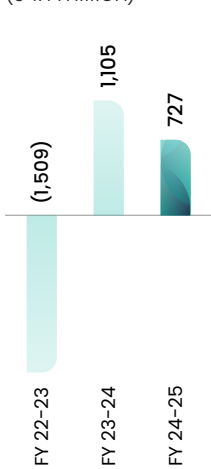
EBITDA
(₹ in million)



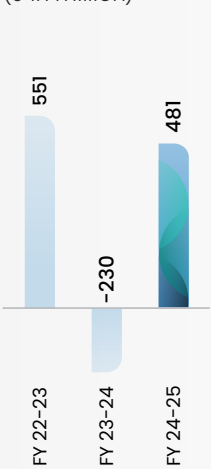
Restated Profit/(Loss) Before Tax
(₹ in million)



Restated Profit/(Loss) After Tax
(₹ in million)



Invested Capital in Business
(₹ in million)



*Contribution of sales from new products is calculated as % contribution of revenue from new products, excluding re-innovation or new pack size launches, to revenue from the products business.

** Underlying Volume Growth (UVG) is volume growth excluding the price impact for the period by computing the constant turnover on the base period realisation.

Environment

Beauty Rooted in Responsibility

The beauty industry has historically contributed to environmental degradation through wasteful packaging and unsustainable sourcing. At Honasa, we recognise this legacy and are committed to taking a different path: one built on responsibility, transparency and long-term impact. We have integrated sustainability across the product lifecycle, from using earth-friendly ingredients and recyclable packaging to implementing afforestation and plastic recycling initiatives.

₹36 cr

Estimated Annual Economic Value Potential

18,000 tonnes

Fruit Production Potential

5,100 acres

Land Greened

4,40,000 tonnes

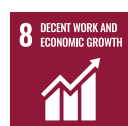
Carbon Sequestration Potential

7,30,000 tonnes

Oxygen Production Potential

Social Development Goals Covered

SDGs or Global Goals are 17 universal goals adopted by the UN in 2015 to address global challenges like climate change, poverty and inequality to achieve a more sustainable world by 2030.



Our Environmental Initiatives

Mamaearth – We Plant Goodness

Mamaearth, India's fastest-growing beauty and personal care brand, remains committed to toxin-free, cruelty-free products rooted in natural ingredients and traditional DIY wisdom. As part of our sustainability agenda, we partnered with the SankalpTaru Foundation under the 'Plant Goodness' initiative to drive afforestation and plastic recycling. These efforts support environmental restoration while strengthening farmer livelihoods and promoting long-term harmony with nature. Between 2020 and 2024, we implemented this initiative across Haryana, Uttar Pradesh, and Rajasthan, creating a meaningful and lasting impact for both communities and the environment.



Implementation Partner

Project Outcome

9,10,000+

Trees Planted till Date

Promoting Circular Economy

In partnership with GEM Enviro Management Limited, Mamaearth has advanced its commitment to a circular economy through a focused plastic neutrality initiative. Since 2018, this collaboration has enabled the recycling of over 11,900 tonnes of plastic, supporting our goal of achieving plastic neutrality. As India's fastest-growing toxin-free personal care brand, our sustainability efforts extend beyond product innovation to include responsible waste management. This partnership reflects our continued dedication to reducing environmental impact and building a cleaner, more sustainable future for communities and ecosystems alike.

11,912 MT

Plastic Recycled to Date

Mamaearth and Zepto's Green Partnership

In 2025, Mamaearth partnered with Zepto to combine sustainability with convenience. Under this initiative, a tree is planted for every Mamaearth product ordered through Zepto, aligning with our commitment to a greener future. This collaboration also leverages Zepto's rapid 10-minute delivery model to make eco-conscious choices more accessible. By enabling consumers to contribute directly to environmental well-being, we continue to reinforce our 'Goodness Inside' philosophy, demonstrating that small, mindful actions can drive meaningful impact.

23,000+

Trees Planted as part of this Partnership

Communities

Better Communities. Brighter Futures.

At Honasa, we believe true beauty is rooted in purpose. We strive to create meaningful change in the communities we serve by addressing critical social needs. Through focused initiatives, we aim to empower individuals and support underserved populations by improving access to education, clean water and skills development.

In partnership with trusted organisations, we implement programmes such as the 'Young Scientist Programme', 'Fresh Water for All', 'Shine Academy', and 'Healthy India, Healthy You'. These initiatives reflect our commitment to building resilience and fostering long-term, positive impact across communities in India.



Community Initiatives



Young Scientists Initiative

The Derma Co., in collaboration with Bhumi NGO, supports experiential learning for underprivileged children through practical science education. For every order placed on www.thedermaco.com, the brand sponsors a child's access to hands-on science lessons, encouraging curiosity through DIY experiments.

This initiative aims to make science engaging and accessible for students in government schools across urban, semi-urban, and rural areas. Implemented in cities like Bengaluru, Chennai, Delhi-NCR, Pune, Patna, etc. the programme fosters critical thinking and a deeper understanding of scientific concepts.



Implementation Partner

Project Outcome

30,000+

Children Enrolled



Aqualogica®

Fresh Water for All

Aqualogica's 'Fresh Water for All' initiative supports access to clean and safe drinking water in underserved communities across India. In partnership with Sehgal Foundation, the programme addresses water scarcity through groundwater mapping, water conservation, and the construction of new storage tanks.

For every order placed on Aqualogica's website, the brand begins the process of delivering clean water to those in need. Customers receive updates on how their purchase contributes to this cause, reinforcing the impact of their support. The programme is currently running in the states of Madhya Pradesh and Chhattisgarh.

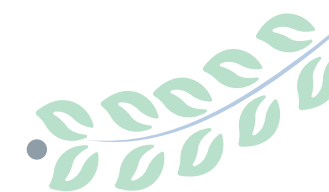


Implementation Partner

Project Outcome

900+

Households Provided with Potable Water



BBLUNT

Shine Academy

BBlunt's Shine Academy empowers women through vocational training in hair styling and salon services, promoting financial independence. The fully sponsored 'Foundation Course for Hair Styling' has trained and certified over 15,000 women across 11 states in India.

Implemented in partnership with the Sambhav Foundation, this initiative equips women from underserved communities with essential skills for employment in the beauty industry, helping them unlock new career opportunities and improve their livelihoods.



Implementation Partner

Project Outcome

15,000+

Women Certified



+DR. SHETH'S

Healthy India, Healthy You

Dr. Sheth's, in collaboration with Doctors for You (DFY), launched the 'Healthy India Initiative' to improve healthcare access in rural India. As part of this effort, the brand introduced the Healthmobile on Wheels programme, delivering essential medical services to remote communities.

Currently operational in Bihar's Masadi district, the mobile vans, staffed by doctors, nurses, and support personnel, provide consultations, diagnoses, and medications. Every purchase made on Dr. Sheth's website supports this initiative, enabling better healthcare access for underserved populations.



Implementation Partner

Project Outcome

32,000+

Health Check-ups Completed

Our People

Nurturing Talent. Fostering Excellence.

Our people are at the heart of our progress. We are committed to building a workplace where every individual can grow, thrive, and contribute with purpose. By fostering diversity, inclusion, and continuous learning, we nurture a culture of collaboration and innovation. Prioritising employee well-being and development strengthens both personal growth and our collective success.

Evolving with Purpose: Redefining Our Values

As Honasa continues to scale, we recognise that our culture must evolve alongside our growth. This year, we revisited and redefined our core values to ensure they reflect not only how we work today but also where we are headed. In keeping with our people-first approach, this process was shaped by voices from across the organisation—not as a top-down initiative, but as a collaborative journey.

We took a thoughtful look at our purpose, the impact we aim to create for consumers, communities, and the world. We revisited the principles that guide our thinking, the core behaviours we display daily, and the code that helps embed these values in everything we do.

From this process emerged six refreshed values that now form the backbone of our culture:

- **Act Now:** Move quickly, make informed decisions, and learn as you go.
- **Do More with Less:** Drive efficiency through creativity and resourcefulness.
- **Own It:** Take initiative, stay accountable, and lead outcomes.
- **Obsess over Consumer:** Place the consumer at the centre of every decision.
- **Push Boundaries:** Question the norm and pursue transformative ideas.
- **Think We Before Me:** Collaborate openly and celebrate shared success.

These values serve as everyday commitments that help us stay agile, consumer-focused and united in purpose, ensuring that as we grow, our culture grows with us.

Talent Strategy and Workforce Overview

At Honasa, we believe great people build great companies. Our talent strategy reflects this belief by fostering an agile, entrepreneurial, and values-led workforce. During the year, we strengthened our hiring approach to attract high-potential talent aligned with our culture of ownership and impact.

We focused on diversifying our talent pool and building lean, efficient teams where each role adds clear value to the business. By prioritising quality over quantity, we empower our teams to lead, solve, and scale with agility in a fast-evolving FMCG environment.



Leadership and Succession

At Honasa, we take a proactive approach to identifying and nurturing future leaders, aligning their development with the evolving needs of our business. Through structured leadership programmes, succession planning, and exposure to strategic initiatives, we are building a strong internal pipeline of future-ready talent. We remain committed to fostering an environment where individuals lead beyond their roles, make bold decisions, and help shape Honasa's next phase of growth.

A Culture of Continuous Learning

This year, we strengthened our learning and development ecosystem through structured programmes, curated learning journeys, and real-time capability building. From emerging managers to senior leaders, we empowered every level of the organisation with differentiated, insight-led interventions.

Gallup StrengthsFinder

In partnership with Gallup, a leading global organisation in leadership development, we launched the Gallup StrengthsFinder initiative for our leadership team to foster self-awareness and enhance collective performance. Through personalised reports and guided debrief sessions, leaders identified their core strengths and growth areas. This initiative created a shared strengths-based language across teams, driving better collaboration, alignment, and leadership effectiveness.

IGNITE: Developing Future-ready Leaders

Our IGNITE programme focused on building a strong middle-level leadership talent pipeline through immersive, hands-on learning. Key components included:

- Mentorship from senior leaders
- Campus immersion at XLRI on first principles and decision-making
- Mamaearth case studies with business function heads
- A storytelling workshop integrating data, emotion, and logic

PMDP: Setting First-time Managers Up for Success

The People Manager Development Programme (PMDP) equipped first-time and new managers with the foundational skills to lead with confidence. The programme was structured around three key pillars:

- **Managing Self:** Emphasising a growth mindset, learning agility and emotional intelligence
- **Managing Others:** Training in effective communication, structured messaging, and empathy
- **Managing Business:** Building business acumen, decision-making capability and problem-solving frameworks



Celebrating Excellence

Recognising and celebrating achievements remains integral to sustaining our high-performance culture. We reward contributions that drive business outcomes and reflect Honasa's core values through structured recognition programmes.

Key Awards

- Honasa Heroes Awards
- Avengers Awards (for high-performing teams)
- Goodness O'clock
- Ring the Bell
- Journey Awards
- Value Champions
- Learning Champions

Governance

Built on Trust. Guided by Principles.

Our commitment to excellence extends beyond our products to our governance practices. We believe strong governance is essential for long-term growth and stakeholder confidence. Our approach is anchored in a balanced and experienced Board, rigorous audit processes, advanced digital systems and a continued emphasis on diversity and inclusion.



Board Composition

Our Board comprises six members, ensuring a blend of executive leadership and independent oversight. Notably, 50% of our Board members are independent. This composition reinforces unbiased decision-making and aligns with shareholders' interests. The independent members bring decades of experience in FMCG and e-commerce, providing invaluable guidance to our strategic initiatives.

Audit and Compliance

We uphold stringent audit practices by engaging one of the Big Four firms for statutory audits and collaborating with top-tier internal auditors. This collaboration ensures adherence to compliance, accountability, and transparency standards. Our internal audit processes are regularly reviewed by the Audit Committee, which meets quarterly during the fiscal year to oversee financial reporting and internal controls.

Digital Integration and Risk Management

Embracing digitalisation, we have integrated advanced technologies to enhance decision-making and operational efficiency. Our risk management framework is robust, with a dedicated Risk Management Committee overseeing the identification, assessment, and mitigation of potential risks. This proactive approach ensures that we navigate challenges effectively while capitalising on growth opportunities.

Diversity and Employee Engagement

We are proud of our diverse workforce, with women comprising 45% of our employees (including off-role employees) as of December 2024. This diversity helps build a culture of innovation and collaboration.



Board of Directors – Leadership Team

Steered by Vision. Driven by Value.

At Honasa, we define leadership through clarity, capability, and a consistent drive to build. Our Board combines entrepreneurial insight with deep professional expertise, guiding us towards sustainable, long-term value creation.

Board of Directors



Varun Alagh
Whole-time Director, Co-founder,
Chairman, and Chief Executive Officer

Previous Work Experience
Hindustan Unilever, Diageo,
Coca-Cola Company



Ghazal Alagh
Whole-time Director, Co-founder,
and Chief Innovation Officer

Previous Work Experience
NIIT



Ishaan Mittal
Non-Executive
Nominee Director

Previous Work Experience
BCG, Peak XV Partners



Vivek Gambhir
Independent Director

Previous Work Experience
Bain & Company, Godrej
Consumer Products



Subramaniam Somasundaram
Independent Director

Previous Work Experience
Titan, BPL Mobile, ITC



Namita Gupta
Independent Director

Previous Work Experience
Microsoft, Meta, Zomato

Leadership Team



Varun Alagh
Whole-time Director, Co-Founder,
Chairman, and Chief Executive Officer



Ghazal Alagh
Whole-time Director, Co-founder,
and Chief Innovation Officer



Raman Preet Sohi
Chief Financial Officer



Yatish Bhargava
Chief Business Officer



Avinash Dhagat
Chief Supply Chain Officer



Karan Bajwa
Chief Human Resources Officer

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Chairperson
- Member

Awards & Recognition

Celebrating Excellence

We view excellence as a standard, not a milestone. Our emphasis on innovation, leadership, and culture has earned recognition across the Beauty and Personal Care (BPC) industry. From building clean, digital-first brands to nurturing a workplace that empowers talent, we continue to challenge conventions and raise benchmarks. Recognised as one of India's most promising BPC companies, our journey reflects bold ideas, trusted leadership and a commitment to purposeful growth.

Leadership

Awarded to Ghazal Alagh



FICCI Young Leaders – Inspiring Women Leader Award 2024



Fortune Most Powerful Women 2025



Hurun India's Top 200 Self-Made Entrepreneurs of the Millennia 2024 list



IMPACT 50 Most Influential Women 2024



Women on Top of their Game 2024



Femina Fab 65

Brand and Business

The Derma Co.



Best in Beauty Innovation at the Flipkart Glam Up Fest 2025

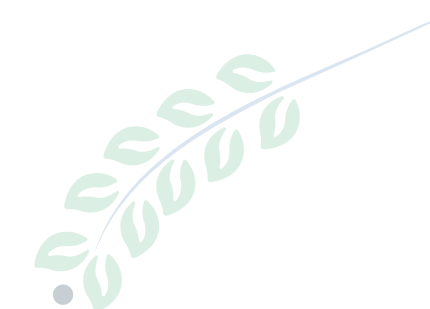


Best Skincare Brand at the Myntra Rising Star event

Honasa



Highest Gross Merchandise Value Achieved in BGM - at Flipkart Flipstars 2024

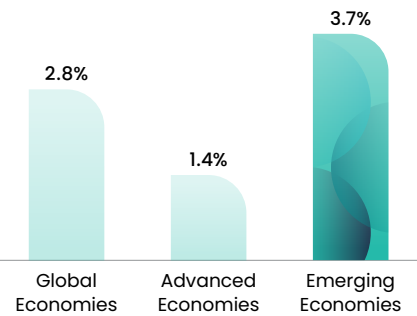


Management Discussion & Analysis

Economic Overview

Global Economic Outlook

GDP Growth 2025 (%)



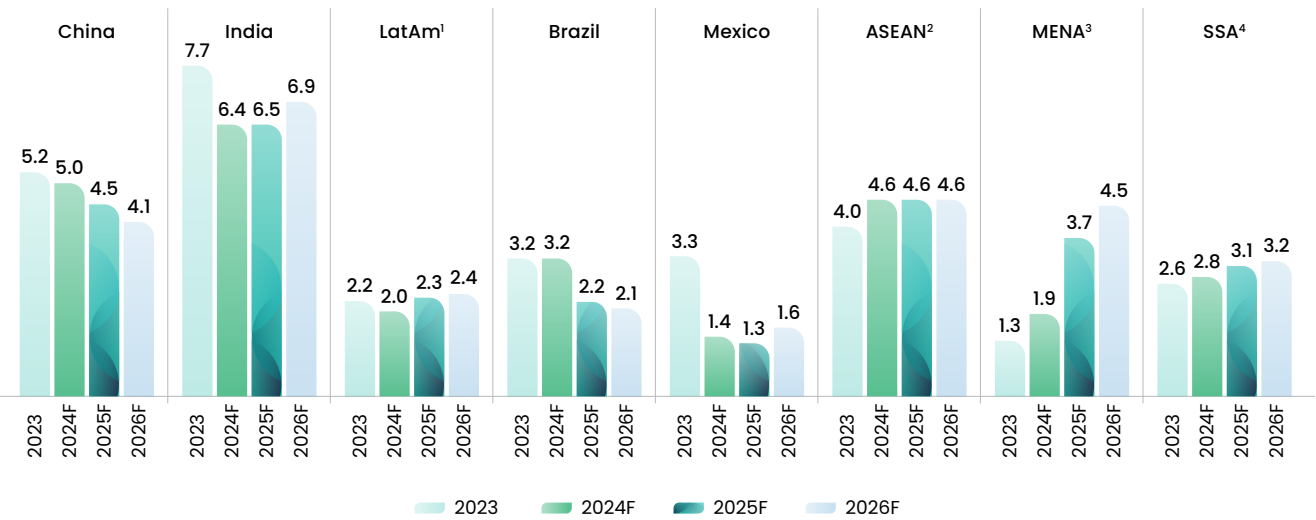
Global economic growth remains moderate and uneven across regions, with a 2025 global real GDP growth estimate of 2.8%. Advanced economies are seeing slower momentum: the US is projected to grow at 1.8% in 2025, supported by a strong labour market but weighed down by trade frictions and policy uncertainty. The Euro Area faces even more muted growth at 1.0% in 2025, constrained by weak consumer sentiment and elevated energy costs. In contrast, emerging markets are driving global momentum.

India as a Fastest-growing Major Economy

India is expected to grow at 6.5% in 2025, driven by robust domestic consumption and structural reforms, while China is forecasted to grow at 4.0% in 2025, hindered by demographic pressures and structural inefficiencies. Other Asian economies like Vietnam, Indonesia, and the Philippines continue to exhibit steady, consumption-led growth amid broader global headwinds.

India will Continue to be the Fastest-growing Economy

Y/Y Percentage Change in Real GDP 2023–26F



¹ LatAm (Latin America) includes Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Mexico, Panama, Paraguay, Peru and Uruguay.

² ASEAN (Association of Southeast Asian Nations) includes Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

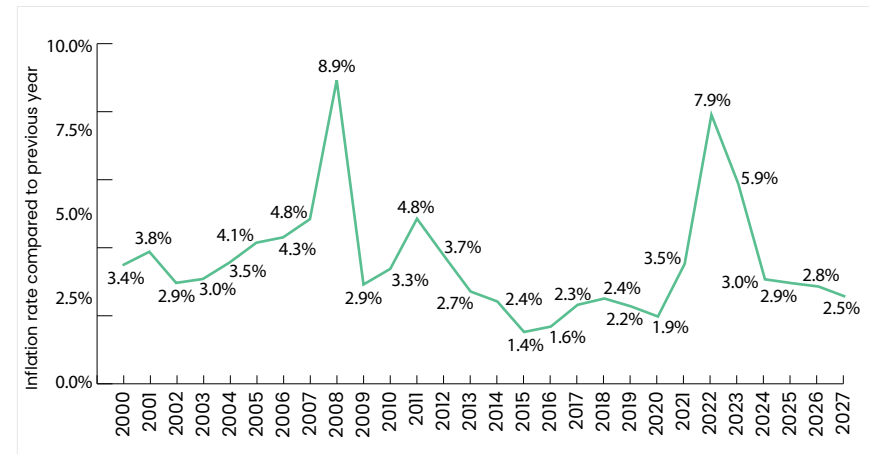
³ MENA (Middle East, North Africa) includes Algeria, Bahrain, Egypt, Iraq, Israel, Kuwait, Morocco, Oman, Qatar, Saudi Arabia and the UAE.

⁴ SSA (Sub-Saharan Africa) includes Angola, Botswana, Ghana, Kenya, Mauritius, Mozambique, Namibia, Nigeria, Seychelles, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

Source: ET analysis

Management Discussion & Analysis

Global Inflation Rate Continue to Ease



Source: World Bank Group

Advanced economies are progressing towards inflation targets, while emerging markets show inconsistent disinflation.

Inflation trends are gradually easing, with global inflation projected to decline to 2.9% in 2025 and further to 2.8% in 2026. The slowdown from 5.9% in 2023 to 3.0% in 2024 has been driven by falling commodity prices and tighter monetary policies. However, core services inflation remains sticky, particularly in developed markets, limiting the pace of monetary easing. While advanced economies are slowly approaching inflation targets, emerging markets show mixed progress, making policy responses more complex and country-specific.

Global trade is expected to grow modestly at 1.7% in 2025, constrained by supply chain disruptions, weak external demand, and increasing trade fragmentation. Manufacturing activity has slowed in Europe and parts of Asia, reflecting the impact of geopolitical tensions and tighter financial conditions. Emerging markets, particularly in Asia, continue to drive global growth, led by strong domestic demand in India, China, Vietnam, Indonesia, and



the Philippines. These markets are benefiting from structural reforms and consumption-driven growth, even amid inflationary pressures and external trade uncertainties. Heightened geopolitical risks and tightening financial conditions are increasing macroeconomic vulnerabilities, underscoring the growing need for strategic resilience in global supply chains.

Within this evolving macroeconomic backdrop, the Beauty and Personal Care (BPC) sector, alongside broader FMCG categories, is showing resilience and adaptability.

Structural tailwinds such as demographic shifts, rising urban consumption, and digital acceleration are fuelling demand, particularly in emerging markets. India, China, Vietnam, and Indonesia continue to stand out as consumption-driven economies. Amid these shifts, BPC and FMCG brands are leaning into consumer-focused innovation, agile operating models, and supply chain resilience to navigate volatility and capture long-term growth opportunities.

India in the Global Economic Context

Amid a global slowdown, India continues to stand out as a key growth engine. The IMF projects global GDP growth to ease from 3.2% in 2024 to 2.8% in 2025 and 3.1%.

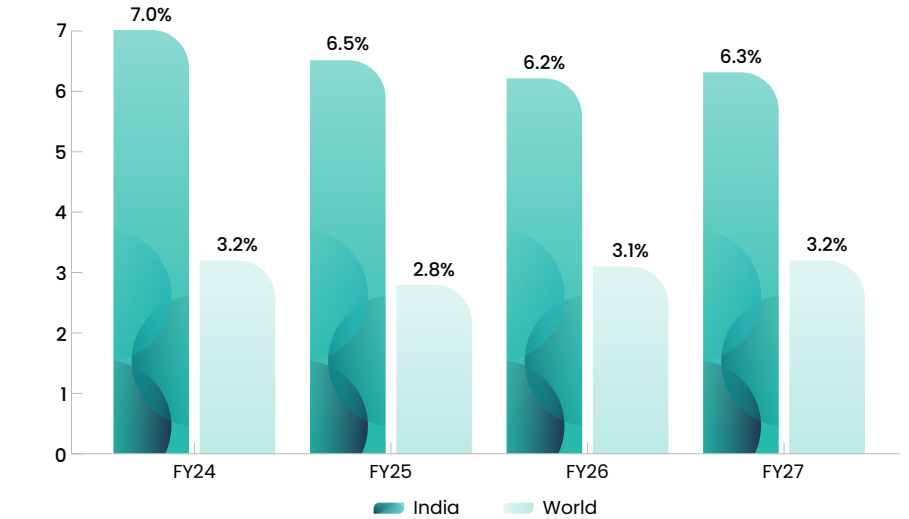
In contrast, India's economy remains resilient, driven by robust domestic demand, infrastructure push, and digital investments. Provisional estimated GDP growth in FY 24-25 stood at 6.5%.

Looking ahead, the IMF expects India to grow at 6.2% in FY 25-26 and 6.3% in FY 26-27, supported by rural and private consumption, easing inflation, and continued policy support. India remains the fastest-growing major economy, well above the global average.

This positive macroeconomic environment provides a strong foundation for Honasa Consumer, enabling growth in demand, premiumisation, and digital engagement across the FMCG sector, including BPC, in alignment with our long-term value creation strategy.

India Remains the Fastest-growing Major Economy Well Above the Global Average

Global vs India GDP Growth Forecast



Sources: International Monetary Fund

6.2%

Projected GDP growth of India in FY 25-26





Management Discussion & Analysis

Indian Economy

India remains on a strong growth trajectory, reaffirming its position as the fastest-growing major economy.

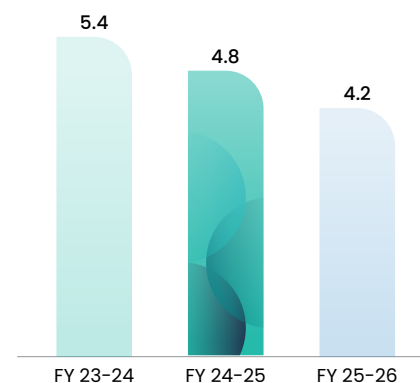
This momentum is underpinned by structural reforms, resilient domestic demand, and strategic investments in infrastructure and manufacturing, supported by flagship initiatives such as the Production Linked Incentive (PLI) scheme and PM GatiShakti. These efforts are driving employment, improving connectivity, and deepening market access, particularly across semi-urban and rural regions, critical to the growth of the Retail and FMCG sectors.

Private consumption in India grew by ~7.2% in FY 24-25, driven by strong rural demand and higher spending on durables and FMCG. Anticipated tax reforms and monetary easing in FY 25-26 are expected to further boost disposable incomes, with rise in Tier-1' consumption as well.

Headline CPI inflation is forecast to ease from 4.8% in FY 24-25 to 4.2% in FY 25-26, driven by stabilising food prices, supporting real income growth and fuelling mass and mid-premium FMCG consumption. Despite external trade pressures and a marginal rise in the current account deficit to 1.0% of GDP, domestic demand remains robust.

Easing CPI Inflation in India

CPI Inflation (%)

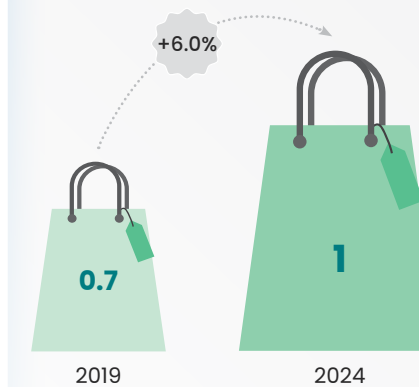


Rising rural incomes, increasing female workforce participation and expanding digital infrastructure are reshaping consumption patterns in India. This is further supported by a well-capitalised banking system, easing credit conditions, and growing formalisation of retail channels. Importantly, consumer price inflation has remained benign, dropping from 3.3% in March 2025 to 3.2% in April 2025 (combined CPI). These enabling macro and structural trends are driving robust growth in FMCG, particularly in the beauty and personal care segment, through deeper penetration, premiumisation, and stronger consumer-brand engagement.

The retail market is projected to triple from 2019 levels, reaching around \$2.5 Trillion by 2035, according to IBEF and Redseer. FMCG (inc. beauty & personal care) makes up about 19% of total retail sales while beauty & personal care constitutes 2%, expanding due to rising consumer aspirations. The industry is shifting from traditional retail to organised and digital commerce, with traditional retail holding an 81% market share, while organised retail and e-commerce accounted for 12% and 8%, respectively.

Retail in India has Grown in Line with Consumption

Indian Retail Market Size (\$Bn)¹



1. Retail size market includes size of categories like Grocery, Electronics, Fashion, jewellery. All years referred represent Calendar Year. Source: Euromonitor, BCG Analysis

Increased Discretionary Spending

10%+ Growth of lifestyle and indulgence categories

Supply Side Investments

2x Increase in share of organised retail (2014-2024)

Enhanced Access and Value

30%+ Growth of online (2014-2024)



E-commerce Market Expands Strongly

The e-commerce sector is expected to surpass \$350 Billion by 2030, growing at a CAGR of 23%, supported by better logistics, payment systems and consumer trust.

\$350_{Bn}

Expected E-commerce Sector Value by 2030

Indian Retail Market Overview

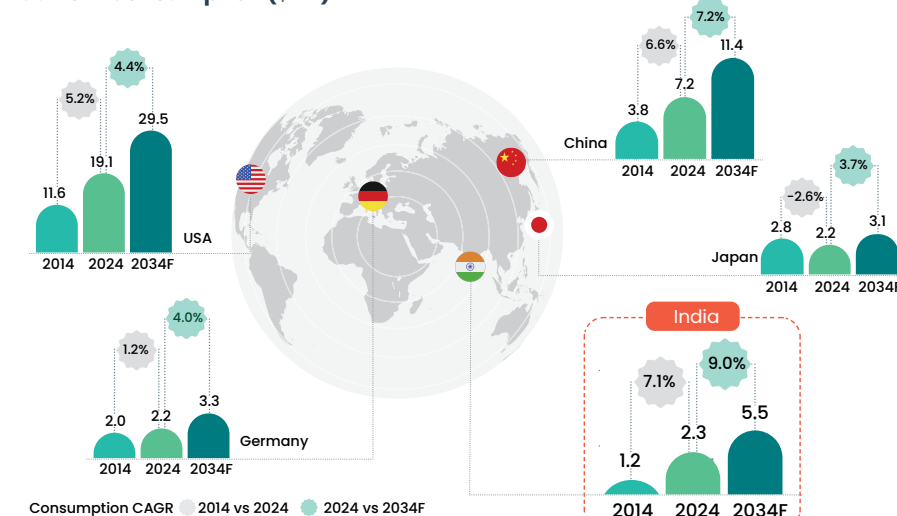
Consumption Growth Driving Retail Acceleration

India is solidifying its position as a leading retail investment destination, driven by its large, young consumer base, rising incomes, rapid urbanisation, and digital growth. With the world's second-largest population and a growing middle class of over 158 Million households, India offers significant long-term growth potential in organised retail, particularly in sectors like beauty & personal care, apparel and electronics.

India's Consumption Growth Outpaces other Economics

India to Witness the Highest Growth in Consumption between 2024-2034F

Current Consumption (\$ Tn)

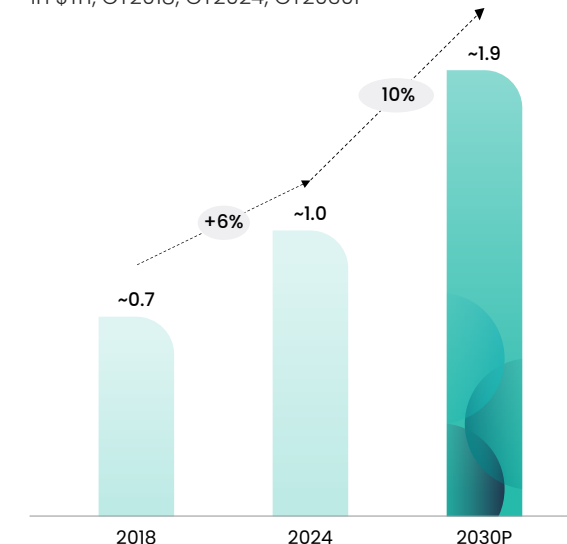


Note: Private consumption expenditure at current market prices in \$ (Nominal private consumption)
Source: Oxford Economics, BCG Analysis

India is Projected to become \$1.9Tn+ Retail Opportunity by 2030

India Retail Market Size

In \$Tn, CY2018, CY2024, CY2030P



Long-term growth potential remains intact, driven by the favourable macro and the rapid organisation of purchase channels

- India's large and growing middle class – Increasingly opting for quality products
- Urbanisation – Enabling aspirational buying
- Economic growth of Tier 2+ markets
- Growing female workforce
- Rise of organised retail to meet the evolved consumer needs, across pricing, selection and purchase experience

Management Discussion & Analysis

Indian Market Size of Retail, FMCG and BPC Industry

Size of Indian Market

2022
\$891 Bn

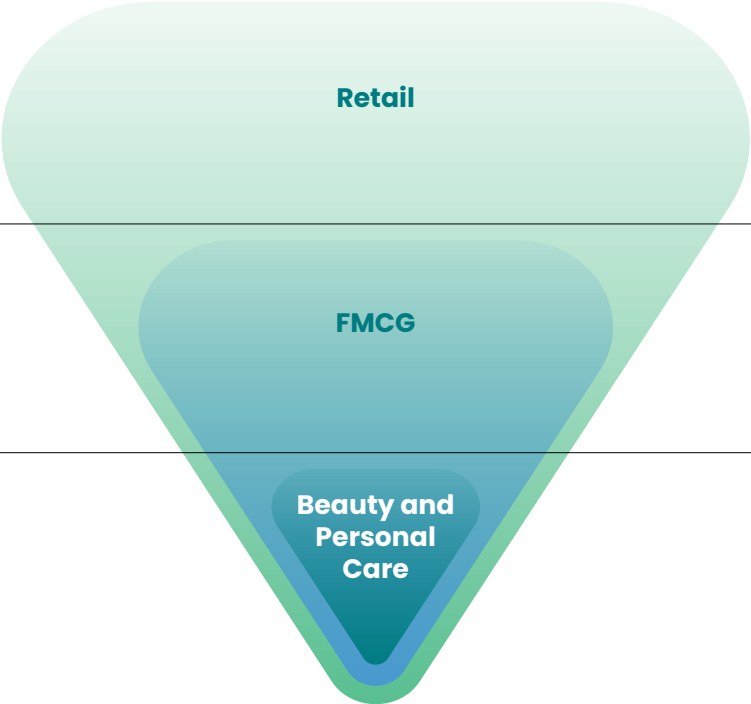
Source: Redseer

2023
\$122 Bn

Source: Markets
Research Futures Study

2022
~\$20 Bn

Source: Redseer



CAGR

2022-2027
10%

Source: Redseer

2024-2032
~8%

Source: Markets
Research Futures Study

2022-2027
11%
(Fastest-growing
Sub-segment)

Source: Redseer

Urban consumers are increasingly spending on discretionary items like cosmetics, apparel, and lifestyle products, with significant demand growth from Tier 2 and 3 cities. This trend is driven by rising disposable incomes, changing lifestyle aspirations, and better access to branded goods, especially impacting the FMCG and BPC sectors. These trends enhance confidence in boosting digital brand visibility, expanding regional markets, and innovating in value-driven and premium BPC segments to cater to India's diverse consumer needs.

Retail Growth Momentum Expected to Continue

Retail growth momentum expected to continue, driven by:

- Increased income/spending power
- Supply side investments
- Regulatory actions (taxes, incentives)

In the next decade, Indian retail market¹ will continue to grow at **10%** annually, to exceed **\$2.5 Tn** by 2035

1. Retail size market includes size of categories like Grocery, Electronics, Fashion, Jewelry. All years referred represent Calendar Year. **Source:** Euromonitor, BCG Analysis



Indian Retail Market

\$1.0 Tn

Indian Retail
Market Size in 2024

Source: Redseer

10%

Retail's Contribution
to GDP

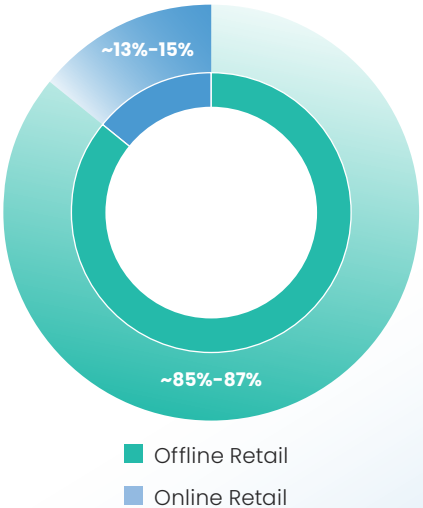
Source: Redseer

\$2.5 Tn

Projected
Market Growth by 2035

Source: Redseer

Share of Total Retail Market in India (FY 24-25)



Management Discussion & Analysis

Key Growth Enablers in the Retail Industry



Increasing Internet and Smartphone Penetration



Rise in Income and Purchasing Power



Adoption of Digital Payments and Cashless Transactions



Easy Consumer Credit and an Increase in Quality Products



Changing Consumer Preferences, Need for Personalisation, and Convenience



Brand Consciousness and Aspirations



Favourable Demographics: Young, Urbanising and Expanding Middle Class



Technology, AI and Personalisation



Increased Penetration of E-commerce in Tier 2 and Tier 3 Cities



Expansion of Retail Formats and Omnichannel Retailing

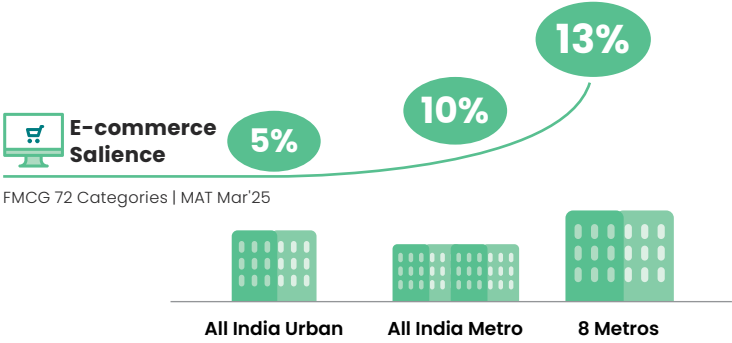
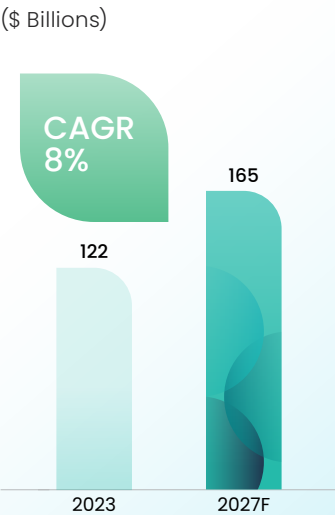
Indian FMCG Industry Overview

FY 24–25 marked a year of resilient growth for India’s FMCG sector, with CRISIL projecting 7–9% revenue growth, driven by volume expansion, festive demand, and strategic pricing. Rural consumption grew by 10%, supported by a favourable harvest and government initiatives, while urban demand strengthened in H2FY25, aided by improved consumer sentiment and a supportive policy environment. The sector, valued at \$122 Billion in 2023, is expected to grow at a ~8% CAGR, reaching \$166 Billion by 2027¹, supported by favourable demographics, rising consumer demand, digital adoption, and price-led growth in essentials.

Digital commerce is playing a pivotal role, with online FMCG sales exceeding \$6 Billion in FY 24–25 and expected to grow at a 30%+ CAGR over five years, driven by D2C models, growing digital penetration, and higher purchase frequency, especially in metros where e-commerce volumes surged 40%. The Beauty and Personal Care (BPC) segment in India is valued at \$22 Billion in 2024, contributing 17.3% of the overall

¹Source: Markets Research Futures Study

FMCG Market in India



Note: Date of TT & MT is projected While E-comm is only Co-op data.

Source: NielsenIQ, FMCG Quarterly Snapshot Q1'25 (JFM'25)

Key Growth Enablers in the FMCG Sector



Strong Demand in Tier 2, 3 and 4 Cities beyond Metros and Tier 1



Policy Support and Infrastructure Development



Digital Transformation and E-commerce Expansion



Resilience of Smaller Manufacturers



Economic Stability and Consumer Confidence



Smart Distribution Networks with Omnichannel Integration



Premiumisation and Conscious Consumption



Competition and D2C Disruption

Management Discussion & Analysis

Beauty and Personal Care Industry Overview

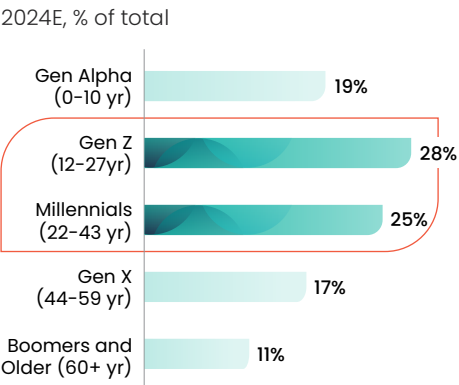
India's Beauty and Personal Care (BPC) industry is a faster-growing sub-segment within the FMCG category projected to grow from \$22 Billion in 2024 to \$34 Billion by 2028, registering a CAGR of 11%. This robust growth is underpinned by favourable macroeconomic factors, including rising disposable incomes, increasing urbanisation, and higher discretionary spending across both metros and emerging cities. The industry has evolved well beyond basic hygiene and grooming to encompass lifestyle, wellness, and self-care, making BPC purchases increasingly linked to personal identity, self-expression and aspiration.

GEN Z & YOUNG MILLENNIALS ARE SPEARHEADING BEAUTY CONSUMPTION AND GROWTH

Driving Consumption Growth

Gen Z and Millennials are the largest cohort for beauty consumption, and they are expected to grow in the next few years

POPULATION¹ OF INDIA — BY AGE COHORT



Triggers of Beauty Consumption

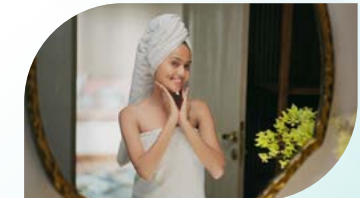
FAST-PACED TRENDS

Unique formats and Instagrammable packaging turn beauty products into must-have items.



STORY-WORTHY BRANDS

From niche solutions to inclusive offerings, compelling brand narratives like wanting to be youthful or seeking longevity of impact, resonate deeply, driving loyalty and purchases.



PERSONALISATION and AWARENESS

Individuals within families are developing distinct product preferences, supported by rising awareness exemplified by the growing adoption of suncare.

STATUS-SIGNALING

Willing to pay a premium for beauty brands that offer exclusivity and bragging rights.



PEER RECOMMENDATIONS

The rise of micro-influencers makes peer-driven endorsements a powerful and trusted source of beauty inspiration.

The premiumisation of the category is a major underlying trend. Indian consumers are increasingly gravitating toward solution-oriented, high-efficacy, and sensorial products, with a growing preference for brands that offer clean formulations, ingredient transparency, and an elevated user experience. A noticeable shift from transactional to experiential consumption is underway, driven by greater awareness around global beauty standards, the influence of social media, and an increasing

desire for personalisation. This has also given rise to new sub-categories such as derma cosmetics, hybrid skincare-make-up products, and wellness-infused beauty solutions. At the centre of this evolution are Millennials and Gen Z, who together account for over half of India's population and are rapidly becoming the dominant BPC consumer segments. These cohorts are digitally native, globally aware, and far more experimental in their beauty choices compared to

previous generations. Their buying behaviour is shaped by a mix of aspiration, values, and convenience; they are not only seeking brands that look good and work well but also those that stand for something meaningful. Personalisation, purpose-led propositions, and seamless digital discovery are key themes driving their engagement, pushing brands to rethink how they connect, communicate, and co-create with their consumers. Some of the recent trends in the BPC market are:

Rising Premiumisation and Aspiration-led Consumption

- Consumers are increasingly willing to trade up for quality, efficacy, and sensorial experiences
- Ingredient transparency, claims, and narratives play a central role in purchase decisions

Wider Adoption of Sequential and Regimen-based Routines

- Influenced by global beauty cultures, multi-step skincare and haircare routines are gaining ground
- This is expanding usage occasions and basket sizes

Acceleration of Digital Discovery and Personalisation

- Social platforms like YouTube and Instagram are major enablers of trend visibility and education
- AI-powered product recommendations and virtual try-ons are enhancing online engagement

E-commerce and Omnichannel Expansion

- The online BPC market, currently at \$4.9 Billion, is growing at 25% CAGR, set to contribute 33% of total category sales by 2028
- Availability across online platforms, general trade, modern retail, and D2C is improving accessibility across geographies

Sustainability and Conscious Consumption are Taking Centre Stage

- Consumers are gravitating toward cruelty-free, clean-label, and environmentally responsible options
- Packaging innovation and ingredient ethics are becoming brand differentiators

Technology-led Brand Engagement and Innovation

- AR/VR-based trial tools, smart diagnostics, and customised solutions are enhancing experience and stickiness
- Tech-driven brands are better equipped to scale efficiently and retain digital-native audiences

¹Source: United Nations World Population Prospects 2024



Management Discussion & Analysis

Amidst this evolving backdrop, homegrown digital-first brands are creating significant value, capitalising on white spaces and shifting consumer loyalties. While the market is getting increasingly crowded, only a handful of players have surpassed the ₹100 Crores revenue mark annually, underscoring the importance of

meaningful brand-building, product innovation and distribution needed for scaling up. Honasa Consumer Limited stands out as a frontrunner in this new wave. With its innovation-led product development, omnichannel distribution, and sharp focus on underserved needs, Honasa has built a portfolio of purpose-driven brands

that resonate deeply with today's consumer. Its ability to engage audiences across digital platforms, penetrate deeper into under-indexed markets, and build trust through storytelling positions it well to scale further and create long-term enterprise value.

Consumer Behaviour Insights

The consumer landscape is rapidly transforming, driven by evolving preferences, technological advancements, and shifting cultural dynamics. This change is reshaping how brands connect, grow, and stay relevant in this evolved consumer ecosystem.

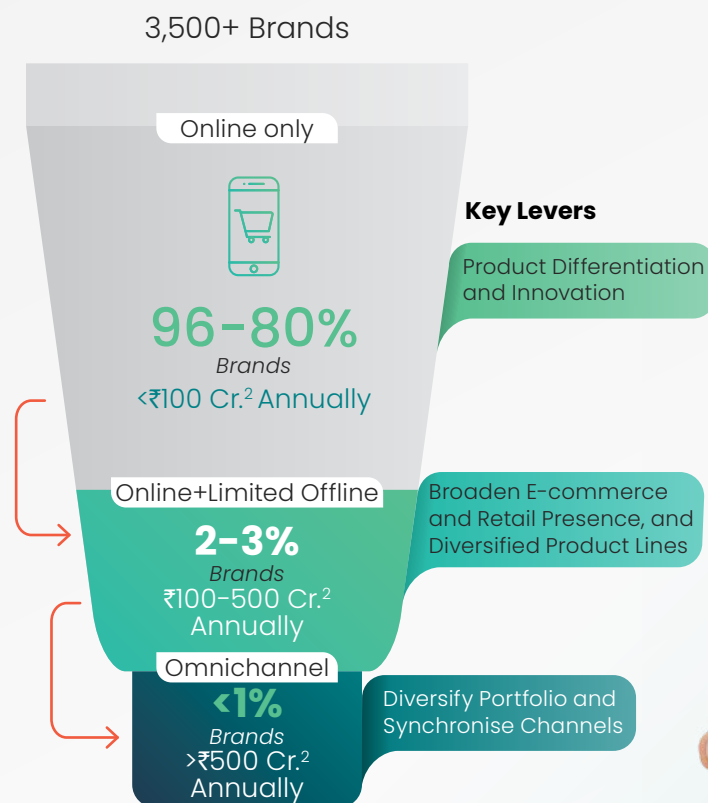
Shifting to Individual-centric Consumption

Indian consumers are increasingly shifting toward individual-centric consumption, focused on personal needs and preferences.

THE LAST DECADE WITNESSED THE PROLIFERATION OF HOMEGROWN BRANDS AND A RESULTING EXPANSION OF THE MARKET

<3% Crossing the ₹100 Crores Milestone¹

MOST PLAY IN MASSTIGE AND HAVE HELPED GROW ITS CONTRIBUTION TO OVERALL BPC



40%

Young Indians Prefer Lifestyle-aligned Products

Accelerated Adoption of Global Trends

Rising social media connectivity is accelerating the flow of global trends to Indian consumers. As expectations evolve rapidly, brands must innovate faster to remain competitive. This shift is particularly important in the Beauty and Personal Care industry, where the pace and intensity of competition have grown significantly in recent years.

Rising Influence of Content Creators in the Education Category

Content creators now play a pivotal role in shaping consumer awareness and influencing purchase decisions, particularly in skincare and wellness categories. However, consumers are increasingly favouring authentic, trusted influencers who offer genuine recommendations, shifting away from mass endorsements and prioritising credibility and relatability in brand messaging.



Targeting Personalisation via Digital Media

The rapid advancement of digital advertising technologies has empowered brands to deliver highly personalised experiences with greater precision, enabling targeted messaging that resonates deeply with individual consumer preferences, enhances engagement, and drives more efficient customer acquisition across digital platforms.

E-commerce and Quick Commerce as Scalable Distribution Channels

India's e-commerce and quick commerce sectors are experiencing rapid growth, with quick commerce reshaping consumer expectations around speed and convenience.

280%

Growth in Quick Commerce over Two Years



¹Source: Redseer

²Revenue for FY 22-23

Management Discussion & Analysis

Business Review

Honasa Consumer Limited is India’s leading digital-first player in the Beauty and Personal Care (BPC) sector, focused on delivering innovative, high-quality products across the BPC category that serve the needs of evolving consumers. These consumers are informed, aspirational, and seek solution-driven products tailored to their unique preferences.

The Company offers a distinct portfolio of purpose-led, innovation-driven products in categories,

including face cleansers, shampoos, sunscreens, moisturisers, face serums, baby care and lipsticks amongst others through brands, including Mamaearth, The Derma Co., Aqualogica, BBlunt, Dr. Sheth’s, and Staze, catering to diverse needs across natural or science-based in skincare and haircare categories.

As Indian consumers become more discerning and digitally engaged, Honasa is focused on product innovation, digital growth, and omnichannel strategies, reaching

consumers digitally as well as through omnichannel approach. The Company is committed to delivering high-quality, effective products that align with consumer values of wellness, transparency, and sustainability. Honasa’s leadership in the digital-first space makes it the largest player in this sector in India, and it is well-positioned to leverage growth opportunities in emerging trends and underserved markets.

Strategic Priorities

In FY 24-25, Honasa focused on decisive action and strategic clarity. We started the year by revisiting the foundational principles that fuelled our initial growth. Throughout the year, we focused on listening more intently to our consumers, examining our processes in depth, and aligning our execution with long-term objectives. This translated into a series of concrete initiatives and strategic moves that defined our approach throughout the year.

Rebalancing ‘How to Play’ and ‘Where to Play’

As part of its strategic evolution, Honasa is recalibrating its innovation and growth model by balancing ‘How to Play’ (trend-led innovation) with ‘Where to Play’ (category-led prioritisation). The Company is shifting focus to reallocating in high-performing core categories, including face cleansers, suncare, shampoos, moisturisers, serums, lipsticks and baby care, while continuing to pursue relevant, insight-driven innovations.

This sharper focus aims to ensure long-term brand relevance and leadership by aligning investments with consumer needs across proven formats and partitions such as hydration, glow, oil control, anti-dandruff, and hair fall control. The approach reflects a disciplined, opportunity-sized growth agenda with strategic resource allocation.



Focused Category Leadership

Honasa remains committed to deepening its leadership in select focus categories where it has a clear competitive advantage. These focus categories—face cleansers, sunscreens, face serums, shampoos, baby care and lipsticks – present significant market opportunities or ability to offer healthy margin structures and strong alignment with the Company’s existing portfolio.



Face Cleansers (Industry size: ₹9,000–11,000 Crores; Industry CAGR: 6–8%): Honasa commands a 12–15% online market share as per internal estimates and ~5% offline share in Urban Offline as per Nielsen. The company played in selected partitions of the Face Wash category, like Glow through Ubtan Face Wash and Rice Face Wash, Oil Control through Tea Tree Face Wash and Acne through The Derma Co’s Sali-Cinamide Anti-Acne Face Wash. The Company aims to rank among the top three players nationally over the next 3–5 years.



Face Serums (Industry size: ₹2,700–2,900 Crores; Industry CAGR: 20%+): With 14–16% online share as per internal estimates, Honasa is focused on becoming the leading national brand in this rapidly evolving segment. We drove category leadership through The Derma Co. and Dr. Sheth’s, with a portfolio centred on performance-driven formulations designed to deliver visible results. Products like 2% Salicylic Acid Serum and 5% Niacinamide Daily Face Serum led the charge.



Moisturisers (Industry size: ₹4,000–4,500 Crores; Industry CAGR: 15%+): With an online share of <5%, Honasa is working towards securing a top-five national position. We launched a complete portfolio in this category through our brands, Mamaearth, The Derma Co., Aqualogica, and Dr. Sheth’s, and we are looking to disrupt this category through products suitable for Indian skin and climate.



Sunscreens (Industry size: ₹3,000–3,200 Crores; Industry CAGR: 15%+): Honasa holds a >20% online share as per internal estimates and is targeting leadership in this fast-growing category. We prioritised developing formulations specifically suited to Indian skin types and climatic conditions. Gel-based textures, ideal for Indian weather, along with innovative formats such as sunscreen sticks, strongly resonated with consumers.



Shampoos (Industry size: ₹8,000–10,000 Crores; Industry CAGR: 4–6%): The Company currently holds a 4–6% share online as per internal estimates and ~2% in offline channels in Urban Offline as per Nielsen. Mamaearth made significant progress in the category with the launch of its Rosemary Shampoo, a thoughtfully crafted formulation targeting scalp health and nourishment. BBLUNT strengthened its leadership in haircare by introducing new shampoos under the Intense Moisture and Hairfall Control ranges, tailored to meet the evolving needs of consumers.



Baby Care (Industry size: ₹1,200–1,500 Crores; Industry CAGR: 7%+): Mamaearth enjoys strong brand equity in this category, and the Company aims to establish itself among the top three players nationally. Mamaearth’s Milky Soft Head to Toe Wash emerged as a bestseller, reinforcing the brand’s leadership in the online baby care segment.



Lipsticks (Industry size: ₹3,000–3,200 Crores; CAGR: 10%+): Holding <1% online market share while steadily expanding offline, Honasa is targeting entry into the top five national brands by introducing innovative products and product formats that can potentially disrupt this category.

¹Industry Estimates based on GMV
²Industry Estimates based on GMV and market size (includes only creams, lotion and other liquid based products)

Management Discussion & Analysis

Owning the Chessboard of Category Partitions

As part of its sharpened category strategy, Honasa is focused on 'owning the chessboard' in the focus categories by clearly defining and winning in high-potential partitions. This ensures distinct, non-overlapping propositions tailored to consumer needs, hence, relevant problem-solving.

For example, in the face wash category, the Company's focus is concentrated in three core partitions—Glow, Oil Control, and Acne, which together represent over 60% of the category. These segments are well aligned with Honasa's product strengths and consumer demand spaces. Flagship offerings such as Mamaearth Ubtan Face Wash and Rice Face Wash lead in the Glow partition; Mamaearth Tea Tree Face Wash addresses Oil Control; and The Derma Co. Sali-Cinamide Anti-Acne Face Wash caters to the Acne segment.

By prioritising the partitions, Honasa avoids dilution across undifferentiated or low-synergy segments such as routine cleansing or hydration, which are currently dominated by legacy brands. This disciplined partition-led strategy enables Honasa to deepen its footprint, optimise innovation, and strengthen competitive advantage in its focus categories.

Offline Go-To-Market (GTM) as a Core Capability

Honasa is institutionalising offline GTM execution through three key priorities – Execution Discipline and Transparency through enhanced oversight of secondary sales, retailer schemes, pricing consistency, and field execution. Improved Distribution Quality through transitioning to an ROI-led, Tier-1 distributor network with stronger financial and operational capabilities and Tech-enabled Sales



by investing in advanced DMS/SFA systems to enable future-ready, efficient sales operations.

Building on this foundation, Honasa is now focused on strengthening its offline GTM muscle through a structured, future-oriented distribution strategy anchored on five strategic pillars:

- Direct Distribution Expansion
- Widening Retail Outlet Coverage
- Inventory Optimisation
- Supply Chain Strengthening
- Norm-based Replenishment

This comprehensive offline GTM strategy is aimed at building a scalable, capital-efficient distribution backbone that supports Honasa's

long-term ambition of deeper market penetration and sustained growth across geographies and channels.

Reinventing Innovation with Sharper Purpose

Honasa continues to embed purposeful innovation at the core of its growth strategy, guided by two strategic pillars:

- **Category and Partition Expansion:** Enabling brands to enter new, high-potential categories and micro-partitions aligned with emerging consumer needs.
- **Continuous Core Improvement:** Driving formulation upgrades and performance enhancement across existing products.

Premiumisation

One of the key areas to focus on is bringing Prestige, First-to-India Innovation for consumers seeking premium and differentiated beauty and personal care products.

Each innovation is purposefully designed to reinforce Honasa's leadership in its focus areas, strengthening brand differentiation and consumer relevance across categories.

Improving the Core through Continuous Improvement and Reformulation

Honasa continues to advance product excellence through a science-backed reformulation strategy, aimed at enhancing efficacy and consumer preference across focus categories.

We deeply appreciate the critical role that product superiority and in-house R&D play in building enduring, successful brands. This belief has strengthened our resolve to anchor our products in strong scientific foundations. A significant step in this direction was the acquisition of Cosmogenesis and the subsequent



strengthening of our internal R&D team—investments that will enhance our formulation depth and innovation capabilities.

We are committed to further elevating product quality. Our ambition is for our focus category products to consistently outperform peers in blind tests, with continuous formulation improvements driven by consumer insights and feedback to exceed category standards.

Evolving Media Strategy

In a rapidly evolving media landscape, Honasa is recalibrating its marketing playbook approach by:

- Optimised Media Mix
- Cohort-based Consumer Communication
- Content Format Alignment
- Refined Influencer Strategy

These strategic shifts collectively position Honasa to build sustainable, scalable, and category-leading BPC brands, anchored in consumer relevance, product excellence and execution strength.



Management Discussion & Analysis

House of Brands

mamaearth®

FY 24-25 has been the year of acceptance and re-alignment to be future ready, driven by a deliberate focus on seven focus categories—face wash, shampoo, sunscreen, moisturiser, serums, lipsticks, and baby care and playing in select partitions. These partitions, offering strong growth potential, now form the backbone of the brand's forward-looking strategy.

In parallel, as Honasa transition its General Trade distribution, Mamaearth got impacted since the brand contributed to majority of the company's General Trade business.

However, leveraging its digital-first strategy, Mamaearth has established itself as a leading brand across online marketplaces, with products like its Rice Face Wash ranking among bestsellers. Through its D2C channel, Mamaearth has reached and served over 8.3 million customers to date.

Mamaearth has emerged as the third-largest² skincare brand in India, backed by a strong omnichannel presence and growing market share. In March 2025, the brand had captured 5.3% value market share in the face wash category and 1.6%¹ in shampoos,

#3

Largest Skincare Brand in India

while expanding its offline footprint by 22% YoY to 236,825 FMCG outlets, reflecting the strength of its distribution strategy.

Mamaearth reinforced its market leadership and relevance. As per Kantar Brand Health Track, in brand strength/equity parameters, it maintained its No. 1 position in online face washes and ranked third in offline retail. We also increased household penetration in key categories, i.e. 4.3% (181 bps increment over the last two years) in face wash and 2.1% (73 bps increment over the last two years) in shampoo (as of December 2024).

A renewed focus on key SKUs, including Rice Face Wash, Ubtan Face Wash, Rosemary Anti-Hairfall Shampoo, Onion Shampoo, Vitamin C Daily Glow Sunscreen, Beetroot Hydraful Light Moisturising Cream, and Milky Soft Head to Toe Wash, drove performance within the focus categories.



The year also saw us coming up with innovations like Beetroot Gentle Face Wash, Rice Water Dewy Sunscreen, Beetroot Hydraful Moisturiser, amongst others, which continued to strengthen our focus categories portfolio.

Additionally, celebrity endorsements featuring Shilpa Shetty and Palak Tiwari enhanced consumer resonance across cohorts by balancing legacy trust with contemporary appeal.

Intending to tackle deforestation and bring income opportunities, under the 'Plant Goodness' initiative, Mamaearth has planted more than 9,00,000+ trees since its inception with every order. The initiative expects a yield of 18,000+ tonnes of fruit per season, giving a revenue potential of ₹36 Crores per annum for the farmers.

#1

Online

#3

Offline

Face Wash in Terms of Brand Power/Equity²

THE derma co

DESIGNED BY DERMATOLOGISTS

In FY 24-25, The Derma Co. surpassed the ₹500 Crores revenue milestone, registering strong double-digit growth driven by robust category performance and innovation-led brand strategy. The brand operated with EBITDA profitability in FY 24-25, having broken even in FY 23-24. This underscores rising consumer trust in the brand's science-backed formulations.

Brand search activity grew 1.4x, driven by a combination of high-performing product innovations and targeted customer activations. Key products like the 1% Hyaluronic Sunscreen Aqua Gel, 2% Kojic Acid Serum, Sali-Cinamide Anti-Acne Face Wash and 10% Niacinamide Serum continued to lead as bestsellers across marketplaces. This strong momentum reflects the brand's ability to deliver effective solutions aligned with consumer needs.

The Derma Co. was introduced offline in FY 24-25 and growth in the channel was equally noteworthy, with the brand crossing ₹100 Crores in ARR and expanding its presence to 10,000+ offline stores including 2,000+ Modern

Trade stores. Encouraging traction was observed across beauty counters and chemist networks, reinforcing the brand's repeatable and scalable execution model. Exclusive Brand Outlets were also introduced to elevate the consumer experience through immersive storytelling and enhanced visibility.

Products like the 1% Hyaluronic Sunscreen Aqua Gel, 2% Kojic Acid Serum and Sali-Cinamide Anti-Acne Face Wash were key growth drivers for the portfolio. Their strong consumer uptake contributed meaningfully to brand and category momentum. These launches highlight the brand's strength in effective, science-backed skincare solutions.

Innovation remained central to strengthening the brand across key Focus Categories, with new launches like the 1% Hyaluronic Sunscreen Oil-Free Gel under sunscreen for specific skin types and 5% Nia-Ceramide Deep Moisturising Cream gaining strong consumer traction. The brand

also launched a 'Skin-Renew' range through India's first international dermatologist collaboration with Dr. Vanita Rattan. Additionally, first-to-India, premium offerings such as the 50,000 PPM Vitamin C Microneedle Serum Shot and the 15% Vitamin C Ampoule Serum Kit further enhanced our innovation strength.

Under the 'Young Scientists' programme, the brand supports science education for underprivileged students, bridging the gap between theory and practical application. This initiative empowered 30,000+ children from underserved communities in schools in Bengaluru and Chennai.

₹500_{cr}

Revenue in FY 24-25

₹100_{cr}

ARR in Offline Channel in FY 24-25

2,200+

Presence in Modern Trade Stores

10,000+

Presence in General Trade Stores



¹Source: AI Urban NielsenIQ

²Source: Kantar Brand Health Track

Management Discussion & Analysis

Aqualogica®

During the year, Aqualogica deepened its presence in the skincare segment through focused portfolio expansion and innovation. The brand delivered strong performance across its three core categories, sunscreens, moisturisers and newly launched body mists.

They recorded a 25%+ YoY increase in brand searches, reflecting rising consumer engagement and growing visibility. In March 2025, the brand achieved its highest-ever monthly search volume, driven by targeted marketing initiatives and impactful product launches.

The brand has established a strong digital reach through its D2C website and mobile application. It continues to perform well across marketplaces, with the Glow+ Dewy Sunscreen emerging as a consistent bestseller, underscoring high consumer preference and

product effectiveness. Hero products such as the Glow+ Dewy Sunscreen, Illuminate+ Dewy Sunscreen, Refresh+ Perfume Body Mist, and Glow+ Face Wash have continued to drive strong performance. These offerings have resonated well with consumers, earning widespread preference and becoming staples in their personal care routines.

The newly launched Hydra Gel range played a key role in scaling Aqualogica's moisturiser portfolio, establishing the brand's presence in a growing category and supporting its multi-category expansion. Aqualogica strengthened its innovation leadership by upgrading its best-selling sunscreens with SPF and introducing India's first SPPF (Sun and Pollution Protection Factor) formulation.

Aqualogica's commitment to providing access to potable water through its 'Fresh Water for All' initiative

has ensured clean and safe drinking water reaches remote parts of India, impacting 900+ households and saving hundreds of hours for women daily, allowing them to use that time for earning income, childcare, and household work.

₹180+_{cr}

Net Annual Revenue Run-Rate of Aqualogica



BBLUNT

BBlunt Product Business reached ₹100 Crores in net sales in FY 24-25, growing 4x+ in three years since the acquisition. The brand has been able to deliver growth through digital-first scale up scaling well on the quick commerce channels. It continues to be a market leader in styling space on online channels.

The Intense Moisture and Hair Fall Control ranges, which were well accepted by the consumer, enabled this performance in the online channel. The styling portfolio, including hair masks, was scaled on the quick commerce platforms driven by products like Hot Shot Hair Spray.

Products like Refresh Dry Shampoo, Intense Moisture Lamellar Water, and 7-in-1 Repair & Revive Hair Mask, amongst others, generated significant interest amongst consumers and drove innovation in the category.

Through the 'Shine Academy', BBlunt has empowered over 15,000 women from underprivileged communities by providing them with skill-building and professional training opportunities.

₹100_{cr}

Net Sales in FY 24-25

+ DR. SHETH'S

Rooted in the philosophy of The Power of Nature & Science, Dr. Sheth's combines potent actives, such as Kojic Acid, Ceramides, and Niacinamide, with carefully botanicals such as Kesar, Haldi and Centella to promote skin resilience and holistic wellness.

The brand delivered robust growth in key focus categories such as sunscreens and moisturisers, with its serum portfolio also showing progress. This momentum was driven by impactful cross-platform activations that spurred a notable rise in brand and category searches. Products like Ceramide & Vitamin C Sunscreen, Ceramide & Vitamin C Oil-Free Moisturiser and Kesar & Kojic Acid Sunscreen received much consumer love.

In FY 24-25, the brand launched, first-to-India, innovative prestige products such as the Bakuchiol

& PDRN Serum and Argireline & Copper Peptide B'tox Serum, catering to an ingredient-aware, premium skincare consumer. Concurrently, Dr. Sheth's continued to build a multi-category portfolio across sunscreens, serums, and moisturisers.

Product innovation remained at the core of Dr. Sheth's strategy. The year saw the launch of personalised skincare solutions, including Oil-Free Sunscreens for oily skin, strengthening the brand's relevance in targeted skincare.

Dr. Sheth's, in partnership with Doctors for You (DFY), launched the 'Healthy India Initiative' to enhance healthcare accessibility in rural areas. As part of this initiative, the brand rolled out the Healthmobile on Wheels program, bringing vital medical services to underserved communities and



conducting over 10,000 health check-ups to date.

With a sharp focus on performance, premiumisation, and personalisation, Dr. Sheth's is well-positioned to deliver sustained value in India's evolving skincare market.

₹150_{cr}

Net Annual Revenue Run-Rate for Dr. Sheth's



STAZE

An aspirational colour cosmetics brand for GenZ, Staze, is a pioneering range of high-performance, long-lasting makeup, driven by advanced C-Lock Technology™. Each product has been carefully crafted with the functional expertise of 40+ beauty experts to deliver studio-finish makeup that suits all Indian skin tones and skin types.

Flagship products such as the 9To9 3-in-1 Lipstick and Gloss Lock 2-in-1 Liquid Lipstick have continued to deliver strong performance, reaffirming consumer preference. Additionally, the Crème de la Matte Lipstick has emerged as a standout innovation, expanding the brand's lip portfolio meaningfully.

Management Discussion & Analysis

Brand Building, Engagement and Marketing

Honasa continues to drive deeper consumer engagement, enhance brand recall, and support conversion across digital and traditional platforms.

An 'always-on' marketing approach ensures consistent visibility through varied content formats and omnichannel presence. Nano marketing funnels are optimised to deliver highly personalised, cohort-specific experiences, while enhanced media-mix modelling aligns with evolving consumer behaviour, reinforcing awareness-led brand growth.

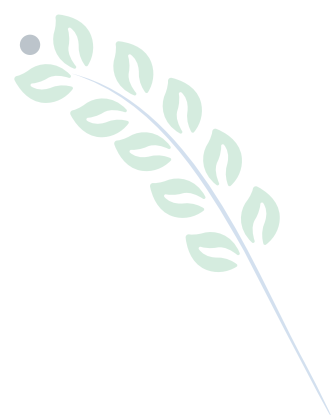
Data-driven targeting enables precise household-level outreach,

improving marketing efficiency. The Company sees content as a key differentiator, creating vernacular-first, high-impact content tailored to regional preferences. A nuanced understanding of language markets underpins its consumer connect, building stronger cultural relevance and brand affinity.

Honasa's integrated marketing framework ensures a consistent brand narrative across the consumer journey—from awareness to conversion, reflected in increased online search volumes and deeper household penetration. The Company's in-house content engine and influencer network enable agile, insight-led storytelling.

Acknowledging millennials' desire for meaningful content, the company leverages deep consumer insights to develop informative, engaging messaging that aligns with their interests and creates a strong emotional connection with the audience.

Purpose remains central to Honasa's brand-building strategy, with campaigns rooted in sustainability, safety, and efficacy. Notable initiatives include 'Goodness Delivered in 10 Minutes' with Zepto, where a tree was planted for every Mamaearth order.



Some of the Key Campaigns of the Year

mamaearth®



Ubtan Face Wash 'Tan Hataye Glow Lautaye' Campaign – Made with the goodness of natural ingredients like Turmeric and Saffron, it removes tan and gives your skin a natural glow.

THE derma co

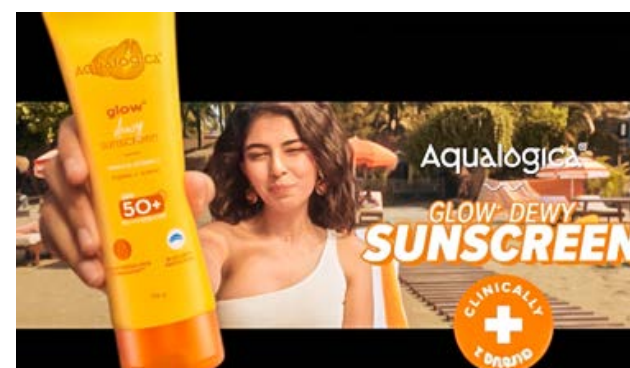
THE derma co

2% Sali-Cinamide
Anti-Acne Face Wash
**Reduces Acne*
3X Faster**
than Neem Face Wash*



2% Sali-Cinamide Anti-Acne Face Wash Campaign – Communicating high efficacy and fast results, this campaign highlights the ability of this face wash to reduce acne 3x faster than Neem Face Wash using the power of two actives.

Aqualogica®



Glow+ Dewy Sunscreen Campaign – This campaign emphasises the lightweight nature as well as the non-sticky nature of the sunscreen, which provides ample hydration to the skin while imparting a dewy glow.

BBLUNT



Intense Moisture Shampoo Campaign – This campaign communicates the Intense Moisture shampoo's ability to give smooth, frizz-free and salon-like hair at home.

+DR. SHETH'S



Ceramide and Vitamin C Sunscreen Campaign – This campaign illustrates using the 'Power of Nature and Science' to not just protect against tan but also damage caused by harsh sun rays.



Management Discussion & Analysis

Financial Performance Overview

(a) Results			
In ₹Mn			
Particulars	FY 2024-25	FY 2023-24	YoY Growth
Revenue from Operations	20,669.49	19,199.04	7.66%
Sale of Products	20,264.77	18,815.24	7.70%
Sale of Services	404.72	383.80	5.45%
Cost of Goods Sold	6,129.25	5,807.28	5.54%
Gross Profit	14,540.24	13,391.76	8.58%
Gross Profit Margin %	70.3%	69.8%	-
Employee Benefit Expense	2,004.18	1,705.63	17.50%
% of Revenue	9.7%	8.9%	-
Advertisement Expense	7,436.50	6,612.80	12.46%
% of Revenue	36.0%	34.4%	-
Other Expense	4,414.22	3,702.46	19.22%
% of Revenue	21.4%	19.3%	-
EBITDA	685.34	1,370.87	(50.01)%
EBITDA Margin %	3.3%	7.1%	-
Depreciation and Amortisation	450.06	306.17	-
Finance Costs	126.49	90.41	-
Other Income	787.34	497.01	58.42%
Profit Before Tax	896.13	1,471.30	(39.09)%
PBT Margin %	4.3%	7.7%	-
Tax Expenses	-	-	-
Current Tax	277.48	368.01	-
Deferred Tax (credit)	(108.22)	(1.99)	-
Profit After Tax	726.87	1,105.28	(34.24)%
PAT Margin %	3.5%	5.8%	-

Revenue from Operations

Revenue from operations increased by 7.66% to ₹20,669.49 Million in FY 24-25 from ₹19,199.04 Million in FY 23-24.

The increase is primarily due to an increase in the sale of products by 7.70% to ₹20,264.77 Million in FY 24-25 from ₹18,815.24 Million in FY 23-24. Honasa delivered an underlying volume growth of 13.2% in FY 24-25, marking a volume-led growth.

This increase was driven by the scale up of the younger brands as Mamaearth underwent transition.

Cost of Goods Sold and Gross Profit

Cost of goods sold increased to ₹6,129.25 Million in FY 24-25 from ₹5,807.28 Million in FY 23-24; the increase was in line with the increase in sales of products during FY 24-25.

The Company's Gross Profit stood at 70.3% in FY 24-25 as compared to 69.8% in FY 23-24. The Gross Profit margin improved by 59 bps due to procurement efficiencies unlocked and increased salience of younger brands (The Derma Co, Aqualogica, Dr. Sheth's, BBlunt and Staze) in sales with a higher gross margin profile.

Employee Benefits Expense

Honasa's employee benefits expense increased by 17.5% in absolute terms to ₹2,004.18 Million (9.7% of revenue) in FY 24-25 from ₹1,705.63 Million (8.9% of revenue) in FY 23-24, an increase of 81 bps in employee benefit expenses as a % of revenue YoY.

The increase is primarily due to an annual increase in salaries, wages, and bonuses in FY 24-25 as we strengthen our leadership and mid-management layer.

Advertisement Expense

The Company's advertisement expenses increased by 12.5% in absolute terms to ₹7,436.50 Million (36.0% of revenue) in FY 24-25, as compared to ₹6,612.80 Million (34.4% of revenue) for the FY 23-24 due to the following reasons-

- Ad spends on younger brands
- Realigning our marketing playbooks following a three-pronged approach:
 - 'Always on' marketing
 - Improved media mix modelling
 - Awareness led brand building

Other Expenses

Honasa's other expenses increased by 19.22% in absolute terms to ₹4,414.22 Million (21.4% of revenue) in FY 24-25 from ₹3,702.46 Million (19.3% of revenue) in FY 23-24, an increase of 207 basis points as a % of revenue YoY. This increase is due to the following reasons:

- Change in channel mix towards online leading to higher distribution costs.
- New warehouse structuring
- Strategic consultation projects (Bain)

EBITDA

EBITDA for FY 24-25 stood at ₹685.34 Million (3.3% of revenue) as compared to ₹1,370.87 Million (7.1% of revenue), showcasing a margin decline of 382 bps. This was driven by:

- Impact of sales return on account of Project Neev
- Lack of leverage with revenue impacted due to the General Trade transition, while the company continued to invest in brand-building and employees
- Improvement pilots and professional expenses (including consulting expenses)

Depreciation and Amortisation Expense

While depreciation and amortisation expenses increased by 56.99% in absolute terms to ₹450.06 Million in FY 24-25 from ₹306.17 Million in FY 23-24. The increase is primarily due to the increase in the depreciation of right-of-use assets was mainly on account of new leases for EBOs and the new warehouse, and an increase in depreciation of property, plant and equipment.

Finance Costs

Finance costs increased by 39.91% to ₹126.49 Million in FY 24-25 from ₹90.41 million in FY 23-24, primarily due to an increase in interest on lease liabilities to ₹118.57 Million in FY 24-25 from ₹82.51 Million in FY 23-24. The increase in interest on lease liabilities was mainly on account of new leases for EBOs and the new warehouse.

Other Income

Other income increased by 58.41% to ₹787.34 Million in FY 24-25 from ₹497.01 Million in FY 23-24, primarily due to an increase in interest income on account of increased investments from cash generated from business as we continue to be a negative working capital cycle business.

Tax Expenses

Total Tax expenses decreased by 53.76% to ₹169.26 Million for FY 24-25 from ₹366.02 Million for FY 23-24, primarily due to a decrease in current tax by ₹90.53 Million on account of lower profits and an increase in deferred tax credit, mainly on account of first-time DTA recognition in Fusion Cosmeceutics Private Limited (100% subsidiary).

Profit for the year was at ₹726.87 Million versus a loss of ₹1,105.28 Million in FY 22-23.





Management Discussion & Analysis

(b) Consolidated Balance Sheet

in ₹ Mn

Equity and Liabilities	As on		
	March 31, 2025	March 31, 2024	YoY Growth
PPE including CWIP	259.15	204.23	-
Goodwill	527.75	527.75	-
Other Intangible Assets	1,025.31	1,017.51	-
Right-of-Use Assets	1,210.39	1,242.61	-
Other Financial Assets	4,654.35	2,008.29	-
Other Non-Current Assets	108.99	36.66	-
Inventories	1,582.79	1,228.36	-
Investments	3,407.75	2,917.69	-
Trade receivables	1,323.28	1,593.76	-
Cash and Bank Balances	3,312.92	4,856.51	-
Other Current Assets	848.71	687.07	-
TOTAL ASSETS	17,901.39	16,320.44	9.7%
Equity	11,798.30	10,952.71	7.7%
Lease Liabilities	1,364.00	1,309.69	
Other Non-Current Liabilities	107.67	104.04	
Other Current Liabilities	1,063.52	1,012.93	
Trade Payables	3,567.90	2,941.07	
Total Liabilities	6,103.09	5,367.73	13.7%
TOTAL EQUITY AND LIABILITIES	17,901.39	16,320.44	

Assets

Total assets increased by 9.7% to ₹17,901.39 Million as of March 31, 2025, from ₹16,320.44 Million as of March 31, 2024. The increase is primarily attributed to the following:

- Increase in Other Financial Assets, cash and bank balances, and Investments mainly on account of increased investments through profits generated from business during FY 24-25
- Increase in Inventories is in line with an increase in business volumes and the addition of new brands during FY 24-25
- Decrease in trade receivables is due to change in channel mix towards online which has a lower credit cycle

Equity

- Equity increased on account of the issuance of shares against ESOP exercised.
- Increase in retained earnings on account of profit generated during FY 24-25.

Liabilities

Total liabilities increased by 13.7% to ₹6,103.09 Million as of March 31, 2025, from ₹5,367.73 Million as of March 31, 2024. The major contributors to this increase are:

- Decrease in other current liabilities due to payment of increased TDS liability for ESOP exercised towards the end of FY 24-25
- Increase in trade payables in line with an increase in business volumes

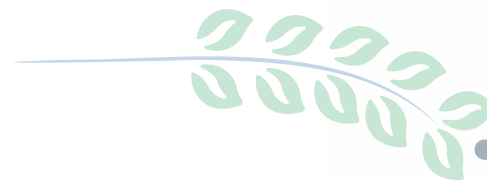
(c) Working Capital Days of Sale

The Company continues to have negative working capital, improving its working capital efficiencies by 15 days as it continues to efficiently improve key levers. This is primarily attributable to an improvement in trade payables by 7 days and trade receivables by 6 days.

in ₹ Mn

Particulars	As of 31 March, 2025	As of 31 March, 2024
Current Assets		
Receivables (A)	1,642.22	1,820.45
Inventory (B)	1,582.79	1,228.36
Other Current Assets (C)	339.47	294.13
Total Current Assets	3,564.50	3,342.95
Current Liabilities		
Payables (D)	3,567.90	2,941.07
Provisions (E)	87.72	61.84
Income tax payable (F)	381.13	51.01
Current lease liabilities (H)	266.06	185.19
Other financial liabilities (I)	217.27	226.51
Other current liabilities (J)*	377.40	352.11
Total current liabilities	4,897.48	3,817.73
Net working capital (K=A+B+C-D-E-F-G-H-I-J)	- 1,332.98	- 474.78
Revenue from operations (L)	20,669.49	19,199.04
Number of days in period/year (M)	365	366
Working Capital Days (N=K/(L/M))	-24	-9

*Excluding ₹321.46 Million of TDS payable on ESOP allotment during March 2024.



Management Discussion & Analysis

(d) Cash Flows

in ₹ Mn		
Particulars	Year Ended FY25	Year Ended FY24
Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	896.13	1,471.30
Depreciation of Property, Plant and Equipment ('PPE')	97.68	55.62
Depreciation of Right-Of-Use-Assets	327.37	231.02
Interest Income	-563.41	-254.32
Finance Costs	126.49	90.41
Other Non-Cash Adjustments	138.38	58.85
Movement in Working Capital	-50.25	1,024.90
Cash Flow Generated From/(Used In) Operating Activities	972.38	2,677.78
Income Tax Paid	49.42	-324.40
Net Cash Flow Generated From/(Used In) Operating Activities [A]	1,021.80	2,353.38
Cash Flow from Investing Activities		
Capex and Intangible Assets	-199.29	-119.87
Sale/(Purchase) of Investments & Bank Deposits	-1,645.42	-4,481.66
Others	393.49	-96.68
Net Cash Flow Generated (Used In)/From Investing Activities [B]	-1,451.22	-4,698.22
Cash Flow from Financing Activities		
Proceeds from Issuance of Equity Shares (Net)	47.90	3,633.25
Repayment & Interest on Lease Liabilities	-351.12	-256.76
Others	-7.91	-7.90
Net Cash Flows (Used In)/Generated from Financing Activities [C]	-311.12	3,368.59
Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]	-740.54	1,023.75
Cash and Cash Equivalents at the beginning of the period	1,070.21	46.46
Cash and Cash Equivalents at the end of the period	329.67	1,070.21

(e) Key Financial Ratios

Particulars	FY 2025	FY 2024
Revenue from Operations (₹ Million)	20,669.49	19,199.04
Revenue from Services (₹ Million)	404.72	383.80
Revenue Growth (%)	7.66%	28.62%
Gross Profit (₹ Million)	14,540.24	13,391.76
Gross Profit Margin (%)	70.35%	69.75%
EBITDA (₹ Million)	685.34	1,370.87
EBITDA Margin (%)	3.32%	7.14%
Net Profit (₹ Million)	726.87	1,105.28
Net Profit Margin (%)	3.52%	5.76%
Basic EPS (after Exceptional Items) (₹)	2.24	3.57
Return on Capital Employed (%)	8.67%	14.26%
Working Capital Days of Sale	(24)	(9)
Invested Capital in Business	(481.24)	(230.02)
Inventory Turnover Ratio	14.71	16.42
Trade Receivable Turnover Ratio	14.17	13.23
Trade Payables Turnover Ratio	2.02	2.42
Current Ratio	2.07	2.73
Debt-equity Ratio	NA	NA
Interest Coverage Ratio	NA	NA
FCFF (₹ Million)	817.87	2,235.39

Definition of Key Terms

Return on Net Worth (RoNW)

Return on Net Worth is a measure of the profitability of a Company expressed as a percentage. It is calculated by dividing the net profit after tax attributable to equity holders of the Group by the net worth of equity shareholders of the Group.

Return on Capital Employed (RoCE)

Return on Capital Employed indicates the ability of a Company's management to generate returns for both the debt holders and the equity holders. It measures a Company's profitability and the efficiency with which its capital is used. It is calculated by dividing profit before interest and tax by capital employed. Capital employed is the total equity

attributable to equity holders of the parent+long-term debt.

Basic EPS

Earnings Per Share (EPS) is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability. Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the period/years.

Gross Profit Margin

Gross Profit refers to revenue from operations less purchase of traded goods less increase in inventories of traded goods. Gross Profit Margin refers to the percentage margin



Management Discussion & Analysis

derived by dividing Gross Profit by revenue from operations.

EBITDA and EBITDA Margin

EBITDA is calculated as restated profit/ (loss) for the period/year plus tax expense, finance cost, depreciation, amortisation expenses, and exceptional items (impairment loss on goodwill and other intangible assets) less other income. EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Net Profit Margin

The net profit margin is equal to how much net profit is generated as a

percentage of revenue. It is calculated by dividing net profit by turnover.

Working Capital Days of Sale

Working Capital Days of Sale is calculated as Net Working Capital divided by revenue calculated daily.

Inventory Days of Sale

Inventory Days of Sale are calculated as closing inventory divided by revenue calculated daily.

Trade Receivables Days of Sale

Trade receivables Days of Sale are calculated as closing trade

receivables divided by revenue calculated daily.

Trade Payables Days of Sale

Trade payables Days of Sale are calculated as closing trade payables divided by revenue calculated daily.

Free Cash Flow to the Firm (FCFF)

FCFF is a measurement of a company's profitability after all expenses and reinvestments. FCFF is calculated by deducting the capital expenditure from the net cash flow generated/(used in) from operating activities.

Operational Overview

Supply Chain and Logistics

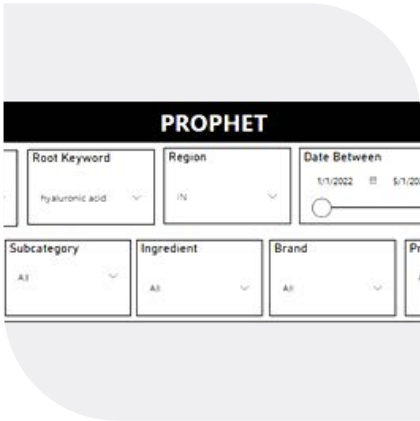
The Company's integrated supply chain is crucial for operational efficiency and growth. It spans six cities and includes 11 warehouses , both in-house and through strategic third-party partners, ensuring smooth fulfilment for consumers, distributors, modern trade, e-commerce and Quick Commerce platforms, and super-stockists nationwide. A central warehouse consolidates inventory and optimises dispatch, enhancing responsiveness across channels.

Data-driven strategies refine warehouse locations and capacity, while an integrated ERP and Order

Management System streamline procurement and distribution, providing inventory visibility. Advanced data science and machine learning improve demand forecasting and inventory management, enabling quick adaptation to market changes and positioning the Company to meet evolving retail demands with its omni-channel distribution capability.

11

Warehouses



Technology

Technology remains central to Honasa Consumer Limited's growth strategy, enabling seamless integration across its brand portfolio, omnichannel operations, and supply chain. The Company's robust digital infrastructure enhances operational efficiency, supports sustainable scale, and strengthens its direct-to-consumer model through advanced applications, backend systems, and third-party integrations. This ecosystem optimises demand forecasting, inventory management, and logistics execution.

Honasa continues to leverage agentic AI workflows and large language models across the product lifecycle, including crafting product concepts, crafting communication with precise consumer messaging, evaluating the communication concept, identifying the optimal communication channel, assisting the consumer purchase and reviewing consumer product feedback. With a skilled in-house technology team, Honasa prioritises scalability, adaptability, and security. The Company remains committed to data protection, customer trust, and regulatory compliance in a rapidly evolving digital landscape.

Read More on Page 39



People and Culture

Honasa's organisational culture is a key enabler of its success, anchored in urgency, collective ownership, and a deep consumer focus. These values are embedded in everyday decision-making, fostering collaboration, agility, and a proactive mindset, driving innovation, resilience, and operational excellence.

The Company's talent strategy is designed to build an agile, entrepreneurial workforce aligned with Honasa's core values. It focuses on attracting high-potential talent, diversifying the talent pool, and strengthening capabilities to future-proof the organisation. A lean structure ensures quality hiring, with a focus on talent that drives sustained business growth.

Learning and development are central to Honasa's growth agenda, with emphasis on real-time feedback, hands-on problem-solving, and continuous upskilling through curated learning experiences and stretch assignments.

Leadership and succession planning are proactively managed through structured programmes that nurture internal talent. This approach builds a strong pipeline of future-ready leaders who embody a culture of ownership, innovation, and long-term value creation.



ESG

Environmental, Social, and Governance (ESG) principles are deeply embedded in Honasa's core values, shaping its commitment to sustainability, community development, and ethical governance. This purpose-driven philosophy extends across all brands, products, and operations, reflecting a long-term focus on creating meaningful impact. Initiatives like 'Plant Goodness' underscore Honasa's efforts to lower its carbon footprint through large-scale tree plantation, with geo-tagging implemented for transparency and accountability. As a plastic-positive organisation, Honasa also recycles more plastic than it consumes across its entire product portfolio. The company drives impactful initiatives also through its younger brands like The Derma Co., Aqualogica, BBlunt, and Dr. Sheth's, focusing on education, clean drinking water access, upskilling, and rural healthcare, demonstrating its continued commitment to improving lives and supporting underserved communities.



Management Discussion & Analysis

Governance

Ethical governance lies at the heart of the Company's operations, reinforced by a seasoned Board and Independent Directors who uphold the highest standards of corporate governance. Oversight is further strengthened through dedicated committees for audit, risk management, and corporate social responsibility, promoting transparency and accountability across key business functions. Honasa also engages one of the Big Four firms for statutory audits and partners with a leading internal auditor to ensure a robust governance structure. Complementing this, a diverse workforce, nearly half of which comprises women, supported by strong systems and processes, further reinforces the Company's governance framework.

Collectively, these initiatives reflect Honasa's strong focus on environmental sustainability, community well-being and inclusive growth, core pillars of its long-term ESG strategy.



Information Security and Data Privacy

The Company has established a thorough information security and data privacy framework designed to safeguard its technological infrastructure and customer information. This framework enforces stringent protocols for responsible data usage and strictly prohibits the sharing of customer data with external third parties, including third-party databases.

To mitigate the risk of data breaches, the Company has implemented robust security measures such as firewall protection, VPN access, and two-factor authentication to prevent unauthorised access to its systems. Additionally, regular malware scans are conducted to proactively identify and address potential threats. The Company's organisational product suite features a Customer Data Platform, which enhances secure and efficient data management practices.

Risk Management

In response to significant growth and expanded business operations, Honasa has redeveloped the Risk Management framework to better fit with its strategic objectives. The Risk Management Policy has been updated with the roles and responsibilities of each stakeholder, criteria of risk prioritisation, along with assessment of existing and new risks that the company might have been exposed to. Strategic, Operational, Sectoral, Financial, information and cybersecurity-related risks that impact the organisation have been identified through a robust Enterprise Risk Management exercise.

Risk Management Committee ('RMC'), established by the Board, plays a critical role in monitoring and reviewing the development and implementation of the risk management framework to ensure its ongoing effectiveness. In addition, the Audit Committee provides supplementary oversight, focusing specifically on financial risks and controls.

This structured approach underscores our commitment to proactive risk management and transparency, reflecting our efforts to safeguard the Company's interests and enhance long-term sustainability.

Honasa is committed to continuously strengthening its risk management systems and processes to keep pace with the rapidly changing business environment.



Key Enterprise Risks include

Litigation Risk: The Company faces risks of customer claims for product-related injuries, contractual disputes with partners/distributors leading to financial and reputational damage, and operational disruptions from using unlicensed software, which may result in legal issues and negative publicity.

Security Breaches and Cyberattacks: It includes deliberate attempts by unauthorised individuals or entities to gain access to sensitive information, disrupt operations, or cause damage to computer systems, networks, or digital assets of an organisation.

Unauthorised Product Distribution: It refers to the risk of the Company's discarded products/expired products being sold again in the market at lower prices by recycling vendors, impacting brand reputation and price hygiene.

Brand Stagnancy due to Changing Consumer Preferences: Situations where the brand may experience a slowdown or halt in growth, relevance, or market influence to meet the evolving needs, tastes, values, or expectations of consumers.

Dependence on Third-party Manufacturers: Dependence on single-source procurement and geographically concentrated TPMs increases supply chain vulnerability, and financial instability or insolvency of a TPM can lead to disruptions, revenue loss, and operational risks.

Distribution Partner Selection and Appointment: Inadequacies in distribution partner evaluation while onboarding would impact the sales strategy execution, price hygiene and channel conflicts.

Credit Risk: In the offline channel, credit risk would impact cash flows, increase collection costs and bad debt provisioning.

Higher Inventory Levels for Company and Distribution Channels: It refers to potential increased inventory levels at company warehouses and channel partner locations caused by inaccurate demand forecast, slow-moving products and supply chain inefficiencies.

Leadership Attrition and Talent Retention: This refers to the potential negative impact on an organisation when key leaders and talented employees leave the Company. Leadership attrition can disrupt strategic direction, weaken organisational stability, and lead to a loss of institutional knowledge.

Unsuccessful New Product and Brand Launches: This refers to the potential negative impact on a Company when new products or brands fail to meet market expectations or achieve projected sales targets.

Ethics, Compliance, Legal and Regulations: These refer to the potential challenges and consequences arising from ethical breaches, non-compliance with laws and regulations, or failure to adhere to industry standards.

Risk Mitigation and Future Direction: The Company has defined mitigation plans against each of the key risks. These risks are continuously monitored and periodically reported to the Board and RMC to ensure effective risk management and mitigation.



Board’s Report

Dear Members,

The board of directors (“Board”) has immense pleasure in presenting Board’s report on the business and operations of Honasa Consumer Limited (“Company”) together with the audited financial statements for the financial year ended March 31, 2025.

Financial Performance – An Overview

Key highlights of the financial performance of the Company for the financial year 2024-25 (“FY 2024-25”) are provided below:

Particulars	(₹ in Millions)			
	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from Operations	18,657.07	17,643.89	20,669.49	19,199.04
Other Income	763.70	481.35	787.34	497.01
Total Income	19,420.77	18,125.24	21,456.83	19,696.05
Expenditure other than Depreciation and Finance cost	18,118.87	16,241.83	19,984.15	17,828.17
Finance Cost	105.28	71.9	126.49	90.41
Depreciation and Amortisation Expenses	355.21	228.72	450.06	306.17
Total Expenditure	18,579.36	16,542.45	20,560.70	18,224.75
Profit Before Tax	841.41	1,582.79	896.13	1,471.30
Total Tax Expense	200.58	373.13	169.26	366.02
Profit for the year	640.83	1,209.66	726.87	1,105.28
Other Comprehensive (Loss)/Income (net of tax)	(0.22)	2.32	(0.18)	1.15
Total Comprehensive (Loss)/Income for the year (net of tax)	640.61	1,211.98	726.69	1,106.43
Attributable to:				
- Equity holders of the parent	-	-	726.69	1,118.90
- Non-controlling interests	-	-	-	(12.47)

Figures in brackets represent deductions.

Standalone and Consolidated Financial Statements

The Audited Financial Statements of the Company are drawn up, both on standalone and consolidated basis, for the FY 2024-25, in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 of the Companies Act, 2013 (“Act”). The Consolidated Financial Statements have been prepared based on the financial statements received from subsidiaries, as approved by their respective Boards.

Review of Operations

At standalone level, in FY 2024-25, the Company reported revenue from operations of ₹18,657.07 million as compared to ₹17,643.89 million in the financial year 2023-24 (“FY 2023-24”). Net profit (after tax) for the FY 2024-25 is ₹640.83 million as compared to a net profit (after tax) of ₹1,209.66 million in the FY 2023-24.

At consolidated level, in FY 2024-25, the Company reported revenue from operations of ₹20,669.49 million as compared

to ₹19,199.04 million in the FY 2023-24. Net profit (after tax) for the FY 2024-25 is ₹726.87 million as compared to a net profit (after tax) of ₹1,105.28 million in the FY 2023-24.

Dividend

The Board has not recommended any dividend on the equity shares of the Company for FY 2024-25, considering that the Company is in the growth stage and requires funds to support its growth objectives.

The Dividend Distribution Policy, in terms of regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) is available on the Company’s website on <https://honasa.in/cdn/shop/files/Dividend-Distribution-Policy.pdf>.

Share Capital

Authorised Share Capital

During FY 2024-25, there was no change in the authorised share capital of the Company.

Issued, Subscribed and Paid-Up Share Capital

The issued, subscribed and paid-up share capital of the Company as on March 31, 2025 was ₹3,25,18,36,100/- divided into 32,51,83,610 equity shares of ₹10/- each. Details of equity shares allotted by the Company during FY 2024-25 are given hereunder:

Date	Brief Details	Equity Shares allotted
September 2, 2024	Issuance against exercise of options granted under Honasa Consumer Limited Employees Stock Option Plan – 2018 (ESOP 2018) and Honasa Consumer Limited Employees Stock Option Plan – 2021 (ESOP 2021)	579,849
March 6, 2025	Issuance against exercise of options granted under Honasa Consumer Limited Employees Stock Option Plan – 2018 (ESOP 2018) and Honasa Consumer Limited Employees Stock Option Plan – 2021 (ESOP 2021)	359,604

The equity shares allotted under ESOP rank pari-passu with existing equity shares of the Company.

Employee Stock Option Plan

The Company offers share-based benefits to eligible employees with the aim of attracting and retaining talent, aligning individual performance with corporate objectives and encouraging greater employee participation in the Company’s growth. Currently, the Company operates two active Employee Stock Option Schemes which are as follows:

- a) Honasa Consumer Limited Employee Stock Option Plan 2018 (“ESOP 2018”)
- b) Honasa Consumer Limited Employee Stock Option Plan 2021 (“ESOP 2021”)

ESOP 2018 and ESOP 2021 are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations 2021”). The Company has obtained certificate(s) from Secretarial Auditors confirming that ESOP 2018 and ESOP 2021 have been implemented in accordance with the SEBI SBEB Regulations 2021 and resolution(s) passed by the members of the Company. The said certificates will be made available for inspection by the members of the Company at the registered office and through electronic mode during business hours of the Company.

The Nomination and Remuneration Committee (“NRC”) is entrusted with the responsibility of administering the ESOP 2018 and ESOP 2021. The Equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited effective from November 7, 2023. Post IPO of its equity shares, as per requirement of Regulation 12(i) of the SEBI SBEB Regulations 2021, ESOP Schemes were ratified by the members of the Company by way of postal ballot on January 28, 2024 and subsequently modified by the Company by way of postal ballot on June 2, 2024 and have also taken in-principle approval from BSE Limited and National Stock Exchange of India Limited on July 23, 2024 and July 25, 2024, respectively. There is no material change in the ESOP Schemes.

A statement containing relevant disclosures for ESOP 2018 and ESOP 2021 pursuant to rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 14 of the SEBI SBEB Regulations, 2021 is available on the website

of the Company at https://honasa.in/cdn/shop/files/ESOP_Disclosure_2024-25.pdf.

Subsidiaries, Joint Ventures & Associate Companies

As of March 31, 2025, the Company has the following 6 (Six) wholly owned subsidiaries (“WOS”), including 1 (one) step-down WOS, in India and abroad:

- Bhabani Blunt Hair Dressing Private Limited**

Bhabani Blunt Hair Dressing Private Limited (“BBlunt”) is engaged in the business of professional hair care and styling segments. BBlunt seeks to replicate a salon like experience for consumers at home by offering a wide range of products including shampoos, conditioners, hair serums, hair color, heat protection mist and hair sprays. During FY 2024-25, BBlunt has reported revenue from operations of ₹240.02 million and a net profit of ₹20.16 million.
- B:Blunt–Spratt Hairdressing Private Limited**

B:Blunt–Spratt Hairdressing Private Limited (“B:Blunt Spratt”) is a wholly owned subsidiary of Bhabani Blunt Hair Dressing Private Limited which is a WOS of the Company. Accordingly, B:Blunt Spratt is a step-down subsidiary of the Company.

B:Blunt Spratt is engaged in the business of running beauty parlours, hair cutting salons to provide specialised training and education in hair cutting, beauty parlours and other related activities and, carry on the business of dealers in merchandise, consumer durables, semi-durables, consumer products and products related to hair, head, beauty salons/parlours and hair cutting salons. During FY 2024-25, B:Blunt Spratt has reported revenue from operations of ₹239.95 million and a net profit of ₹27.62 million.
- Fusion Cosmeceutics Private Limited**

Fusion Cosmeceutics Private Limited (“Fusion”) is engaged in the business of manufacturing cosmetic, hair & skin product, health, home & beauty care products, vitamins, medicines, ointments, capsules, tablets and related products and by products. During FY 2024-25, Fusion has reported revenue from operations of ₹1561.37 million and a net profit of ₹38.10 million.



Board's Report

4. Just4kids Services Private Limited

Just4Kids Services Private Limited ("Just4Kids") is engaged in the business of user generated, multilingual content platform that enables individuals to share their experiences with the larger community in textual or video content format. It currently supports content in 10 different languages - English, Hindi, Bengali, Marathi, Tamil, Telugu, Kannada, Malayalam, Gujarati and Punjabi. During FY 2024-25, Just4Kids has reported total income of ₹15.52 million and a net profit of ₹10.77 million.

5. Honasa Consumer General Trading LLC., Dubai

Honasa Consumer General Trading LLC ("Honasa General Trading") is engaged in the business of trading of beauty and personal care products, cosmetics products, hair care products and, which includes carrying on all activities as are related or ancillary thereto. During FY 2024-25, Honasa General Trading has reported revenue from contracts with customers of AED 22,29,539 and a profit of AED 16,513.

6. PT Honasa Consumer Indonesia

PT Honasa Consumer Indonesia ("Honasa Indonesia") has been incorporated to engage in the trading of beauty and personal care products, cosmetics products, hair care products and which includes carrying on all activities as are related or ancillary thereto. Honasa Indonesia is yet to start its operations.

The Company does not have any associate company or joint venture within the meaning of Section 2(6) of the Act.

The Board regularly reviews the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014 and in accordance with applicable accounting standards, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is annexed as **Annexure-I** to this report.

In accordance with the provisions of Section 136 of the Act and the SEBI Listing Regulations, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of the Company's subsidiaries have been placed on the website of the Company at <https://honasa.in/investor/> and are available for inspection at the Company's registered office or through electronic mode. Further, the same will also be available electronically for inspection by the members during the 9th Annual General Meeting ("AGM") and physical copies of the same will also be made available to the members upon request.

In line with the requirements of the SEBI Listing Regulations, the Company has formulated a policy for determining Material Subsidiaries. The said policy is available on the website of the Company at <https://honasa.in/cdn/shop/files/Policy-to-Determine-Material-Subsidiary.pdf>.

During FY 2024-25, there were no material subsidiaries of the Company.

Management Discussion and Analysis Report

Management Discussion and Analysis Report as stipulated under regulation 34(2)(e) of the SEBI Listing Regulations, is presented in a separate section, forming part of the Annual Report.

Significant Event

Scheme of Amalgamation

The Board, in its meeting held on April 19, 2024, approved the scheme of amalgamation ("Scheme") of Fusion Cosmeceutics Private Limited ("Fusion") and Just4Kids Services Private Limited ("Just4Kids") with Honasa Consumer Limited ("Company") under Sections 230-232 of the Act with the objective to enhance financial efficiency and shareholder value by eliminating cost duplication through a holding structure, streamline governance by reducing layered structures and managerial overlap, support accelerated growth through broader market access, enable quicker decision-making with focused management and improve cash flow utilisation for better capital allocation and growth.

The Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide its order dated May 8, 2025 and subsequently the Hon'ble NCLT, New Delhi Bench, vide its order dated June 3, 2025 have sanctioned the Scheme. The Company received certified copy of the order from the Hon'ble NCLT, New Delhi Bench on June 25, 2025 and filed the said order in Form INC-28 with the concerned Registrar of Companies on July 24, 2025.

Consequently, the Scheme became effective from July 24, 2025, with the appointed date as May 1, 2023.

Internal Financial Control Systems and their Adequacy

The Company has an adequate system of internal financial controls commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

Internal Audit Reports are discussed in the Audit Committee meetings to review the adequacy and effectiveness of the Company's internal control environment and necessary actions are taken to strengthen the control in the required areas of business operations. The process is in place to monitor the implementation of audit recommendations, including those related to strengthening of the Company's risk management systems.

Based on the assessment carried out by the management and the evaluation of the results of the assessment, the Board believes that the Company has adequate internal financial control systems that are operating effectively as of March 31, 2025.

There were no instances of fraud that necessitated reporting of material misstatements to the Company's operations.

Auditors

Statutory Auditors and Statutory Auditor's Report

The Board, at its meeting held on May 23, 2024, based on the recommendation of the Audit Committee, proposed the re-appointment of S.R. Batliboi & Associates LLP, Chartered Accountants, as the Company's Statutory Auditors for a second consecutive term of 5 (five) years, commencing from the conclusion of the 8th AGM and concluding at the 13th AGM, to be held in the year 2029. The re-appointment of S.R. Batliboi & Associates LLP was subsequently approved by the members at the 8th AGM held on August 29, 2024.

S.R. Batliboi & Associates LLP has confirmed that it satisfies the independence criteria required under the Act and the code of ethics issued by the Institute of Chartered Accountants of India.

Auditor's Report on the standalone and consolidated financial statements of the Company for FY 2024-25 forms part of the Annual Report. The auditor's report is unmodified and does not contain any observation, qualification, reservation or adverse remark. During FY 2024-25, S.R. Batliboi & Associates LLP has not reported any fraud committed against the Company by its officers or employees, as required to be reported in terms of section 143(12) of the Act read with rules made thereunder.

Secretarial Audit and Secretarial Auditor's Report

Pursuant to the provisions of section 204 of the Act read with rules made thereunder, Arora Shekhar & Company, Practicing Company Secretaries were appointed as Secretarial Auditors of the Company to conduct Secretarial Audit of the Company for the FY 2024-25.

The Secretarial Audit Report for FY 2024-25, as submitted by the Secretarial Auditor in Form MR-3, is annexed to this Report as **Annexure - II**. There are no observations (including any qualification, reservation, adverse remark or disclaimer) in the Secretarial Audit Report for FY 2024-25.

Further, pursuant to amended provisions of regulation 24A of SEBI Listing Regulations read with Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board at its meeting held on May 22, 2025, based on the recommendation of the Audit Committee and subject to approval of the members at the forthcoming AGM, approved appointment of Arora Shekhar & Company, Practicing Company Secretaries (Certificate of Practice Number: 14145, Firm Registration

Number: S2015DE540700 and Peer reviewed certificate Number: 3159/2023) as Secretarial Auditor of the Company to undertake the Secretarial Audit for a term of 5 (five) consecutive financial years from FY 2025-26 till FY 2029-30. Arora Shekhar & Company, Practicing Company Secretary, has confirmed that he is not disqualified to be appointed as a Secretarial Auditor and is eligible to hold office as Secretarial Auditor of the Company.

During FY 2024-25, Secretarial Auditor has not reported any fraud committed against the Company by its officers or employees, as required to reported in terms of section 143(12) of the Act read with rules made there under.

The Company has submitted the Secretarial Compliance Report with stock exchanges in compliance with Regulation 24A of the SEBI Listing Regulations for the FY 2024-25 and the same can be accessed on the website of the Company at https://honasa.in/cdn/shop/files/Annual_Secretarial_Compliance_Report_31032025.pdf.

Internal Auditor

The Company has implemented a robust internal audit framework to assess and enhance the effectiveness of its internal financial controls and operational processes. The Audit Committee, in consultation with the management, oversees the internal audit function, ensuring its independence and adequacy. The internal audit team conducts regular audits across various departments, identifying areas for improvement and ensuring compliance with applicable laws and regulations. Significant findings and recommendations are discussed with the Audit Committee, which monitors the implementation of corrective actions. The Board is committed to maintaining a strong internal control environment to safeguard the Company's assets and ensure the reliability of financial reporting.

BDO India Limited Liability Partnership was appointed as the Internal Auditors of the Company for the FY 2024-25 and the report given by the Internal Auditors has been reviewed by the Audit Committee from time to time.

The Board, based on the recommendation of Audit Committee, at its meeting held on July 17, 2025 have appointed BDO India Limited Liability Partnership as Internal Auditors of the Company for the financial year 2025-26.

Cost Auditor

Maintenance of cost records as specified by the Central Government under Section 148(1) of the Act is not applicable to the Company.

Directors & Key Managerial Personnel

Directors

As on March 31, 2025, the Board has 6 (six) Directors comprising 2 (two) Whole Time Directors, 1 (Non-Executive Director) and 3 (three) Independent Directors including 1 (one) Independent Woman Director.

Board’s Report

In the opinion of the Board, all the directors, including the directors appointed during the FY 2024-25, possess the requisite qualifications, experience, expertise, proficiency and hold high standards of integrity. Brief resume, nature of expertise, disclosure of relationship between directors, inter-se, details of directorships and committee memberships held in other companies of the directors proposed to be appointed/re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard – 2 and regulation 36 of the SEBI Listing Regulations, forms part of notice of the forthcoming 9th AGM.

During the FY 2024-25, no director has resigned from the Company.

Appointment/Re-appointment

The Board, based on the recommendation of NRC, in its meeting held on May 23, 2024, approved the following:

- 1. Re-appointment of Mr. Varun Alagh as the ‘Whole Time Director’ of the Company for a period of 5 (five) years with effect from January 1, 2025 to December 31, 2029 (both days inclusive).
- 2. Re-appointment of Ms. Ghazal Alagh as the ‘Whole Time Director’ of the Company for a period of 5 (five) years with effect from January 1, 2025 to December 31, 2029 (both days inclusive).
- 3. Continuation of Mr. Ishaan Mittal as the ‘Non-Executive Nominee Director’ of the Company with effect from January 3, 2025 to January 2, 2030 (both days inclusive).

Subsequently, the members of the Company at the 8th AGM held on August 29, 2024 approved the aforesaid matters by way of passing Ordinary Resolutions.

Re-appointment (Post FY 2024-25)

The Board at its meeting held on July 17, 2025, based on the recommendation of NRC and the positive outcome of performance evaluation and contributions during the first term as an Independent Director, approved the re-appointment of Mr. Vivek Gambhir as an Independent Director of the Company for a second consecutive term of 5 (five) years effective from March 24, 2026 to March 23, 2031 (both days inclusive), subject to the approval of members at the forthcoming 9th AGM.

Director liable to retire by rotation

In terms of the provisions of the Act, Mr. Ishaan Mittal, Non – Executive Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. Necessary resolution for re-appointment of Mr. Ishaan Mittal forms part of the Notice convening 9th AGM.

Key Managerial Personnel

In accordance with the provisions of sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the

following were the Key Managerial Personnel (“KMP”) of the Company as on March 31, 2025:

- (i) Mr. Varun Alagh – Chairman, Chief Executive Officer and Whole Time Director;
- (ii) Ms. Ghazal Alagh – Whole Time Director;
- (iii) Mr. Raman Preet Sohi – Chief Financial Officer; and
- (iv) Mr. Dhanraj Dagar – Company Secretary and Compliance Officer*

* Ceased to be KMP w.e.f. July 11, 2025, due to Resignation

During FY 2024-25, there was no change in the KMP of the Company. However, Mr. Dhanraj Dagar resigned post FY 2024-25 and ceased to be Company Secretary and Compliance officer of the Company with effect from July 11, 2025.

The Board, based on the recommendation of NRC, in its meeting held on July 17, 2025 has appointed Mr. Gaurav Pandit as Company Secretary and Compliance Officer of the Company with effect from July 18, 2025.

Declarations and Confirmations on Independent Directors

Independent Directors have submitted their declaration of independence, stating that:

- i) they continue to fulfil the criteria of independence as required pursuant to section 149(6) read with schedule IV of the Act and regulation 16(l)(b) of the SEBI Listing Regulations;
- ii) they have confirmed that they are not aware of any circumstances or situation which exist or may be anticipated, that could impair or impact their ability to discharge their duties in terms of regulation 25(8) of the SEBI Listing Regulations;
- iii) they are not debarred from holding the office of Director pursuant to any SEBI order or order of any such authority; and
- iv) there has been no change in the circumstances affecting their status as Independent Director of the Company.

All Independent Directors have affirmed compliance to the code of conduct for independent directors as prescribed in schedule IV to the Act.

In Board’s opinion, the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields. The Independent Directors have also confirmed that they have complied with the Company’s code of conduct. Independent Directors have also confirmed that they have registered their names in the independent directors’ databank with the Indian Institute of Corporate Affairs.

Familiarisation Programme for Independent Directors

Pursuant to regulation 25 of the SEBI Listing Regulations, the Company familiarises its Independent Directors with their roles, rights and responsibilities, as well as with the Company’s business and operations, both upon induction and on a regular basis. Moreover, Directors are frequently updated, *inter-alia*, on the business strategies and performance, management structure and key initiatives of businesses at each Board Meeting and the same is elaborated in the Corporate Governance Report which forms part of Annual Report.

Evaluation of the Performance of Board, its Committees and Individual Directors

Pursuant to applicable provisions of the Act and the SEBI Listing Regulations, the Board, in consultation with its NRC has formulated a framework containing, *inter-alia*, the criteria for performance evaluation of the entire Board of the Company, its committees and individual directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the NRC.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the FY 2024-25 in accordance with the framework. The details of the evaluation process have been provided under the Corporate Governance Report, which forms part of the Annual Report.

The Policy on Board of Directors’ Evaluation Framework can be accessed at: <https://honasa.in/cdn/shop/files/Policy-on-Board-Evaluation-and-Performance.pdf>

Board and its Committees

The Company is guided by a strong and diverse Board that provides effective oversight of management and governance. Each Board member contributes a broad range of skills, knowledge, experience and perspectives, enhancing the Board’s ability to make informed decisions and navigate complex strategies and transactions with confidence.

To support its functions, the Board is assisted by specialised committees, each operating within well-defined terms of reference. This structure enables the Board to focus on critical strategic matters while the committees delve deeply into specific areas such as risk management, corporate social responsibility (“CSR”), stakeholder engagement, financial performance and internal controls.

Number of Meetings of the Board

The Board and its Committees hold regular meetings to deliberate on key business matters including policies, strategies, financial performance and other significant issues. To facilitate active and effective participation, the schedule of meetings for the upcoming financial year is shared with Directors well in advance, allowing them to plan accordingly. In addition, to address urgent business requirements, certain proposals are also approved from time to time through resolutions passed by circulation.

During FY 2024-25, the Board met 5 (five) times on April 19, 2024, May 23, 2024, August 9, 2024, November 14, 2024 and February 12, 2025. The maximum interval between any two meetings did not exceed the period prescribed under the provision of Section 173 of the Act and Regulation 17 of the SEBI Listing Regulations. Details of the meetings of the Board along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report forming part of the Annual Report.

Board Committees

As required under the Act and SEBI Listing Regulations, the Company has constituted various statutory committees.

As on March 31, 2025, the Company has following committees of the Board:

Statutory Committee

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholders’ Relationship Committee

Non-Statutory Committee

- Initial Public Offer Committee

The composition of the Committees of the Board and the details regarding meetings of the Committees constituted by the Board are set out in the Corporate Governance Report, which forms part of the Annual Report.

During FY 2024-25, all the recommendations made by Board committees, including the Audit Committee, were accepted by the Board.

Policy on Appointment and Remuneration

The Board has formulated and adopted a Nomination & Remuneration Policy in accordance with Section 178 of the Act. This policy outlines the guiding principles for the appointment, cessation, remuneration and evaluation of Directors, KMP and Senior Management of the Company. The Nomination & Remuneration Policy is available on the Company’s website at <https://honasa.in/cdn/shop/files/Nomination-Remuneration-Policy.pdf>. No changes were carried out in aforesaid policy during FY 2024-25.

Directors’ Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, it is confirmed that:

- a. in the preparation of the annual accounts for the period under review, the applicable accounting standards have been followed along with proper explanations relating to material departures therefrom, if any;

Board’s Report

- b. the selection and application of accounting policies were assessed for their consistent application and judgements and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2025;
- c. proper and sufficient care has been taken 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;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Vigil Mechanism/Whistle Blower Policy

The Company is committed to maintaining an ethical workplace that supports the reporting of potential violations of its policies and applicable laws. To uphold the highest ethical standards, the Company encourages employees to report any concerns regarding actual or potential violations of legal and regulatory requirements, inaccuracies or misrepresentations in financial statements and reports, instances of theft or fraud, or any retaliation for providing information to or assisting the Audit Committee. Employees are assured they can raise such concerns without fear of punishment or unfair treatment.

Pursuant to the provisions of Act and SEBI Listing Regulations, the Company has established a robust Vigil Mechanism for Directors and Employees to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s Code of Conduct. The Whistle Blower Policy/Vigil Mechanism provides that the Company investigates such incidents, when reported, in an impartial manner and shall take appropriate action as and when required to do so.

During FY 2024-25, no complaints were reported. The Whistle-blower policy is available on the Company’s website and can be accessed at <https://honasa.in/cdn/shop/files/Whistle-Blower-Policy.pdf>.

Corporate Social Responsibility

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and amendment thereof, the Board has constituted a

CSR Committee. The composition of the CSR Committee is provided in the Corporate Governance Report, which forms part of the Annual Report.

A brief outline of the CSR Philosophy, the CSR initiatives undertaken during the FY 2024-25 together with progress thereon and the report on CSR activities in the prescribed format, as required under Section 134(3)(o) read with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in **Annexure – III** to this Report and the CSR Policy can be accessed using the link <https://honasa.in/cdn/shop/files/CSR-Policy.pdf>.

Related Party Transactions

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and materiality of Related Party Transactions and the related party framework, formulated and adopted by the Company.

All contracts/arrangements/transactions entered into by the Company during FY 2024-25 with related parties were in the ordinary course of business and on arm’s length.

During the FY 2024-25, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Accordingly, there are no transactions that are required to be reported in Form AOC-2.

In line with the requirement of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions for identifying, reviewing, approving, and monitoring Related Party Transactions and the same is available on the website of the Company at https://honasa.in/cdn/shop/files/Materiality_of_RPT.pdf.

Particulars of Loans, Guarantees and Investments

Details of loans given, investments made, guarantees given or security provided as per the provisions of Section 186 of the Act and Regulation 34 read with Schedule V of the SEBI Listing Regulations are given in the notes forming part of the financial statements provided in the Annual Report.

Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo for the FY 2024-25 are as below:

Particulars	(₹ in Millions)
Foreign Exchange earned	433.51
Foreign Exchange outgo	450.85

Annual Return

The Annual Return of the Company as of March 31, 2025, in Form MGT – 7 in accordance with Section 92(3) and Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://honasa.in/cdn/shop/files/Annual_Return_FY_2024-25.pdf.

Particulars of Remuneration of Directors and Employees

Disclosure comprising particulars with respect to the remuneration of directors and employees and other details, as required to be disclosed in terms of the provisions of Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure – IV** to this report.

The information required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Further, pursuant to first proviso to section 136(1) of the Act, this report is being sent to the members excluding the said annexure. Any member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer at compliance@mamaearth.in.

Business Responsibility and Sustainability Report

The Company believes that transparent, accurate and comprehensive disclosure practices support informed strategic decision-making and effectively demonstrate the value created for all stakeholder groups.

The Business Responsibility and Sustainability Report for the FY 2024-25, as stipulated under Regulation 34(2)(f) of the SEBI Listing Regulations, describing the initiatives taken by the Company on an environmental, social and governance perspective, forms part of the Annual Report.

Corporate Governance Report

The Company is committed to upholding the highest standards of Corporate Governance and fully adheres to the requirements prescribed by SEBI. It has complied with the corporate governance provisions under the Act and the SEBI Listing Regulations.

A separate section on Corporate Governance, along with a certificate from a practicing Company Secretary confirming compliance with Corporate Governance requirements is provided as Annexure to the Corporate Governance Report, which forms part of the Annual Report.

Risk Management

Risk management is a core component of the Company’s strategy and is essential to achieving its long-term objectives. Our ability to succeed as an organisation depends on effectively identifying and leveraging opportunities while managing associated risks.

The Company has implemented a comprehensive risk management framework that operates across various levels of the organisation. This framework is designed to proactively identify, assess and mitigate risks and forms a strategic defence structure, supported by a defined organisational hierarchy for managing and reporting risks.

The Risk Management Committee, as mandated by the Board, is responsible for overseeing the Company’s risk management processes and ensuring that identified risks are maintained within acceptable thresholds.

Our approach to risk management is structured to provide reasonable assurance that the Company’s assets are protected, business risks are continuously assessed and addressed and all necessary information is reported to Senior Management, the Audit Committee, the Risk Management Committee, and the Board.

The Company remains committed to continuously enhancing its risk management systems and practices to keep pace with a rapidly evolving business environment. As of the date of this report, the Board is of the opinion that there are no risks that threaten the existence of the Company.

The Company has framed and implemented a Risk Management Policy in terms of the provisions of Regulation 17 of the SEBI Listing Regulation for the assessment and minimisation of risks, which can be accessed at <https://honasa.in/cdn/shop/files/Risk-Management-Policy.pdf>.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment.

The Company has in place a robust policy on prevention, prohibition and redressal of complaints relating to sexual harassment at the workplace, which is applicable to the Company as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”). The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee (ICC) under the POSH Act.

Board's Report

The following is a summary of sexual harassment complaints received and conclusively handled during the financial year 2024-25:

Particulars	Number of Complaints
Number of complaints of sexual harassment received during the year	3
Number of complaints disposed off during the year	1
Number of cases pending for more than ninety days	0

Note: Two pending complaints were disposed off in May 2025

Compliance with Secretarial Standards

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India in terms of section 118(10) of the Act.

Compliance with the Maternity Benefit Act, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks and protection from dismissal during maternity leave.

The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

Gender-Wise Composition of Employees

In alignment with the principles of diversity, equity and inclusion (DEI), the Company discloses below the gender composition of its workforce as on the March 31, 2025.

Particulars	No. of Employees
Male Employees	657
Female Employees	266
Transgender Employees	0

General

No disclosure or reporting is made in respect following items as there were no transactions during FY 2024-25:

- i) The issue of equity shares with differential rights as to dividend, voting or otherwise;
- ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme except Employees' Stock Options Plans referred to in this report;
- iii) There were no amount proposed to be transferred to general reserves;

- iv) In terms of the provisions of section 73 of the Act read with the relevant rules made thereunder, the Company had no opening or closing balances and also has not accepted any deposits during the FY 2024-25 and as such, no amount of principal or interest was outstanding as on March 31, 2025;
- v) Considering the nature of the business of the Company, the particulars with respect to conservation of energy and technology absorption required as per Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company;
- vi) There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- vii) The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;
- viii) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016;
- ix) There was no instance of one time settlement with any Bank or Financial Institution;
- x) There was no revision in the financial statements and Board's Report;
- xi) There was no change in the nature of business;
- xii) There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report;
- xiii) Whole Time Directors of the Company have not received any remuneration or commission from any of its subsidiaries during FY 2024-25; and
- xiv) There was no instance where the Company failed to implement any corporate action within the prescribed statutory timelines

Acknowledgements

The Board of Directors expresses its sincere appreciation for the continued cooperation, support and assistance extended to the Company by various Government authorities, Banks, Financial Institutions and its esteemed members. The Board also places on record its gratitude for the dedicated efforts and commitment demonstrated by employees across all levels of the organisation. It further acknowledges the support of the Company's valued business partners and the enduring trust and loyalty of its customers.

For and on Behalf of Board of Directors

Honasa Consumer Limited

Varun Alagh

Place: Gurugram
Date: August 12, 2025

Chairman, CEO & Whole-time Director
DIN: 07597289

Annexure – I

Form AOC-1
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts ₹ in millions)

Number of Subsidiaries – 6 (six)		Details					
S. No.	Particulars						
1.	CIN/any other registration number of subsidiary Company	U93020MH2004PTC148187	U93000KA2011PTC058323	U24230DL2003PTC423473	U80302HR2010PTC107239	1073972	1802220058896
2.	Name of the subsidiary	Bhabani Blunt Hair Dressing Private Limited	B:Blunt-Spratt Hairdressing Private Limited	Fusion Cosmeceutics Private Limited	Just4kids Services Private Limited	Honasa Consumer General Trading LLC, Dubai	PT Honasa Consumer Indonesia
3.	The date since when the subsidiary was acquired	March 15, 2022	March 15, 2022	April 6, 2022	December 29, 2021	June 16, 2022	February 18, 2022
4.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA	NA	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹	₹	₹	₹	Reporting Currency- AED Exchange Rate- AED 1 = ₹23.26	-

Board’s Report

S. Particulars		Details				
6.	Share Capital	0.28	14.7	10	0.59	2.34
7.	Reserves & Surplus	355.62	175.07	(151.48)	223.47	(7.77)
8.	Total Assets	533.53	357.54	316.40	226.86	27.15
9.	Total Liabilities	177.63	167.77	408.16	2.43	32.58
10.	Investments	224.36	62.85	50.19	0	0
11.	Turnover	240.02	239.95	1561.37	0	0
12.	Profit Before Taxation	25.31	36.46	(5.65)	12.87	0.38
13.	Provision for Taxation	5.15	8.84	(43.75)	2.11	0
14.	Profit/(Loss) after Taxation	20.16	27.62	38.10	10.76	0.38
15.	Proposed Dividend	NA	NA	NA	NA	NA
16.	Percentage of Shareholding	100%	100%	100%	100%	100%
2. Names of subsidiaries which are yet to commence operations – 1 (one)						
S. No.	CIN/any other registration number	Names of subsidiaries which are yet to commence operations				
1.	1802220058896	PT Honasa Consumer Indonesia				
3. Names of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year – None						
S. No.	CIN/any other registration number	Names of subsidiaries which are yet to commence operations				
		Not Applicable				

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

4. Number of Associates/Joint Venture- Nil

Block-1		
1	Name of Associate/Joint Venture	Not Applicable
2	Latest audited Balance Sheet Date	
3	Date on which the Associate or Joint Venture was associated or acquired	
4	Shares of Associate/Joint Ventures held by the company on the year end	
A	Number	Not Applicable
B	Amount of Investment in Associates/Joint Venture	
C	Extent of Holding %	
5	Description of how there is significant influence	
6	Reason why the associate/joint venture is not consolidated	
7	Net worth attributable to Shareholding as per latest audited Balance Sheet	
8	Profit/Loss for the year	
A	Considered in Consolidation	
B	Not Considered in Consolidation	

5. Number of Associates/Joint Ventures which are yet to commence operations

Sl. No.	CIN/any other registration number	Names of Associates and Joint Ventures which are yet to commence operations
Not Applicable		

6. Names of subsidiaries which have been liquidated or have ceased to be a Associates or Joint Venture during the year

Sl. No.	CIN/any other registration number	Names of Associates and Joint Ventures which are yet to commence operations
Not Applicable		

For and on Behalf of Board of Directors
Honasa Consumer Limited

Place: Gurugram
Date: August 12, 2025

Varun Alagh
Chairman, CEO & Whole-time Director
DIN: 07597289

Board’s Report

Annexure – II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 204(i) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Honasa Consumer Limited
Unit No – 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka
New Delhi-110075

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Honasa Consumer Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Auditor’s responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with applicable Auditing Standards issued by The Institute of Company Secretaries of India.

The Auditing Standards require that the auditor shall comply with the statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Honasa Consumer Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (“the Listing Regulations”);

We further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company

has generally complied with the following laws applicable to the Company:

- Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder

• Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) and the proposed amendments to the E-Commerce Rules

• Drugs and Cosmetics Act, 1940 (“DCA”), the Drugs and Cosmetics Rules, 1945 (“DCA Rules”) and the Cosmetics Rules, 2020

• Legal Metrology Act, 2009 (“LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”)

• The Food Safety and Standards Act, 2006 (the “FSSA”) and Food Safety And Standards (Health Supplements, Nutraceuticals, Food For Special Dietary Use, Food For Special Medical Purpose, Functional Food And Novel Food) Regulations, 2016

• The Sale of Goods Act, 1930 (the “Sale of Goods Act”)

• The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder

• The Digital Personal Data Protection Act, 2023 (the “DPDP Act” or the “Act”)

• Plastic Waste Management Rules, 2016

• Copyright Act, 1957

• Trade Marks Act, 1999 (“Trade Marks Act”)

• Design Act, 2000 (“Design Act”)

• The consolidated Foreign Direct Investment Policy of 2020 (the “Consolidated FDI Policy”)

• Employees’ State Insurance Act, 1948

• Employees’ Provident Funds and Miscellaneous Provisions Act, 1952

• Maternity Benefit Act, 1961

• Minimum Wages Act, 1948;

• Payment of Bonus Act, 1965

• Payment of Gratuity Act, 1972

• Payment of Wages Act, 1936

• Right of Persons with Disabilities Act, 2016

• Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

• Contract Labour (Regulation and Abolition) Act, 1970

• Labour Welfare Fund legislations

• The Industrial Relations Code, 2020

- The Code on Wages, 2019
- The Occupational Safety, Health and Working Conditions Code, 2020
- The Code on Social Security, 2020

We further report that:

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- II. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meetings and Committee Meetings which were held on shorter notice in compliance with the applicable laws and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. All decisions at Board meetings and Committee meetings are carried out with required majority and recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that as informed to us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events have occurred in the Company:

- That the Company had received a compounding order wherein a compounding fee of ₹15,000 each had been imposed on the Company and the Nominated Director/Executive of the Company under section 48 (3) of Legal Metrology Act, 2009 and Rule 25 of Maharashtra Legal Metrology (Enforcement) Rules 2011.

For **Arora Shekhar & Company**
(Practicing Company Secretaries)

Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475G000412754

Place: Delhi
Date: May 22, 2025

Board’s Report

Annexure to Secretarial Audit Report

To,
The Members,
Honasa Consumer Limited
Unit No – 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka
New Delhi-110075

Our report of even date is to be read along with this letter which states as follows:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of compliance by the Company of applicable General Laws including Labour laws, financial laws like direct and indirect laws and maintenance of financial records and books of accounts, since the same have been subject to review by Statutory Financial Audit and other designated professionals. Further, as confirmed by the Management of the Company, no other specific Act is applicable to Company including the Environmental Laws other than mentioned in the Report.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on the certificate obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other government and legal authorities concerning the business and affairs of the Company

For **Arora Shekhar & Company**
(Practicing Company Secretaries)

Shashi Shekhar

Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475G000412754

Place: Delhi
Date: May 22, 2025

Annexure – III

Annual Report on CSR Activities

1. Brief Outline on CSR Policy of the Company

The company prioritises Corporate Social Responsibility alongside its economic goals, emphasising environmental and social stewardship for sustainable growth. The company’s CSR Policy outlines its commitment and framework for socially beneficial initiatives aimed at community welfare and sustainable development. This policy applies across all company locations and other areas within India where the company operates, reflecting its philosophy of giving back and improving the planet for future generations. The company’s policies focus on environmental sustainability, healthcare promotion and the eradication of hunger, poverty, and malnutrition to foster holistic community well-being.

2. Composition of CSR Committee and meetings held

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1.	Ms. Ghazal Alagh	Chairperson – Whole Time Director	2	2
2.	Mr. Varun Alagh	Member – Whole Time Director	2	2
3.	Ms. Namita Gupta	Member – Independent Director	2	2

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Composition of CSR committee: <https://honasa.in/wp-content/uploads/2023/08/Composition-of-Committees-1.pdf>
CSR Policy: <https://honasa.in/wp-content/uploads/2023/08/CSR-Policy.pdf>
CSR projects approved by the board: <https://honasa.in/cdn/shop/files/CSR-Project.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuant of sub-rule (3) of rule 8, if applicable

Not Applicable for the FY 2024-25.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹764.08 million
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹15.28 million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: ₹2.44 million
- (e) Total CSR obligation for the financial year (b+c-d): ₹12.84 million
6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects): ₹15.44 million*
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹15.44 million*
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹15.44 million*	Not Applicable				

Board’s Report

(f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹15.28 million
(ii)	Total amount spent for the Financial Year	₹15.44 million*
(iii)	Excess amount spent for the Financial Year	₹0.16 million
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Year [(iii)-(iv)]	₹0.16 million

* including carry forward of excess CSR expenditure of FY 2022-23 and FY 2023-24 amounting to ₹2.44 Million

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section 6 of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency
					Amount (in ₹)	Date of transfer		
								N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Place: Gurugram
Date: August 12, 2025

For and on Behalf of Board of Directors
Honasa Consumer Limited

Ghazal Alagh
Chairperson CSR Committee
DIN: 07608292

Varun Alagh
Chairman, CEO & Whole-time Director
DIN: 07597289

Annexure – IV

Statement under Section 197 (12) of the Companies Act, 2013 read with the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(a) The percentage increase in remuneration of each Director and ratio of their remuneration to the median remuneration of the employees of the Company during FY 2024-25 are as under:

Name of the Director	Designation	Ratio of Remuneration of each Director to the median remuneration of employees for FY 2024-25	% Increase in remuneration
Non-Executive Directors			
Mr. Subramaniam Somasundaram	Independent Director	2.98 ¹	Nil
Mr. Vivek Gambhir	Independent Director	2.19 ¹	(4.35%)
Ms. Namita Gupta	Independent Director	2.19 ¹	Nil
Mr. Ishaan Mittal	Nominee Director	NA ²	NA
Executive Directors			
Mr. Varun Alagh	Chairman, CEO and Whole-time Director	30.74	(23%) ³
Ms. Ghazal Alagh	Whole-time Director	18.86	4% ³

¹Remuneration paid to Independent Directors includes sitting fees & commission. The sitting fees are determined based on the number of Board and Committee meetings attended by each Independent Director during FY 2024-25.

²Mr. Ishaan Mittal being Nominee Director has not drawn any remuneration for FY 2024-25 and FY 2023-24.

³Based on the total remuneration (including variable pay) paid for FY 2023-24 and FY 2024-25.

Note: Figures in brackets represent negative

(b) The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, during FY 2024-25:

Name of the Director or KMP	Designation	Percentage Increase in Remunerations
Mr. Raman Preet Sohi	Chief Financial Officer	(74%) ¹
Mr. Dhanraj Dagar ²	Company Secretary & Compliance Officer	19% ¹

¹Remuneration includes all elements of cash salary, perquisites, variable pay and ESOP perquisites, wherever applicable

²Cessation of Mr. Dhanraj Dagar as the Company Secretary & Compliance Officer w.e.f. July 11, 2025, due to resignation

Note: Figures in brackets represent negative

(c) Percentage increase in the Median Remuneration of all employees in the FY 2024-25: 20.3%.

(d) Number of permanent employees on the rolls of Company as of March 31, 2025:

There are 923 permanent employees on the rolls of the Company as on March 31, 2025

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in the salaries of employees other than Key Managerial Persons ("KMP") during FY 2024-25 is 12.8% (excluding ESOP perquisites and promotions) and for KMP, the average percentage increase in the salaries during FY 2024-25 is 2.6% (excluding ESOP perquisites and promotions).

(f) the key parameters for any variable component of remuneration availed by the directors:

The variable pay of Whole Time Directors is based on clearly laid out criteria and measures, which are linked to the desired performance and business objectives of the organisation. The criteria for variable pay, which is paid out annually, includes financial parameters like revenue, profit, and other strategic goals as decided by the Nomination & Remuneration Committee, from time to time.

(g) affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid to directors, key managerial personnel and members of senior management is as per the Nomination and Remuneration Policy of the Company.

For and on Behalf of Board of Directors
Honasa Consumer Limited

Varun Alagh
Chairman, CEO & Whole-time Director
DIN: 07597289

Place: Gurugram
Date: August 12, 2025

Corporate Governance Report

Company’s Philosophy on Code of Governance

Honasa Consumer Limited (“Honasa” or “Company”) believes that effective corporate governance is fundamental to building a sustainable and successful business. The Company adheres to the highest standards of integrity, transparency, accountability, fairness and ethical conduct in all operations. Board of directors (“Board”) decisions are guided by well-defined governance principles that ensure transparency in decision-making and reinforce the Board’s fiduciary duties including loyalty and strategic oversight of management.

At Honasa, corporate governance is not limited to compliance but it is embedded in the Company’s culture. The governance framework is built on core values that promote responsible engagement with all stakeholders, including employees, customers, investors, suppliers and the community.

The Company confirms full compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) including regulation 17 to 27, schedule V and relevant clauses of regulation 46 for the financial year 2024-25 (“FY 2024-25”), as detailed in the Corporate Governance Report.

Guiding Principles

Integrity and Ethical Conduct

We uphold the highest standards of integrity, honesty and ethical behaviour in all our business dealings. Our Board, management and employees are expected to act in the best interests of the Company and its stakeholders at all times.

Transparency and Full Disclosure

We believe that transparency builds trust. All material information relating to financial performance, strategic decisions and governance matters is disclosed in a fair, timely and accurate manner to ensure informed decision-making by stakeholders.

Accountability

Every individual at Honasa, including members of the Board and senior management, is accountable for their actions and decisions. Our governance mechanisms are designed to define roles clearly and ensure that responsibilities are discharged with diligence.

Strategic Oversight

The Board provides independent and effective strategic guidance to the management and monitors the execution of business plans and performance objectives. This includes identifying risks and opportunities in a dynamic business environment.

Duty of Loyalty and Care

Directors and employees are expected to demonstrate loyalty and act in good faith, with due care and in the best interests of the Company. They must avoid conflicts of interest and place the Company’s interests above personal or third-party considerations.

Fairness and Inclusivity

We treat all stakeholders including shareholders, employees, customers, suppliers and communities with fairness and respect. Our policies and practices aim to ensure equal opportunity and a diverse and inclusive workplace.

Sustainability and Social Responsibility

Our governance promotes environmental sustainability and social responsibility, creating long-term value for both shareholders and society. At Honasa, every brand is purpose-driven whether it’s planting trees, health, empowering women, supporting clean water and education.

Stakeholder Engagement

We maintain open, transparent and continuous communication with all our stakeholders. Their feedback helps us evolve our practices and strengthen our governance.



Board of Directors

The Board of the Company has an optimal blend of Executive and Non-Executive Directors including Independent Directors in conformity with regulation 17 of the SEBI Listing Regulations.

As of March 31, 2025, the Board of the Company comprised of 6 (six) Directors, out of which 2 (two) are Whole Time Directors and 4 (four) are Non-Executive Directors. Out of the Non-Executive Directors, 3 (three) are Independent Directors including 1 (one) Independent Woman Director.

During the FY 2024-25, there have been no changes in the composition of the Board, reflecting stability in governance. The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 (“Act”) and the SEBI Listing Regulations. All the Independent Directors have provided an annual confirmation that they meet the criteria of Independence as mentioned in regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

In terms of regulation 25(8) of the SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board is of the opinion that Independent Directors meet the criteria of independence as mentioned under Section 149(6) of the Act and regulation 16(1)(b) of the SEBI Listing Regulations and

that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

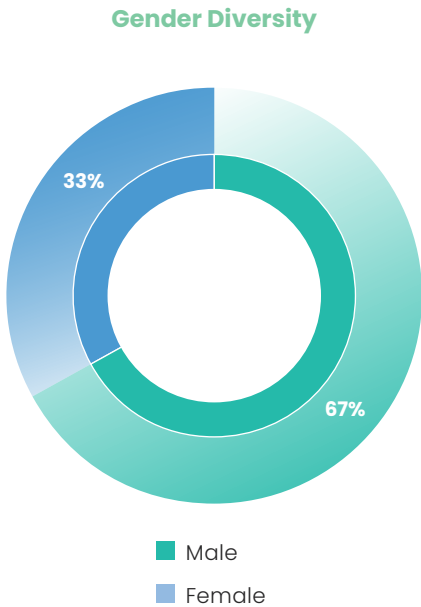
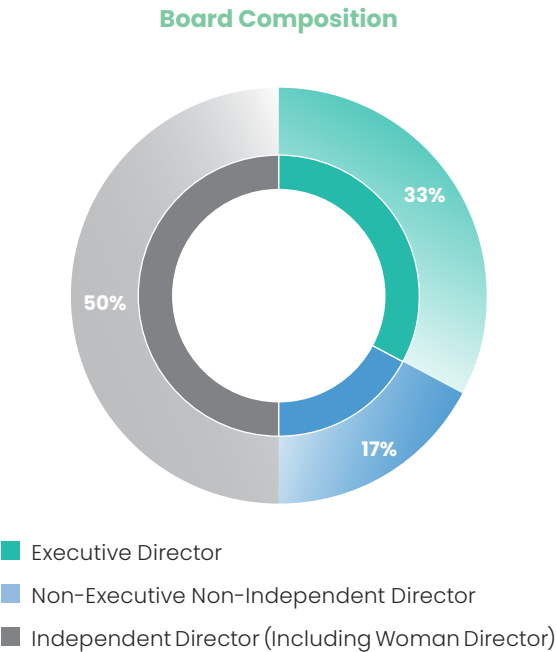
None of the Directors on the Board hold directorships in more than 20 (twenty) companies, which include 10 (ten) public companies. None of the Directors serve as a Director or an Independent Director in more than 7 (seven) listed companies. Whole Time Directors of the Company do not serve as an Independent Director in any other listed entity.

None of the Director is a member of more than 10 (ten) committees or Chairperson of more than 5 (five) committees across all the public companies in which he/she is a Director. For determining the limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders’ Relationship Committee have only been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations. Necessary disclosures regarding Committee positions in other public companies as of March 31, 2025, have been made by the Directors. No Independent Director has resigned before the expiry of his/her tenure.

Mr. Varun Alagh and Ms. Ghazal Alagh are related to each other as spouse and no relationship exists among other directors.

Composition of the Board

As of March 31, 2025 and the date of this Report, the Board of the Company comprised of six (6) Directors.



Corporate Governance Report



Mr. Varun Alagh
(DIN: 07597289)

Designation/Category
Chairman, CEO & Whole Time Director

 16/09/2016

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
5	-	-

Directorship in other Listed Companies and category
-

Attendance at the AGM held on August 29, 2024
Yes



Ms. Ghazal Alagh
(DIN: 07608292)

Designation/Category
Whole Time Director

 16/09/2016

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
5	1	-

Directorship in other Listed Companies and category
-

Attendance at the AGM held on August 29, 2024
Yes



Mr. Subramaniam Somasundaram
(DIN: 01494407)

Designation/Category
Non-Executive and Independent Director

 11/02/2022

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
7	6	5

Directorship in other Listed Companies and category
1. Teamlease Services Limited – Independent Director
2. United Breweries Limited – Independent Director

Attendance at the AGM held on August 29, 2024
Yes



Mr. Vivek Gambhir
(DIN: 06527810)

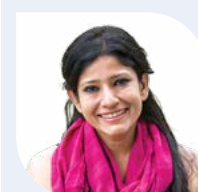
Designation/Category
Non-Executive and Independent Director

 24/03/2021

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
8	4	1

Directorship in other Listed Companies and category
Metropolis Healthcare Limited – Independent Director

Attendance at the AGM held on August 29, 2024
Yes



Ms. Namita Gupta
(DIN: 07337772)

Designation/Category
Non-Executive and Independent Director

 08/06/2022

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
3	3	1

Directorship in other Listed Companies and category
Eternal Limited – Independent Director

Attendance at the AGM held on August 29, 2024
Yes



Mr. Ishaan Mittal
(DIN: 07948671)

Designation/Category
Non-Executive and Nominee Director

 03/01/2020

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
3	1	-

Directorship in other Listed Companies and category
-

Attendance at the AGM held on August 29, 2024
Yes

Notes:

- a) The directorships, as mentioned above, exclude the directorships held in foreign body corporates, if any and include Directorship in Honasa.
- b) In accordance with regulation 26(i) of SEBI Listing Regulations, memberships/chairpersonships of only the Audit Committee and Stakeholders' Relationship Committee in all public limited companies (listed and unlisted), excluding private limited companies, foreign companies and companies under Section 8 of the Act, have been considered. Committee membership includes chairpersonship of Committee and also include membership/chairpersonship in the Committee of Honasa.

Board Procedure

The Company has established a robust and well-defined framework for conducting meetings of the Board and its Committees, aimed at streamlining the decision-making process in an informed, transparent and efficient manner. Inputs and feedback from Board Members are regularly solicited and incorporated into the preparation of meeting agendas and supporting documentation, ensuring the relevance and completeness of information.

A detailed agenda outlining the business to be transacted at each Board and Committee Meeting, supported by comprehensive notes and presentations (where applicable), is circulated to every Director at least 7 (seven) days prior to the scheduled meeting. In cases where meetings are convened on shorter notice to address urgent matters, this timeline may be adjusted accordingly. To facilitate full participation, video conferencing facilities are made available for Directors who are unable to attend in person meetings.

To enable the Board and Committee to discharge its responsibilities effectively and make informed decisions, Chief Executive Officer ("CEO") & Whole Time Director and Chief Financial Officer ("CFO") provide a comprehensive update on the overall performance of the Company at every Board and Audit Committee Meetings.

The Board undertakes periodic reviews of key areas, which inter-alia, include Strategic and business plans, Investment and exposure limits, Performance of Products and Brands, Approval of quarterly, half-yearly and annual financial results, risk management initiatives, Major accounting provisions and write-offs, if any, Material defaults in financial obligations, if any, Environmental, Social & Governance matters, Minutes of Board committees and subsidiary board meetings, Significant transactions and arrangements involving unlisted subsidiaries and other relevant matters.

The Board sets annual performance objectives and monitors both management's actions and results. It also evaluates its own effectiveness, the performance of its committees and individual directors on an annual basis. This ongoing self-assessment ensures continuous improvement in governance practices aimed at enhancing stakeholder value.

Through active monitoring of the Company's and Management's performance, the Board approves strategic plans, reviews progress and strives for sustained organisational growth. The Board places paramount importance on statutory compliance, ethical conduct and robust internal financial reporting to uphold the highest standards of corporate governance.

Board Members have unrestricted access to the Company's management and relevant information, thereby enabling them to discharge their responsibilities effectively. In addition to the Directors and the Company Secretary, Board and committee meetings are also attended by CFO and where required, by functional heads of various departments, to provide specific insights and clarifications as necessary.

The Company Secretary plays a pivotal role in ensuring that the procedural aspects of Board and Committee functioning are properly implemented and regularly reviewed. The Company Secretary is primarily responsible for supporting and advising the Board on governance-related matters, ensuring compliance with applicable statutory and regulatory requirements, facilitating the convening of meetings, providing guidance to Directors, and acting as the principal liaison between the management and regulatory authorities on matters relating to corporate governance.



Corporate Governance Report

Core skills/expertise/competence of Board

The Board is of the view that its current composition represents a well-balanced mix of skills, expertise, experience, diversity and independence. Collectively, the Board provides effective leadership, strategic direction and objective, independent judgement to the management of the Company ensuring adherence to the highest standards of ethics, governance, transparency and disclosure.

In line with best governance practices, the Board periodically assesses its structure and composition to ensure it remains aligned with the evolving needs of the Company and the dynamic business environment.

The Board has identified the following core skills, expertise and competencies as fundamental for effective governance and value-driven oversight. These competencies are adequately represented among the Directors:

Description of Skills/Expertise/Competencies

Financial Experience and Risk Oversight

Proven expertise in financial management, accounting, budgeting, internal controls, risk management and audit-related matters. Ability to understand and interpret financial statements, assess financial viability and oversee enterprise risks.

Global Business/International Exposure

Experience in managing or overseeing businesses across international markets or emerging economies, with insight into cross-cultural business operations, global market dynamics and international regulatory environments.

Business/Sector Experience

In-depth understanding of the Company's industry, including market trends, consumer behaviour, product innovation, supply chain and competitive landscape. Experience in business strategy and execution within the FMCG or beauty/personal care sector.

Technology and Innovation

Knowledge or experience in leveraging digital technologies, product innovation, e-commerce, data analytics and business transformation through tech-driven solutions.

Governance and Regulatory Oversight

Familiarity with legal and regulatory frameworks, corporate governance best practices, stakeholder management, board procedures, and statutory compliance under relevant laws and regulations.

Sales and Marketing Exposure

Experience in brand management, advertising, customer engagement, digital and traditional marketing, distribution strategy and scaling go-to-market efforts in competitive industries.

Name of Directors	Financial Experience and Risk Oversight	Global Business/ International Exposure	Business/ Sector Experience	Technology and Innovation	Governance and Regulatory Oversight	Sales and Marketing Exposure
Mr. Varun Alagh				-		
Ms. Ghazal Alagh	-	-			-	
Mr. Subramaniam Somasundaram				-		-
Mr. Vivek Gambhir				-		
Ms. Namita Gupta	-				-	-
Mr. Ishaan Mittal				-		-

Number of Board Meetings and Attendance

During the FY 2024-25, the Board met regularly to ensure effective oversight and strategic guidance. The Company ensured compliance with the statutory requirements under the Act and SEBI Listing Regulations.

The Board met at least once in every calendar quarter and the time gap between any two consecutive meetings did not exceed 120 days, thereby ensuring compliance with Regulation 17(2) of the SEBI Listing Regulations.

The Board met 5 (five) times during the FY 2024-25 on April 19, 2024, May 23, 2024, August 9, 2024, November 14, 2024 and February 12, 2025. The detailed disclosure of the Board Meetings held during the FY 2024-25 along with the attendance of Directors at these meetings is given below:

Name of Director	Board Meetings held during FY 2024-25					% of Attendance
	April 19, 2024	May 23, 2024	August 9, 2024	November 14, 2024	February 12, 2025	
Mr. Varun Alagh						100%
Ms. Ghazal Alagh						100%
Mr. Subramaniam Somasundaram						100%
Mr. Vivek Gambhir						100%
Ms. Namita Gupta						80%
Mr. Ishaan Mittal						100%
% of Attendance	100%	83.33%	100%	100%	100%	

(Present) (Absent)

Meeting of Independent Directors

In accordance with the provisions of the Act and regulation 25(3) of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on March 28, 2025 for FY 2024-25.

This exclusive meeting was conducted without the presence of the Chairman, Executive Directors, Non-Independent Directors or any members of the management team thereby providing the Independent Directors an opportunity to independently deliberate on key matters.

The agenda for this meeting included:

- Review of the performance of Non-Independent Directors and the Board as a whole.
- Assessment of the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- Evaluation of the quality, quantity, and timeliness of the flow of information between the management and the Board is necessary for effective performance.

This meeting was attended by all the Independent Directors.

Corporate Governance Report

Familiarisation Programme for Non-Executive Directors

Honasa has a robust induction process in place to help newly appointed directors become familiar with the Company, its management, operations and the industry in which it operates. At the time of their appointment or re-appointment, all directors receive a formal letter of appointment outlining their roles, responsibilities and other terms and conditions associated with their position.

As part of the induction, directors are provided with key documents such as the Company’s constitutional documents, latest Annual Report, Code of Conduct and other relevant policies. To further support this process, interactions are organised between the directors and senior management, offering insights into the organisational structure, departmental functions, internal control systems and other critical aspects of the Company.

Apart from the above, quarterly presentations are made to Board to further familiarise the Directors with the Company’s strategy, business performance, business environment, operational reviews, risk management and other related matters.

Further, on an annual basis, the Company conducts an Annual Business Plan meet for all Board members. These sessions include presentations and discussions covering a range of business areas including strategies, operational targets, performance goals across various channels, key risks, function-wise Objectives and Key Results (OKRs) and developments across both domestic and international business segments.

In accordance with Regulation 46 of the SEBI Listing Regulations, further details of the familiarisation programme are available on the Company’s website at: <https://honasa.in/investor/>

Remuneration to Directors

Remuneration Policy

The Company has a well-defined policy for Remuneration of Directors, Key Managerial Personnel (KMP) and other Senior Management Employees, which is designed to ensure a fair, transparent and performance-driven remuneration structure. This Policy outlines the principles and criteria for determining the compensation of Directors and senior executives taking into account their roles, responsibilities and performance in line with the Company’s objectives and shareholder interests.

The Policy is available on the Company’s website and can be accessed at the following web link: <https://honasa.in/cdn/shop/files/Nomination-Remuneration-Policy.pdf>

Remuneration to Non-Executive Directors

The Nomination and Remuneration Committee ("NRC"), after evaluating the appropriate basis for compensation to Non-Executive Directors, considers multiple factors including:

- Participation in Board and Committee meetings during the year;
- Responsibilities undertaken such as Membership or Chairmanship of various Committees;
- Time invested in discharging other duties;
- The roles and functions as prescribed under the Act and SEBI Listing Regulations; and
- any other factors deemed appropriate by the NRC.

Non-Executive Independent Directors are entitled to a sitting fee of ₹1,00,000 (Rupees One Lakh) for attending each meeting of the Board and its Committees. Additionally, Independent Directors are entitled for commission, as may be recommended by the NRC and approved by the Board not exceeding 1% of the Net Profits of the Company, subject to a maximum ceiling of ₹1,00,00,000 (Rupees One Crore) in aggregate which is in accordance with the resolution passed by the shareholders at the Extra Ordinary General Meeting held on July 20, 2022.

Remuneration to Whole Time Directors

The remuneration of the Whole Time Directors is determined based on the recommendations of the NRC and approved by the Board and the members at the General Meeting, as required under the Act and SEBI Listing Regulations.

The NRC, inter-alia, considers the following factors while recommending remuneration:

- Prevailing industry benchmarks and best practices
- The Company’s performance in comparison to industry standards
- The scope of responsibilities and accountability undertaken
- Individual performance, experience and track record
- Macro-economic trends in remuneration for similar leadership positions

The remuneration structure comprises:

- Fixed Component: Salary, perquisites and allowances;
- Variable Component: Performance-linked incentive/ Bonus determined by NRC linked to performance and profitability of the Company.

The above structure incorporates success and sustainability metrics to ensure alignment with the Company’s long-term goals and value creation for stakeholders. It is noteworthy that the Whole Time Directors do not receive sitting fees for attending meetings of the Board or its Committees.

Details of Remuneration

Non-Executive Directors

The details of sitting fees and commission paid to Non-Executive Directors during the FY 2024-25 are as under:

(₹ in Million)					
Name of the Director	Sitting Fees	Fixed Pay	Commission	Perquisites	Total
Independent Director					
Mr. Subramaniam Somasundaram	1.30	-	1.70	-	3.00
Mr. Vivek Gambhir	1.20	-	1.00	-	2.20
Ms. Namita Gupta	0.80	-	1.40	-	2.20
Non-Executive Director					
Mr. Ishaan Mittal	-	-	-	-	-

Notes:

- a) Non-Executive Directors (including Independent Directors) did not have any pecuniary relationship or transactions with the Company, except for the payment of sitting fees, commission and reimbursement of expenses, if any, incurred by them for attending the Board and Committee meetings.
- b) Independent Directors are not entitled to benefits under share-based incentive schemes of the Company. Further, the Company has not granted any stock options to its Non-Executive Directors.
- c) No amount was paid to Mr. Ishaan Mittal, Non-Executive Director by the Company during FY 2024-25.
- d) None of Non-Executive Directors (including Independent Directors) hold any equity shares of the Company.

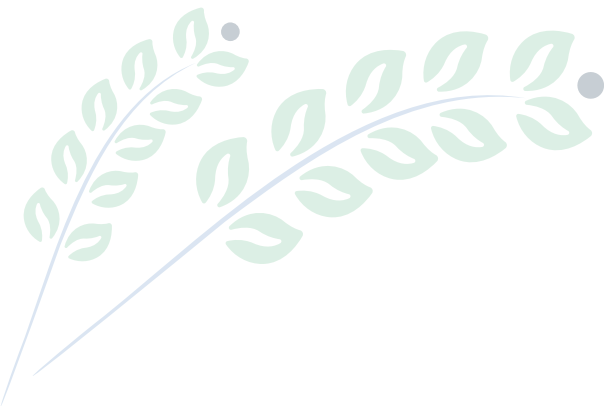
Whole Time Directors

Details of the remuneration paid to the Whole Time Directors of the Company during the FY 2024-25 are as under:

(₹ in Million)					
Name of the Director	Sitting Fees	Fixed Pay	Bonus/ Performance Linked Incentives	Perquisites	Total
Mr. Varun Alagh	-	21.98	8.96	-	30.94
Ms. Ghazal Alagh	-	15.82	3.17	-	18.99

Notes:

- a) As of March 31, 2025, Mr. Varun Alagh, CEO and Whole Time Director held 10,37,30,850 equity shares and Ms. Ghazal Alagh, Whole Time Director held 99,64,700 equity shares of the Company.
- b) Mr. Varun Alagh and Ms. Ghazal Alagh are not entitled to benefits under share-based incentive schemes of the Company.
- c) The terms and conditions of the appointment, notice period and severance amount of Mr. Varun Alagh and Ms. Ghazal Alagh are governed by respective employment agreement executed with the Company and shareholders approval at the AGM held on August 29, 2024. The employment agreement of Mr. Varun Alagh and Ms. Ghazal Alagh, inter-alia, provide that the Company, Mr. Varun Alagh and Ms. Ghazal Alagh are entitled to terminate the agreement by giving 6 months’ notice period.
- d) The Board on the recommendation of NRC, annually review and revise the remuneration of Mr. Varun Alagh and Ms. Ghazal Alagh within the overall limits approved by the shareholders at the AGM held on August 29, 2024.

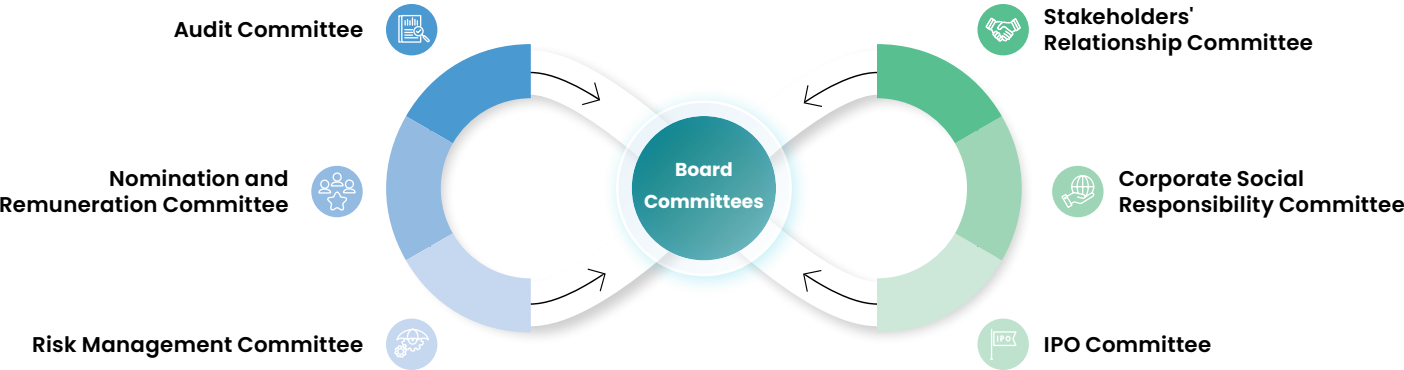


Corporate Governance Report

Committees of the Board

The Board has established various committees to ensure focused and effective governance of critical matters. These committees are formed with the approval of the Board and function under specific terms of reference.

These committees play a vital role in the governance framework of the Company by enabling detailed scrutiny and timely resolution of matters that require focused attention. Each committee operates under the supervision of the Board and the Chairperson of the respective committee briefs the Board on key deliberations and decisions. Recommendations made by the committees are submitted to the Board for approval and all such recommendations during the FY 2024-25 were duly accepted by the Board. Additionally, minutes of all committee meetings are regularly placed before the Board for its information and noting.



Audit Committee

The Audit Committee of the Board has been constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

Composition, Meetings and Attendance

As of March 31, 2025, the Committee comprised of 3 (three) members, with two-thirds being Independent Directors. All members of the Committee are financially literate and possess accounting or related financial management expertise. The composition of the Committee is as follows:

Chairman

Mr. Subramaniam Somasundaram
(Independent Director)

Member

Mr. Vivek Gambhir
(Independent Director)

Member

Mr. Ishaan Mittal
(Non-Executive Director)

The Committee met 5 (five) times during the FY 2024-25 on April 19, 2024, May 23, 2024, August 9, 2024, November 14, 2024 and February 12, 2025. The gap between two meetings did not exceed one hundred and twenty days. The attendance at the meetings was as under:

Date of Meeting	Mr. Subramaniam Somasundaram	Mr. Vivek Gambhir	Mr. Ishaan Mittal	% of Attendance
April 19, 2024	✓	✓	✓	100%
May 23, 2024	✓	✓	✓	100%
August 9, 2024	✓	✓	✓	100%
November 14, 2024	✓	✓	✓	100%
February 12, 2025	✓	✓	✓	100%
% of Attendance	100%	100%	100%	

✓ (Present) ✗ (Absent)

In addition to the Committee members, the meetings were also attended by the CFO, Internal Auditors and Statutory Auditors of the Company. Company Secretary acts as the Secretary to the Audit Committee. The minutes of the Audit Committee meetings are placed before the meeting of the Board for noting. The Chairman of the Audit Committee was present at the previous Annual General Meeting ("AGM") held on August 29, 2024 to answer shareholder queries pertaining to audit and financial matters.

Terms of Reference

The powers, roles and terms of reference of the Audit Committee cover the areas as contemplated under Section 177 of the Act and SEBI Listing Regulations. The brief terms of reference of the Audit Committee are as under:

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of Sub-section (3) of Section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds

utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- formulating a policy on related party transactions, which shall include materiality of related party transactions;
- approval or any subsequent modification of transactions of the listed entity with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee;

Corporate Governance Report

- reviewing the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision; and
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by the management of the Company;
- management letters/letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- Such information as may be prescribed under the Companies Act and the SEBI Listing Regulations.

Internal Audit Function

The Company has appointed BDO India Limited Liability Partnership, Chartered Accountants as Internal Auditors. They conduct periodic internal audits and report their findings directly to the Audit Committee. The Audit Committee reviews these reports at regular intervals to ensure effective internal controls and risk management within the Company.

Maintenance of Financial Records

Based on the reports submitted by the external and internal auditors, the Board, in consultation with the Audit Committee and on the assurance provided by the management including CEO and CFO, is of the opinion that:

- (a) The Company's financial records have been properly maintained and the financial statements present a true and fair view of the Company's operations and financial position; and
- (b) The system of internal controls encompassing financial, operational, compliance and information technology controls along with the risk management systems maintained by the management, are adequate and effective as of the date of this report.

To ensure the effectiveness and adequacy of the internal audit function, the Audit Committee annually reviews and approves the internal audit plans and the resources necessary for the function to be performed effectively.

However, the Board and management acknowledge that no system of internal controls can provide absolute assurance against the possibility of material errors, flawed judgements, human errors, losses, fraud or other irregularities.

Assurance from CEO and CFO

The Board has received assurance from CEO and CFO to ensure that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and the effectiveness of the Company's risk management and internal control systems are operating effectively in all material respects, based on the criteria for effective internal control established.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") of the Board has been constituted as per the requirements of Section 178 of the Act read with Regulation 19 of the SEBI Listing Regulations.

Composition, Meetings and Attendance

As of March 31, 2025, NRC comprised of 3 (three) members with all 3 (three) are Non-Executive Directors including 2 (two) being Independent Directors. The composition of NRC is as follows:

Chairman
Mr. Vivek Gambhir
(Independent Director)

Member
Ms. Namita Gupta
(Independent Director)

Mr. Ishaan Mittal
(Non-Executive Director)

During the financial year 2024-25, NRC met twice on May 23, 2024 and March 31, 2025. The composition of the NRC and attendance at NRC meetings were as under:

Name of the Director	May 23, 2024	March 31, 2025	% of Attendance	
Mr. Vivek Gambhir	✓	✓		100%
Ms. Namita Gupta	✗	✓		50%
Mr. Ishaan Mittal	✓	✓		100%
% of Attendance	66.67%	100%		

✓ (Present) ✗ (Absent)

The Chief Human Resources Officer attends the meetings as and when required. Company Secretary acts as the Secretary to the Committee. The minutes of the NRC meetings are placed before the meeting of the Board for noting. The Chairman of NRC was present at the previous AGM held on August 29, 2024.

The Committee carries out a separate exercise to evaluate the performance of Board, its committees and individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation is carried out based on the responses received from the Directors. The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, acquaintance with business, ability to challenge views of others in a constructive manner, inter-se communication, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc. During FY 2024-25, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and individual Directors.

Terms of reference

The NRC has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The broad terms of reference of the NRC includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:
 - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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- formulation of criteria for evaluation of performance of independent directors and the Board;
 - for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- devising a policy on Board diversity;
 - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
 - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - recommend to the Board, all remuneration, in whatever form, payable to senior management;
 - carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee ("RMC") has been constituted by the Board pursuant to Regulation 21 of the SEBI Listing Regulations to oversee and monitor the Company's risk management framework, policies and practices.

Composition, Meetings and Attendance

As of March 31, 2025, RMC comprised 4 (four) members with a majority being members of the Board of Directors, including one Independent Director. The composition of the Committee is as follows:



Chairman
Mr. Subramaniam Somasundaram
(Independent Director)



Member
Mr. Varun Alagh
(CEO and Whole Time Director)
Mr. Ishaan Mittal
(Non-Executive Director)
Mr. Raman Preet Sohi*
(CFO and Chief Risk Officer)
*During FY 2024-25, the Board at their meeting held on August 9, 2024, appointed Mr. Raman Preet Sohi, CFO of the Company as a member of RMC and Chief Risk Officer.

The Committee met 2 (two) times during the FY 2024-25 on September 26, 2024 and March 13, 2025. The attendance at the Meeting was as under:

Date of Meeting	September 26, 2024	March 13, 2025	% of Attendance	
Mr. Subramaniam Somasundaram	✓	✓		100%
Mr. Varun Alagh	✓	✓		100%
Mr. Ishaan Mittal	✓	✓		100%
Mr. Raman Preet Sohi	✓	✓		100%
% of Attendance	100%	100%		

The Company Secretary acts as the Secretary to RMC. The minutes of the RMC meetings are placed before the meeting of the Board for noting. The Chairman of RMC was present at the previous AGM of the Company held on August 29, 2024.

Terms of Reference

The terms of reference of the RMC are comprehensive and aligned with the regulatory requirements under Regulation 21 of the SEBI Listing Regulations, and include, inter-alia, the following

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ("SRC") has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

SRC is primarily responsible for resolving investor grievances, including issues related to the transfer and transmission of shares, non-receipt of dividends, annual reports and ensuring effective and timely redressal of shareholders' and investors' concerns.

Composition, Meetings and Attendance

As of March 31, 2025, SRC comprised 3 (three) members out of which 2 (two) are Independent Directors. The composition of SRC is as follows:



Chairperson
Ms. Namita Gupta
(Independent Director)



Member
Mr. Subramaniam Somasundaram
(Independent Director)
Ms. Ghazal Alagh
(Whole Time Director)

During the FY 2024-25, the Committee met once during the FY 2024-25 on March 28, 2025. The attendance at the meeting was as under:

Name of the Director	March 28, 2025	% of Attendance	
Ms. Namita Gupta	✓		100%
Mr. Subramaniam Somasundaram	✓		100%
Ms. Ghazal Alagh	✓		100%
% of Attendance	100%		

✓ (Present) ✗ (Absent)

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Company Secretary acts as the Secretary of the SRC. The minutes of the SRC meetings are placed before the meeting of the Board for noting. The Chairperson of SRC was present at the previous AGM held on August 29, 2024.

Terms of Reference

The SRC is entrusted with the responsibility of overseeing and resolving stakeholder-related matters, particularly those involving shareholders’ and investors’ rights and services. The role and responsibilities of the Committee are in line with the provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations and include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

- carrying out any other functions required to be carried out by the Stakeholders’ Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The SRC plays a key role in ensuring that investor concerns are addressed in a timely, fair and transparent manner and that high standards of shareholder servicing are maintained consistently.

The Company, together with its Registrar and Share Transfer Agent (“RTA”), KFin Technologies Limited, is committed to providing efficient and prompt services to investors. All complaints and grievances received are addressed expeditiously within statutory timelines. During FY 2024–25, the Company received five complaints from shareholders, all of which were resolved to their satisfaction. As of March 31, 2025, there were no pending shareholder complaints.

SRC continues to monitor and strengthen its investor service processes to ensure timely redressal of grievances and maintain investor satisfaction.

Compliance Officer

As on March 31, 2025, Mr. Dhanraj Dagar was serving as the Company Secretary & Compliance Officer of the Company. He ceased to hold the position of Company Secretary & Compliance Officer with effect from July 11, 2025, due to his resignation. Subsequently, the Company has appointed Mr. Gaurav Pandit as the Company Secretary & Compliance Officer with effect from July 18, 2025.

The Committee met 2 (two) times during the FY 2024-25 on August 9, 2024 and March 18, 2025. The attendance at the Meeting was as under:

Date of Meeting	August 9, 2024	March 18, 2025	% of Attendance
Ms. Ghazal Alagh	✓	✓	100%
Mr. Varun Alagh	✓	✓	100%
Ms. Namita Gupta	✓	✓	100%
% of Attendance	100%	100%	

✓ (Present) ✗ (Absent)

The Company Secretary acts as the Secretary of the CSR Committee. The minutes of the CSR meetings are placed before the meeting of the Board for noting. The Chairperson of the CSR Committee was present at the previous AGM of the Company held on August 29, 2024.

Terms of Reference

The CSR Committee is entrusted with the following roles and responsibilities:

- formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended;

- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (“CSR”) Committee of the Company has been constituted in compliance with the provisions of Section 135 of the Act and the rules made thereunder.

The CSR Committee is responsible for formulating and recommending to the Board a CSR policy indicating the activities to be undertaken by the Company in accordance with Schedule VII of the Act, recommending the amount of expenditure to be incurred on such activities and monitoring the CSR policy of the Company from time to time.

Composition, Meetings and Attendance

As on March 31, 2025, the CSR Committee comprised 3 (three) members including 1 (one) Independent Director. The composition of the Committee is as follows:



Chairperson
Ms. Ghazal Alagh
(Whole Time Director)

Member
Mr. Varun Alagh
(CEO & Whole Time Director)

Ms. Namita Gupta
(Independent Director)



IPO Committee

The IPO Committee had been constituted by the Board for the purposes of approving and undertaking various activities in relation to the Initial Public Offer of the Company.

Composition, Meetings and Attendance

As of March 31, 2025, IPO Committee comprised of 3 (three) members, including 1 (one) Independent Director. The composition of the Committee is as follows:



Chairman
Mr. Varun Alagh
(CEO & Whole Time Director)

Member
Mr. Ishaan Mittal
(Non-Executive Director)

Mr. Vivek Gambhir
(Independent Director)

No Meeting of the IPO Committee was held during the FY 2024-25.

Disclosures

Policy for determining Material Subsidiaries

The Company has formulated a Policy for determining ‘Material’ Subsidiaries in accordance with Regulation 16 of the SEBI Listing Regulations. The Policy is available on the Company’s website and can be accessed in the Investors Section at the following link: <https://honasa.in/cdn/shop/files/Policy-to-Determine-Material-Subsidiary.pdf>

Policy on Materiality of and Dealing with Related Party Transactions

The Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions (“RPT Policy”), which specifies the procedures for entering into related party transactions. The RPT Policy was amended by the Board on February 12, 2025 to provide more detailed provisions,



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particularly in light of further changes in the scope of related party transactions. The updated RPT Policy has been uploaded on the Company’s website and can be accessed in the Investors section at the following link: https://honasa.in/cdn/shop/files/1_Policy_on_materiality_of_related_party_transactions_and_on_dealing_with_related_party_transactions.pdf

Disclosure of Transactions with Related Parties

During the FY 2024-25, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors, their relatives, Management, Subsidiaries, or other related parties that could potentially conflict with the interests of the Company as a whole. Further, details of related party transactions are provided in Note No. 32 of the standalone financial statements, which forms part of the Annual Report.

In addition, in compliance with the SEBI Listing Regulations, the Company adheres to the Accounting Standards on related party disclosures. The Company regularly submits disclosures of related party transactions to the Stock Exchanges in the prescribed format and also publishes them on the Company’s website.

Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under Section 133 of the Act, along with other relevant provisions of the Act.

Code for prohibition of Insider Trading Practices & procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information

The Company has formulated and adopted the Code of Conduct for Prohibition of Insider Trading and Code of Fair Disclosure and Conduct relating to Unpublished Price Sensitive Information (“UPSI”), which includes the Policy for determination of ‘Legitimate Purpose’ in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”).

The Company’s Code of Conduct is designed to regulate, monitor and ensure the reporting of trading activities by Designated Persons and their immediate relatives, thereby achieving complete adherence with the SEBI PIT Regulations. It aims to uphold the highest ethical standards in the trading of the Company’s securities by those to whom it applies. The Code lays down detailed guidelines on procedures to be followed and disclosures to be made when dealing with the Company’s securities, while also highlighting the consequences of any violations.

Whistle-blower Policy/Vigil Mechanism

The Company is dedicated to cultivate an environment that is free from unfair practices and unethical behaviour by establishing and upholding the highest standards of conduct for its employees.

The Vigil Mechanism, as mandated by the Act and SEBI Listing Regulations, is implemented through the Company’s Code of Conduct, Whistle-blower Policy etc.

The Whistle-blower Policy establishes a formal reporting mechanism that enables stakeholders to raise concerns related to unethical behaviour, actual or suspected fraud, violations of the Code of Conduct (including insider trading violations) or instances of leak of UPSI by employees. Under this Vigil Mechanism, employees are encouraged to voice their concerns freely and all stakeholders have direct access to the Audit Committee via its Chairperson. No personnel have been denied access to the Audit Committee. The Policy also includes safeguards to protect whistle-blowers from any form of victimisation or retaliation.

The Whistle-blower Policy is available on the Company’s website and can be accessed at <https://honasa.in/cdn/shop/files/Whistle-Blower-Policy.pdf>

Means of Communication

The Company recognises the importance of maintaining transparent two-way communication with its members, ensuring balanced reporting of results and progress. Timely and comprehensive disclosure of information regarding the Company’s financial position and performance is a key aspect of its corporate governance commitment.

The Company follows a robust communication process with shareholders, investors and stakeholders through multiple channels, including dissemination of information on the Stock Exchanges’ websites, press releases, Annual Reports and by uploading relevant updates on the Company’s own website.

Financial Results

The unaudited quarterly results are announced within 45 (forty-five) days of the close of each quarter other than the last quarter. The audited annual results are announced within 60 (sixty) days from the end of the financial year as required under the SEBI Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved. The quarterly results are published in prominent newspapers i.e. Financial Express (English Language National Daily Newspaper) and Jansatta (Local language newspaper of the region in which the registered office is situated).

Other Information

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part ‘A’ and Part ‘B’ of Schedule III of the SEBI Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. All information is filed electronically on the online portal of BSE Limited – Corporate Compliance & Listing Centre (BSE Listing Centre) and on the online portal of National Stock Exchange of India Limited – NSE’s Electronic Application Processing System (NEAPS).

Analyst/Institutional Investors Presentations

The Company hosts calls with institutional investors/analysts post-quarterly/half-yearly and yearly financial results are announced. Presentations are also made to international and domestic institutional investors and analysts. These presentations and other disclosures, which are required to be disseminated, are filed electronically with the Stock Exchanges as well as uploaded on the Company’s website. Additionally, the Company uploads transcripts and audio-visual recordings of post-earnings/quarterly investor calls on its website.

The Annual Report, quarterly/half-yearly and audited financial statements as well as official press releases are also disseminated through the Company’s website.

Investor Services Web-Based Query Redressal System

Members are encouraged to avail the facility provided by the RTA, KFin Technologies Limited, for the resolution of queries or grievances. Investors may submit their concerns by visiting the RTA’s investor service portal at <https://ris.kfintech.com/clientservices/isc/InvestorGrievance.aspx>.

Upon submission, a reference number will be generated, which can be used to track the status and response to the query through the “Track your query” option available on the left-hand corner of the above website. Investors may also submit follow-up queries, if required, until a satisfactory resolution is received.

Dispute Resolution Mechanism

In line with SEBI’s efforts to strengthen the investor grievance redressal framework, the Securities and Exchange Board of India (SEBI) has introduced measures to streamline and expedite dispute resolution between listed companies (and/ or their Registrars and Transfer Agents) and shareholder(s)/ investor(s).

Pursuant to SEBI Circular dated May 30, 2022, a Standard Operating Procedure (SOP) has been prescribed, allowing shareholders/investors to opt for the Stock Exchange Arbitration Mechanism for resolving disputes with the Company or its RTA.

Further, SEBI vide Circular dated July 31, 2023 (updated as on December 20, 2023), has introduced an Online Dispute

Resolution (ODR) Portal. This digital platform enables an aggrieved party to initiate dispute resolution proceedings after having exhausted the initial channels of resolution directly with the Company and via SEBI Complaint Redress System (SCORES).

The Company is fully compliant with the provisions of the above SEBI circulars. Relevant information and updates are made available on the Company’s website under the Investor section: <https://honasa.in/investor/>

Kprism Service by Kfintech

Members are kindly requested to note that the RTA has provided an online platform at <https://kprism.kfintech.com> offering a wide range of services. Members can register once on the Kprism portal to access and manage their accounts conveniently.

Services available on the Kprism portal include:

- Viewing consolidated portfolio serviced by the RTA
- Checking dividend status
- Requesting change of address
- Updating bank mandate details
- Downloading Annual Reports and standard forms
- Tracking upcoming General Meetings and dividend disbursement schedules

General Shareholder Information

Annual General Meeting

Ministry of Corporate Affairs (“MCA”) vide general circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard latest being 09/2024 dated September 19, 2024, SEBI vide circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024. Permitted convening the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue.

Accordingly, 9th AGM of the Company for the FY 2024-25 is scheduled to be held on Thursday, September 25, 2025 at 11.00 am (IST) through VC/OAVM. Deemed venue of AGM will be the registered office of the Company.

Financial Year of the Company

The financial year covers the period from April 1, to March 31.

Corporate Identity Number

L74999DL2016PLC306016

Registered Office Address

Honasa Consumer Limited, Unit No. 404, City Centre, 4th Floor, Plot No 05, Sector – 12, Dwarka, New Delhi – 110 075

Corporate Governance Report

Listing on Stock Exchanges

The Equity Shares of the Company are listed with the following stock exchanges:

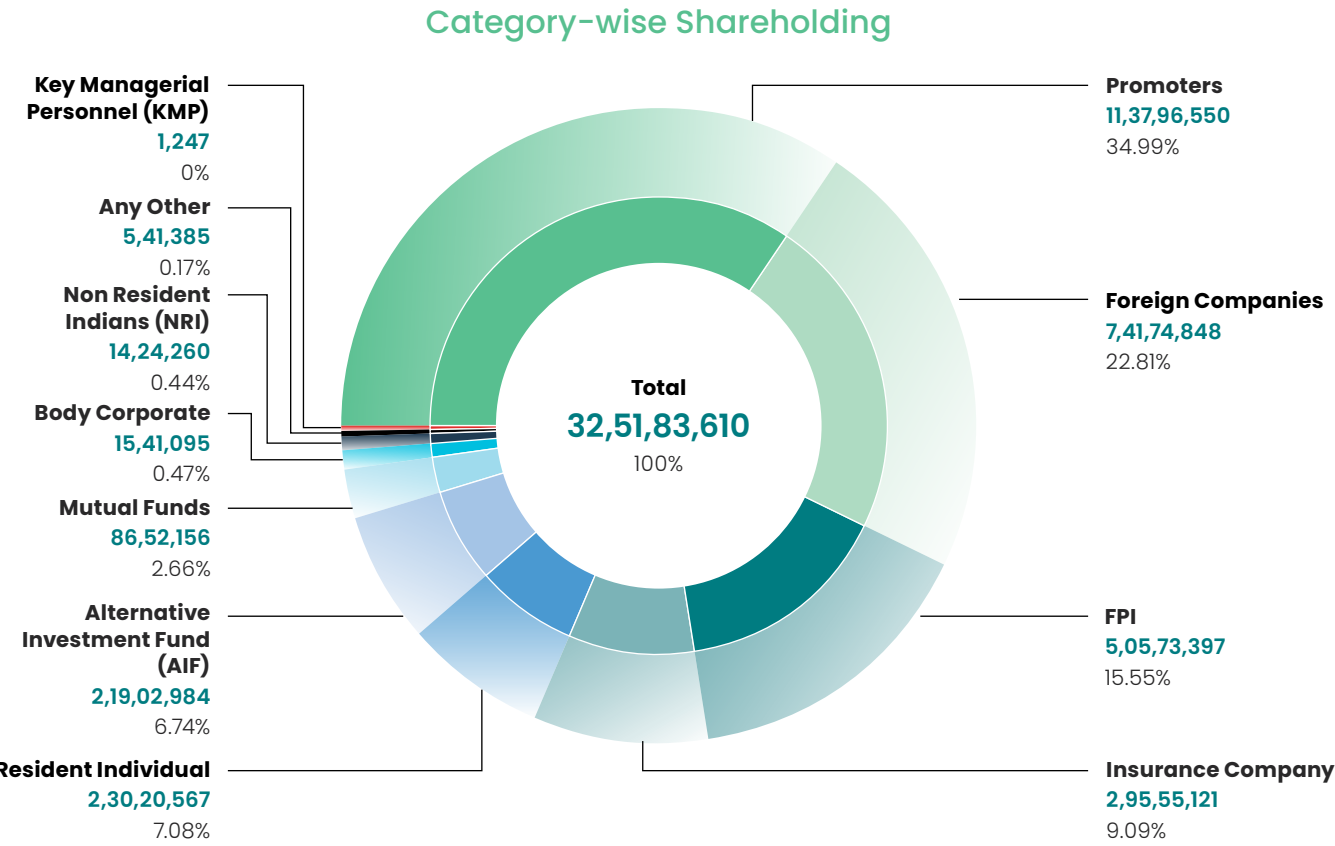
Name and Address of Stock Exchange	ISIN	Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	INE0J5401028	544014
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051		HONASA

The Company has paid the requisite annual listing fees to the National Stock Exchange of India Limited and BSE Limited

Distribution of Shareholding as on March 31, 2025

Number of Shares held	Shareholders		Equity Shares held	
	Number of Members	% to total	Number of Shares held	% to total
1-5000	91,450	99.39	1,45,16,263	4.46
5001-10000	249	0.27	18,00,292	0.55
10001-20000	114	0.12	16,57,980	0.51
20001-30000	43	0.05	10,70,283	0.33
30001-40000	30	0.03	10,24,565	0.32
40001-50000	15	0.02	6,93,617	0.21
50001-100000	26	0.03	17,76,699	0.55
100001 and above	81	0.09	30,26,43,911	93.07
Total	92,008	100.00	32,51,83,610	100.00

Category-wise shareholding as of March 31, 2025



Members holding more than 1% of the shares as on March 31, 2025

The details of Public Members holding more than 1% (PAN-based) of the equity as on March 31, 2025 are as follows:

Name of the Members	% of Shareholding	No. of Shares Held
Peak XV Partners Investments VI	14.84%	4,82,63,012
ICICI Prudential Life Insurance Company Limited	7.81%	2,53,90,108
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	3.45%	1,12,28,493
Sofina Ventures SA	3.30%	1,07,15,978
Stellaris Venture Partners India I	2.88%	93,75,676
Fireside Ventures Investment Fund I	2.25%	73,00,733
Franklin Templeton Investment Funds – Templeton AS	2.07%	67,17,360
Arisaig Asia Fund Limited	1.14%	36,95,342
HDFC Life Insurance Company Limited	1.12%	36,46,473
Rishabh Harsh Mariwala	1.05%	34,20,112

Registrar and Share Transfer Agents

KFin Technologies Limited is registrar and share transfer agent (“RTA”). The details of RTA is given below:

KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited)
Unit: Honasa Consumer Limited
Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana – 500 032, India
Tel. No. : (91) 910 009 4099
Email : einward.ris@kfintech.com
Website : www.kfintech.com
Toll Free No. : 1800 3094 001

Address for correspondence

Honasa Consumer Limited

Corporate Office: 10th and 11th Floor, Capital Cyberscape, Sector- 59, Gurugram – 122 102, Haryana
Email : compliance@mamaearth.in
Tel. No.: +91 124 428 8351

Share Transfer System

As mandated by SEBI, equity shares of the Company can be transferred/traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation

Further, SEBI has mandated that securities shall be issued only in dematerialised mode while processing duplicate/ suspense/renewal/exchange/endorsement/sub-division/ consolidation/transmission/service requests received from physical securities holders. However, the company do not have any shares available in the physical mode.

The Members may also visit website of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited viz. <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.



Corporate Governance Report

Dematerialisation of Shares and Liquidity

100% of the paid-up equity share capital of the Company is held in a dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2025.

Details of equity shares of the Company as on March 31, 2025 is given below:

Particulars	Share Capital	% of holding
Listed Capital	325,183,610	100.00
Held in Dematerialised form	325,183,610	100.00
National Securities Depository Limited	200,746,246	61.73
Central Depository Services (India) Limited	124,437,364	38.27
Held in physical form	-	-
Total	325,183,610	100.00

The equity shares of the Company are liquid and traded in dematerialised form on BSE Limited and National Stock Exchange of India Limited

Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Annual Report.

Senior Management

Senior Management as on closure of FY 2024-25

S. No.	Name	Designation
1	Mr. Raman Preet Sohi	Chief Financial Officer
2	Ms. Anuja Mishra	Chief Marketing Officer
3	Mr. Dhanraj Dagar	Company Secretary & Compliance Officer

Changes in Senior Management during FY 2024-25

S. No.	Name	Designation	Effective Date of Change	Type of Change
1	Mr. Jayant Chauhan	Chief Product and Technology Officer	December 1, 2024	Cessation
2	Mr. Zairus Master	Chief Business Officer	March 1, 2025	Cessation

Changes in Senior Management post FY 2024-25

S. No.	Name	Designation	Effective Date of Change	Type of Change
1	Ms. Anuja Mishra	Chief Marketing Officer	July 1, 2025	Cessation
2	Mr. Karan Bajwa	Chief Human Resources Officer	April 24, 2025	Change of Designation
3	Mr. Avinash Dhagat	Chief Supply Chain Officer	April 24, 2025	Change of Designation
4	Mr. Yatish Bhargava	Chief Business Officer	June 17, 2025	Appointment
5	Mr. Dhanraj Dagar	Company Secretary & Compliance Officer	July 11, 2025	Cessation
6	Mr. Gaurav Pandit	Company Secretary & Compliance Officer	July 18, 2025	Appointment

General Body Meetings

Details of previous 3 (three) Annual General Meetings and Special Resolutions passed

Year	Date	Time	Location	Special Resolution Passed
2022	September 30, 2022	10:00 am	432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place, New Delhi South Delhi – 110 066	Approval of the loan by the Honasa Consumer Limited to Fusion Cosmeceutics Private Limited (subsidiary) in terms of the provisions of Section 185, of the Act, 2013
2023	September 25, 2023	10:00 am	Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector – 12, Dwarka, New Delhi – 110075	No Special Resolution
2024	August 29, 2024	10:30 am	Through Video Conferencing/ Other Audio Video Means Deemed Venue: Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector – 12, Dwarka, New Delhi – 110 075	No Special Resolution

Details of special resolutions put through postal ballot during the last financial year along with voting results

Date of Dispatch of Notice: May 3, 2024

Deemed approval date: June 2, 2024

Outcome of Postal Ballot: June 3, 2024

Weblink for Notice of Postal Ballot: https://honasa.in/cdn/shop/files/Postal_Ballot_Notice_May_3_2024.pdf

Details of Special Resolutions passed

Ratification of “Honasa Consumer Limited Employees Stock Option Plan– 2018”

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,36,65,550	14,89,44,371	6,16,34,236	32,42,44,157
No. of Votes – in favour	11,35,15,550	9,01,50,660	1,81,50,106	22,18,16,316
% of Votes in favour on votes polled	100	77.9620	98.8892	89.6214
No. of Votes –Against	0	2,54,83,429	2,03,885	2,56,87,314
% of Votes against on votes polled	0	22.0380	1.1108	10.3786

Ratification of “Honasa Consumer Limited Employees Stock Option Plan - 2018” to the Employees of Subsidiary Companies, Group Companies and Associate Companies of the Company.

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,36,65,550	14,89,44,371	6,16,34,236	32,42,44,157
No. of Votes – in favour	11,35,15,550	8,32,84,972	1,81,50,061	21,49,50,583
% of Votes in favour on votes polled	100	72.0246	98.8889	86.8474
No. of Votes –Against	0	3,23,49,117	2,03,930	3,25,53,047
% of Votes against on votes polled	0	27.9754	1.1111	13.1526

Ratification of “Honasa Consumer Limited Employees Stock Option Plan - 2021”

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,36,65,550	14,89,44,371	6,16,34,236	32,42,44,157
No. of Votes – in favour	11,35,15,550	9,01,50,660	1,81,50,106	22,18,16,316
% of Votes in favour on votes polled	100	77.9620	98.8892	89.6214
No. of Votes –Against	0	2,54,83,429	2,03,885	2,56,87,314
% of Votes against on votes polled	0	22.0380	1.1108	10.3786

Corporate Governance Report

Ratification of “Honasa Consumer Limited Employees Stock Option Plan – 2021” to the Employees of Subsidiary Companies, Group Companies and Associate Companies of the Company”

Result of voting through Postal Ballot by remote e-voting was as follows:

Category	Promoter and Promoter Group	Public Institution	Public Non-Institution	Total
No. of shares held	11,36,65,550	14,89,44,371	6,16,34,236	32,42,44,157
No. of Votes – in favour	11,35,15,550	8,32,84,972	1,81,50,134	21,49,50,656
% of Votes in favour on votes polled	100	72.0246	98.8890	86.8475
No. of Votes –Against	0	3,23,49,117	2,03,917	3,25,53,034
% of Votes against on votes polled	0	27.9754	1.1110	13.1525

Scrutiniser for postal ballot

The Board had appointed Mr. Shashi Shekhar, Practicing Company Secretary (Membership Number FCS: 12475 and COP: 14145) as the scrutiniser for conducting the postal ballot (e-voting process) in a fair and transparent manner.

Resolutions that are proposed to be conducted through a postal ballot

There is no immediate proposal for passing any resolution through postal ballot. Further, none of the businesses proposed to be transacted at the forthcoming 9th Annual General Meeting require passing of a resolution through postal ballot in terms of the applicable provisions of the Act and the rules made thereunder or the SEBI Listing Regulations.

Procedure for postal ballot

Prescribed procedure for postal ballot as per the provisions contained in the Act read with rules made thereunder as amended from time to time shall be complied with, whenever necessary.

Other Disclosures

Total fees for all services paid to the Statutory Auditors by the Company for the financial year 2024-25

Total fees paid by the Company for FY 2024-25 on a consolidated basis, to the Statutory Auditor viz. S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004 and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

Particulars	Amount (₹ In Million)
Statutory Audit fee (Including quarterly Limited Review Fee)	12.28
Other Services	1.28
Total	13.56

During FY 2024-25, no amount was paid by any Subsidiary Company to Statutory Auditors.

Compliance Certificate

The Company has complied with the conditions of Corporate Governance as stipulated under regulations 17 to

27 and clauses (b) to (i) and (t) of regulation 46(2), as well as Para C, D and E of Schedule V to the SEBI Listing Regulations for the FY ended March 31, 2025. A certificate confirming compliance issued by Practicing Company Secretary is annexed as “Annexure A”.

During FY 2024-25, there were no instances of non-compliance by the Company. Further, no penalties, strictures, or adverse observations were imposed by the Stock Exchanges, the Securities and Exchange Board of India (SEBI), or any other statutory authority on any matter relating to the capital markets.

This reflects the Company’s commitment to maintaining high standards of compliance and corporate governance.

CEO/CFO Certification

CEO & Whole Time Director and CFO of the Company have jointly submitted the annual certification on financial reporting and internal controls to the Board, in accordance with Regulation 17(8) of the SEBI Listing Regulations. CEO/CFO certificate is annexed as “Annexure B”.

Additionally, they have provided quarterly certifications on the financial results while presenting the same to the Board, in compliance with regulation 33(2) of the SEBI Listing Regulations.

Compliance with Non-mandatory Requirements

The Company has complied with the following discretionary requirements as specified in Part E of Schedule II to the SEBI Listing Regulations:

- Unmodified Audit Opinion**
During FY 2024-25, there were no audit qualifications in the Company’s standalone financial statements. The Statutory Auditors have issued an unmodified opinion, reflecting the Company’s continued commitment to maintaining high standards of financial reporting and governance.
- Reporting of Internal Auditor:** BDO India Limited Liability Partnership (“BDO”), Internal Auditor of the Company reports to the Audit Committee of the Company. Representative of BDO also participates in the meetings of the Audit Committee of the Company

and also shares their findings on periodic basis with Audit Committee along with the mitigation plan provided by management.

Disclosure in relation to recommendation made by any Committee

During FY 2024-25, there were no such instances wherein the Board had not accepted the recommendations made by any committee of the Board.

Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Director of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority, is enclosed as “Annexure C”.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has implemented a policy to prevent sexual harassment at the workplace.

Shareholding of Key Managerial Personnel of the Company as on March 31, 2025

Name and Designation	No. of Equity Shares held as on March 31, 2025	% of Shareholding
Mr. Varun Alagh (Chairman, CEO & Whole Time Director)	10,37,30,850	31.90
Ms. Ghazal Alagh (Whole Time Director)	99,64,700	3.06
Mr. Raman Preet Sohi (Chief Financial Officer)	0	0
Mr. Dhanraj Dagar (Company Secretary and Compliance Officer)*	1,247	0

* Ceased to be Company Secretary and Compliance Officer w.e.f. July 11, 2025.

Disclosure with respect to demat suspense account/ unclaimed suspense account

As on March 31, 2025, no shares of the Company are lying in the suspense account. Accordingly, no disclosure is required under Part F of Schedule V of the SEBI Listing Regulations.

General Disclosures

- The Company does not have any material subsidiaries;
- The Company has not raised any funds raised through preferential allotment or qualified institutional placement as specified under regulation 32(7) of SEBI Listing Regulations;
- The Company has not entered into any materially significant related party transactions that could have a potential conflict with the interests of the listed entity and its shareholders at large;

The details of complaints under the Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for FY 2024-25 are as follows:

- (a) Number of complaints filed during the financial year: 3
- (b) Number of complaints disposed of during the financial year: 1
- (c) Number of complaints pending as on end of the financial year.: 2*

* These complaints were disposed off in May 2025.

Particulars of loans/advances/investments pursuant to Para A of Schedule V of the SEBI Listing Regulations

The particulars of loans/advances/investments as required to be disclosed pursuant to Para A of Schedule V of the SEBI Listing Regulations are furnished in the financial statements which forms part of the Annual Report.

Directors and Officers Liability Insurance

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.

Corporate Governance Report

- The Company does not have any outstanding Global Depository Receipts (GDRs), American Depository Receipts (ADRs), warrants, or convertible instruments during the FY 2024-25. Therefore, the disclosure requirements related to their conversion dates and impact on equity are not applicable.
- The Company’s securities have not been suspended from trading on any stock exchange during the FY 2024-25. Accordingly, this disclosure requirement is not applicable.
- The Company has never declared or paid any dividend. Therefore, disclosure of dividend payment dates is not applicable.
- There were no agreements to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

Declaration on Compliance of Code of Conduct

Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year 2024-25.

For and on Behalf of Board of Directors

Honasa Consumer Limited

Varun Alagh

Chairman, CEO &

Whole-time Director

DIN: 07597289

Place: Gurugram

Date: August 12, 2025

Annexure A

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Honasa Consumer Limited

We have examined the compliance of the conditions of Corporate Governance by M/s Honasa Consumer Limited for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose.

Place: Delhi
Date: May 22, 2025

For Arora Shekhar & Company
(Practicing Company Secretaries)

Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475G000413128

Corporate Governance Report

Annexure B

CEO/CFO CERTIFICATION

We, the undersigned, in our respective capacities as Chairman, CEO & Whole-time Director and Chief Financial Officer of Honasa Consumer Limited (“Company”), to the best of our knowledge and belief certify that:

- i. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2025 and that to the best of our knowledge and belief, we state that:

a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. We further state that to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s code of conduct.
- iii. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We have indicated to the Auditors and the Audit Committee:

a) significant changes, if any, in internal control over financial reporting during the year;

b) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control systems over financial reporting.

For and on behalf of Board of Directors
Honasa Consumer Limited

Place: Gurugram
Date: May 22, 2025

Varun Alagh
Chairman, CEO & Whole-time Director

Raman Preet Sohi
Chief Financial Officer

Annexure C

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Honasa Consumer Limited
Unit No – 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka
New Delhi – 110 075

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Honasa Consumer Limited bearing CIN: L74999DL2016PLC306016 and having registered office at Unit No. 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi – 110 075 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name	Director Identification Number (DIN)	Date of Appointment
1.	Varun Alagh	07597289	September 16, 2016
2.	Ghazal Alagh	07608292	September 16, 2016
3.	Ishaan Mittal	07948671	January 03, 2020
4.	Subramaniam Somasundaram	01494407	February 11, 2022
5.	Namita Gupta	07337772	June 08, 2022
6.	Vivek Gambhir	06527810	March 24, 2021

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Arora Shekhar & Company**
(Practicing Company Secretaries)

Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475G000413040

Place: Delhi
Date: May 22, 2025

Annexure II

Business Responsibility and Sustainability Report

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2024-2025
1	Corporate Identity Number (CIN) of the Listed Entity	U74999DL2016PLC306016
2	Name of the Listed Entity	Honasa Consumer Limited
3	Year of incorporation	2016
4	Registered office address	Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector – 12, Dwarka, New Delhi – 110075
5	Corporate address	10th and 11th Floor, Capital Cyberscape Ullahwas, Bhondsi, Gurgaon, Haryana – 122102
6	E-mail	ghanraj.d@mamaearth.in
7	Telephone	011-44123544
8	Website	www.honasa.in
9	Financial year for which reporting is being done	01/04/2024 to 31/03/2025
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹3,25,18,36,100
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Dhanraj Dagar 011-44123544 ghanraj.d@mamaearth.in
13	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Trade	Wholesale trading with our B2B and offline partners.	51%
2	Trade	Retail trading with our consumers through online platform	49%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Beauty and Personal Care Products	9961	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	156	156
International	0	2	2

*This consist of 111 Exclusive brand outlets

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	22
International (No. of Countries)	2

*No. of states where the entity has GST registration

b.	What is the contribution of exports as a percentage of the total turnover of the entity?	3%
----	--	----

c. A brief on types of customers

Our customers are classified into two categories: individuals and institutions. Individuals include retail customers, while institutions encompass our offline channel partners, such as super-stockiest, distributors, etc. Additionally, our B2B e-commerce platforms, including Nykaa and Purple, are also considered our customers.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	923	657	71.2%	266	28.8%
2	Other than Permanent (E)*	0	0	0	0	0
3	Total employees (D + E)	3,528	1,924	54.6%	1,604	45.4%
WORKERS						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F + G)	0	0	0	0	0

*The company captures the above mentioned data for permanent employees only.

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	0	0	0%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total employees (D + E)	0	0	0%	0	0%
WORKERS						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total workers (F + G)	NA	NA	NA	NA	NA

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21. Participation/Inclusion/Representation of women

Particular	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	4	1	25%

22. Turnover rate for permanent employees and workers

Particulars	FY 2024-25			FY 2023-24			FY 2022-23		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	48.26%	48.69%	48.39%	45.46%	38.16%	43.47%	35.43%	28.57%	33.57%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1	Bhabhani Blunt Hair Dressing Private Limited	Subsidiary	100%	No
2	B:Blunt-Spratt Hairdressing Private Limited	Subsidiary	100%	No
3	Fusion Cosmeceutics Private Limited	Subsidiary	100%	No
4	Just4kids Services Private Limited	Subsidiary	100%	No
5	Honasa Consumer General Trading LLC	Subsidiary	100%	No
6	PT Honasa Consumer Indonesia	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

a. Turnover (in ₹)	18,657,065,781
b. Net worth (in ₹)	12,004,228,552

VII. Transparency and Disclosures Compliances

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2024-25			FY 2023-24		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, NIL	0**	0		0**	0	NA
Investors (other than shareholders)	Yes, https://honasa.in/investor/	0	0		0	0	NA
Shareholders	Yes, https://honasa.in/investor/	5	0		1	0	NA
Employees and workers	Yes, https://chat.infeedo.com/chat/amber	5	0		6	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2024-25			FY 2023-24		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes, https://support.mamaearth.in/support/home , https://thedermaco.com/contact-us , https://aqualogica.in/pages/contact , https://ayuga.in/pages/contact	623137	2124		3,60,023	1,248	NA
Value Chain Partners	Yes, NIL	0	0		0***	1	NA
Other (please specify)	Yes, NIL	0	0		-	1	-

* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

** Local communities raise their concerns through NGOs associated with the company. These concerns are then escalated to the company's designated Single Point of Contact (SPOC), who collaborates with the NGO to address the issues and implement appropriate solutions.

*The company is currently developing a formal ticketing system to manage and resolve grievances received from value chain partners.

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	NA
Investors (other than shareholders)	https://honasa.in/investor/
Shareholders	https://honasa.in/investor/
Employees and workers	https://chat.infeedo.com/chat/amber
Customers	https://mamaearth.in/return-policy https://www.drsheths.com/pages/return-policy https://bblunt.com/return-policy https://thedermaco.com/return-policy https://aqualogica.in/policies/refund-policy
Value Chain Partners	NA
Other (please specify)	NA

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26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Consumer Safety and welfare	Risk	Prioritising consumer health and safety is crucial for fostering trust and upholding transparency. Failure to comply with regulations related to product information, labelling, and marketing can result in significant negative consequences. Moreover, emphasising health and safety practices helps mitigate potential risks and safeguards consumers from harm, thereby strengthening their trust in the brand.	1. We have an active CRM team in place to monitor consumer feedback and ensure timely responses. 2. We proactively conduct consumer satisfaction surveys to gather valuable insights and feedback. 3. We carry out clinical trials on our products prior to their launch to ensure they meet safety standards. 4. We implement strict quality control protocols, including batch-level quality checks and routine inspections conducted through accredited third-party laboratories.	Negative
2	Community	Opportunity	The company is committed to building purpose-driven brands and maintains a robust CSR framework focused on education and environmental sustainability. It actively undertakes social and environmental initiatives aimed at creating a positive impact on the broader community. These efforts primarily concentrate on women's and children's empowerment, afforestation, and ensuring access to clean freshwater for all.		Positive
3	Business Ethics, Governance, and Transparency	Opportunity	Robust governance mechanisms play a vital role in enhancing the company's reputation, improving decision-making, and reinforcing risk management, all of which contribute to long-term sustainability. They cultivate a culture of integrity, transparency, and accountability, thereby strengthening stakeholder trust. Proactively identifying and addressing risks encourages ethical conduct across the organisation. Furthermore, strong governance frameworks ensure that business strategies are aligned with ESG principles, fostering sustainable growth and resilience in a dynamic market environment.		Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Sustainable Packaging	Opportunity	By integrating renewable and recycled packaging materials, the company lessens its reliance on virgin resources, thereby reducing the use of non-renewable raw materials. This transition also contributes to lower carbon emissions, reduced waste generation, and the advancement of a circular economy. Embracing these sustainable practices allows the company to conserve natural resources, demonstrate strong environmental responsibility, and support the well-being of the planet.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9									
	Policy and management processes																		
1. a	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									
b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									
c	Web Link of the Policies, if available	https://honasa.in/wp-content/uploads/2024/07/BRSR_Policy.pdf																	
2	Whether the entity has translated the policy into procedures. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									
4	Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Certified Great Place to Work		Cruelty-free (by PETA) certified		Made Safe		Cruelty-free (by PETA) certified											
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.										No								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.										NA								

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Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
	Dear Valued Stakeholders,									
	I am delighted to connect with you and share some remarkable achievements and initiatives undertaken by Honasa over the past year. This year marks our second year of Business Responsibility and Sustainability Reporting (BRSR). We have collected and reported data from our locations across the country, ensuring transparency and accountability. Our dedication to sustainability has been recognised through various certifications and awards, including Made Safe certification, Cruelty-Free certification by PETA.									
	Through our partnership with the SankalpTaru Foundation, we implemented the We Plant Goodness Initiative under the Mamaearth brand. This initiative promoted afforestation and enhanced farmer livelihoods, reflecting our commitment to fostering sustainable coexistence with nature. As part of the initiative, we have planted 9L+ trees.									
	In terms of plastic recycling, we recycled 1l,500+ tones of plastic waste since FY 2020-2l, proudly recycling more plastic than we use.									
	Our collaboration with Bhumi NGO brought the Young Scientists Program to life under The Derma Co. brand. The programme has so far instilled a scientific understanding of climate change among 30,000+ school children, empowering them to become ambassadors for environmental sustainability. The Water for All initiative, executed by Sehgal Foundations under the Aqualogica brand provided clean water access to remote rural areas, benefiting over 900+ families so far and significantly improving their quality of life. In partnership with the Sambhav Foundation, we are running the BBlunt Shine Academy initiative. This programme has so far empowered over 15,000+ women through vocational training in hairstyling, promoting skill development and financial independence. Our hiring policy emphasises on equal opportunity to candidates with a focus on diversity, Women constitute more than 45%+ of our current workforce which includes our off-roll employees as well. We are equally committed to our team's welfare, with over 72.37% of our staff receiving skill development training and more than 81.47% undergoing performance reviews. We have also drafted a robust BRSR policy and established a strong governance system to guide our efforts. Our journey is a testament to the collective effort of our team, partners, and stakeholders. We remain committed to making positive changes, fostering sustainability, and making a tangible impact on the communities we serve. Thank you for your continued support and trust in our Company. Together, we will continue to build a better, more sustainable future.									
	Warm regards, Varun Alagh Chairman, Whole-Time Director & CEO									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). Varun Alagh (Director and Chief Executive Officer)									
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No/NA). If Yes please provide details								Yes	
	Yes, The CSR committee is responsible for decision making on sustainability related issues.									
10	Details of Review of NGRBCs by the Company									
Sr. No	Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	The business responsibility performance of the Company is regularly monitored by the Company and reviewed by the Chairman and respective departmental heads. The Board of Directors reviews it annually.								
b.	Description of other committee for performance against above policies and follow up action	NA								
c.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with all the applicable laws and a statutory compliance certificate on applicable laws is provided by the CEO & WTD to the Board of Directors on a quarterly basis.								
d.	Description of other committee for compliance with statutory requirements of relevance to the principles and rectification	NA								

Sr. No	Subject for Review	Frequency (Annually/Half yearly/Quarterly/Any other-please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	The Company complies with all the applicable laws and a statutory compliance certificate on applicable laws is provided by the CEO & WTD to the Board of Directors on a quarterly basis.								
b.	Description of other committee for performance against above policies and follow up action									
c.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with all the applicable laws and a statutory compliance certificate on applicable laws is provided by the CEO & WTD to the Board of Directors on a quarterly basis.								
d.	Description of other committee for compliance with statutory requirements of relevance to the principles and rectification									
1l	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No								
	If yes, provide name of the agency.	NA								
12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The entity does not consider the Principles material to its business (Yes/No)	NA								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA								
	It is planned to be done in the next financial year (Yes/No)	NA								
	Any other reason (please specify)	NA								

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	0	0	0%
Key Managerial Personnel	3	1. POSH 2. Code of Conduct 3. Gallup Strengths Finder	75%
Employees other than BOD and KMPs	40	1. Negotiation Skills – 4.8 2. Business Communication Skills – 4.8 3. Time Intelligence & Prioritisation – 4.7 4. Marketing in Disruptive World – 4.6 5. Understanding Procurement to Payment – 4.6 6. Retail Masterclass – 5 7. Developing Business Acumen (Bridging Gap Between Business & Data) – 4.6 8. Data Analysis with Google Sheet – 4.5 9. Leadership Cross Functional Skills (One Team One Goal) – 4.2 10. Managerial Skills (Managers Winning Edge) – 4.8 11. Digital learning (LinkedIn Learning, Coursera, Udemey) – 4.5 12. Self-Awareness – 4.9 13. Decision Making Skills – 5 14. Collaboration Skills – 4.9 15. Data Analysis with Excel (Basic & Advance) – 5 16. Hiring & Interview Skills – 4.9 17. Emerging Leaders Programme – 4.7 18. Managing High Performing Teams Programme – 4.7 19. Power of Communication – 4.8 20. Innovation-Ideation-Implementation – 4.5	72.37%
Workers		NA	

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format

Particulars	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Monetary	Brief of the Case	Has an appeal been preferred? (Yes/No)
			Amount (In ₹) (For Monetary Cases only)		
Penalty/Fine		1. District Court, Ludhiana 2. Delhi HC 3. GST Authority	1. ₹1,000 2. ₹5,000	1. Imposed by court for delay in filling reply 2. Dealy in filing rejoinder	1. No 2. No
Settlement					
Compounding fee		1. Inspector Legal Metrology, J&K 2. Bangalore MM Court	1. 50000/- 2. 1500/-	1. Discrepancy in Unit Sale Price (USP) Declaration. 2. For not having S&E certificate and BA appointment letter handy.	1. No 2. No

Particular	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		NA		
Punishment		NA		

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/No) Yes

If Yes, provide details in brief

The Company affirms that its Anti-Bribery provisions are embedded within its internal Code of Conduct, in line with SEBI's BRSR guidelines under Principle 1 on ethical and transparent governance.

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place

The Company's Anti-Bribery and Anti-Corruption provisions are incorporated within its internal Code of Conduct. As the policy is confidential and intended for internal governance use only, it is not published on the external website.

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5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Particulars	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	NA*	NA*

*The company captures the above mentioned data for permanent employees only.

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2024-25		FY 2023-24	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA*

*There were no instances related to corruption and conflicts of interest.

8. Number of days of accounts payables in the following format:

Particulars	FY 2024-25	FY 2023-24
Number of days of accounts payables	72	56

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	24%	26%
	b. Number of dealers/distributors to whom sales are made	532	403
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	52%	56%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0%	0%
	b. Sales (Sales to related parties/Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	100%	100%
	d. Investments	37%	36%

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimise the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
1	R&D	0%	0%	-
2	Capex	0%	0%	-

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No*

b. If yes, what percentage of inputs were sourced sustainably?

Note: "The company has initiated the process of establishing procedures for sustainable sourcing. As part of this initiative, the company has begun using 75% recyclable plastic packaging for one of its segments in a brand".

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics (including packaging)	NA
(b)	E-waste	NA*
(c)	Hazardous waste	NA*
(d)	other waste	NA

*The company is primarily engaged in activities that do not generate e-waste or hazardous waste.

4. a Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)

Yes

b If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

Yes

c If not, provide steps taken to address the same

NA

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PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasises the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	657	657	100%	657	100%	0	0%	657	100%	385	59%
Female	266	266	100%	266	100%	266	100%	0	0%	235	88%
Total	923	923	100%	923	100%	266	28.8%	657	71.2%	620	67.2%
Other than permanent employees*											
Male	0	0	0%	0	0	0	0%	0	0%	0	0%
Female	0	0	0%	0	0	0	0%	0	0%	0	0%
Total	0	0	0%	0	0	0	0%	0	0%	0	0%

*The company captures the above mentioned data for permanent employees only.

1. b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format		
Particulars	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.14%	0.042%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of em- ployees covered as a % of to-tal em- ployees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	923	100%	Yes	100%	NA*	Yes
Gratuity	923	100%	No	100%	NA*	Yes
ESI	1	0.11%	Yes	0%	NA*	No
Others – please speci-fy	0%	NA*	No	0%	NA*	No

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

NA

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

Note: The Company's Equal Opportunity Policy provisions are incorporated within its internal Code of Conduct. As the policy is confidential and intended for internal governance use only, it is not published on the external website.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	64%	NA	NA
Female	93%	33%	NA	NA
Total	97%	60%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	NA	
Other than Permanent Workers	NA*	
Permanent Employees	Yes	We have an internal chat-based platform that allows employees to register their grievances con-veniently. In addition, employees can directly approach designated HR Business Partners for sup-port and resolution of their concerns.
Other than Permanent Employees	NA**	

*The company captures the above-mentioned data for permanent employees only.

**The company does not have any 'Other than permanent' employees

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7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees	923	0	0%	842	0	0%
Male	657	0	0%	611	0	0%
Female	266	0	0%	231	0	0%
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Employees										
Male	657	657	100%	475	72.30%	611	611	100%	429	70.21%
Female	266	266	100%	193	72.56%	231	231	100%	172	74.46%
Total	923	923	100%	668	72.4%	842	842	100%	601	71.38%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	657	531	79.6%	611	472	77.25%
Female	266	221	83.0%	231	188	81.38%
Total	923	752	81.5%	842	660	78.38%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)

Yes

If Yes, the Coverage such systems?

The scope of these systems includes a comprehensive support framework for all staff categories, as detailed below:

i.) Housekeeping Staff

- 10 staff members are responsible for maintaining cleanliness and hygiene across both floors, laboratories, and male washrooms.

ii.) Female Support Staff

- 2 female staff members are dedicated to ensuring daily hygiene in female and differently abled washrooms on both floors.

iii.) Pantry Staff

- 3 staff members oversee the upkeep of pantry hygiene, including utensil washing and the maintenance/refilling of coffee machines and water coolers.

iv.) Supervisor and Multi-Support Task Staff

- 1 supervisor and 1 support staff member ensure standard procedures, consistency, and manage ad hoc responsibilities as required.

v.) Menstrual Hygiene Support

- Sanitary pads and toilet seat disinfectant sprays are provided in all women's washrooms.

• Honasa Period Support Policy (effective from May 5, 2023):

- All female employees are entitled to one 'Work from Home' day per month during severe menstrual discomfort.
- Employees may also utilise the existing sick leave policy as needed.

vi.) Infirmary and Medical Support

- Employees experiencing discomfort during work hours have access to:
 - A medical room within the office.
 - On-call doctor services for emergencies.
- An in-house medical support staff member available in the office building.

This comprehensive system ensures the well-being, hygiene, and health support of employees across all organisational levels.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The coverage also includes robust security and safety measures to ensure the protection of employees, visitors, and property, as outlined below:

i.) Security Personnel

- 3 security guards are stationed at the floor entrance to monitor the movement of employees and external visitors, ensuring regulated access.

ii.) Access Control System

- An advanced access control system is implemented to prevent unauthorised entry and exit within the office premises.

iii.) CCTV Surveillance

- A network of 124 CCTV cameras is strategically placed across both floors and the laboratory to monitor activities and deter any inappropriate behaviour.

iv.) Fire Safety Measures

- Smoke sensors have been installed throughout the floors in line with building fire safety regulations, facilitating early fire detection.

v.) Fire Fighting Measures

The following provisions are in place to address fire emergencies:

- Water sprinklers installed according to fire safety standards
- 4 fire hydrants per floor for immediate water access
- 3 emergency/fire exits per floor, all designed to meet prescribed fire door standards
- 28 fire extinguishers distributed across the premises, including:
 - 20 of Type ABC (for general fires)
 - 8 of Type CO₂ (for electrical and flammable liquid fires)

Together, these measures ensure a secure and compliant work environment for all occupants.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Yes

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

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11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.98	3.49
	Workers	0	0
Total recordable work-related injuries	Employees	2	7
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

A. Group Health Insurance

This policy provides coverage for all employees, their spouses, and up to two dependent children (up to 25 years old), with a sum insured of ₹3,00,000, ₹5,00,000, or ₹7,00,000 based on their employee band.

Policy Inclusions:

- i. Single standard air-conditioned room rent is covered.
- ii. No cap on ICU room rent; it is covered based on actuals.
- iii. Pre-existing diseases are covered from Day 1, with the waiting period waived.
- iv. Domiciliary expenses are covered up to the sum insured.
- v. Claims are cashless, with the insurance company directly paying the hospital at discharge.
- vi. Lasik treatment is covered if the eye power is above +/- 7.5.
- vii. Specific daycare treatments are covered as per the insurer's list.
- viii. Maternity coverage includes up to ₹75,000 for normal delivery and up to ₹1,00,000 for C-section delivery.
- ix. Newborns are covered from day one, subject to hospitalisation.
- x. Ambulance charges up to ₹2,500 can be claimed for ground ambulance services.
- xi. Pre- and post-natal expenses are covered up to ₹10,000 or the sum insured, whichever is lower, within the maternity limit.
- xii. Life-threatening cases involving congenital diseases are covered.

xiii. Special conditions include:

- Nasal Sinus Surgeries up to ₹35,000
- Hospitalisation arising from psychiatric ailments up to ₹30,000
- 50% co-pay for Cyberknife treatment/Stem cell transplantation
- Cochlear implant treatment is restricted to 50% of the sum insured.

- xiv. Pre-hospitalisation (30 days) and post-hospitalisation (60 days) expenses are covered.

B. Group Accidental Policy

This policy offers a principal sum ranging from ₹15,00,000 to ₹1,00,00,000 to the nominees of employees in case of accidental death.

Policy Inclusions:

- i. If an accident causes permanent disability for over 12 months, the insurer will pay the sum assured as compensation.
- ii. For permanent partial disability, the policy covers between 2% and 60% of the principal sum based on the severity.
- iii. Temporary disability compensation is limited to 1% of the total sum insured or ₹5,000, whichever is lower, for up to 104 weeks.
- iv. Repatriation of mortal remains is covered up to ₹5,000 or the actual cost, whichever is lower.
- v. A children's education fund of ₹10,000 per child (max. 2 children, up to 25 years) is covered in the case of death or permanent disability.
- vi. Medical expenses are covered for 40% of the death/disability claim amount, or 20% of the sum insured, whichever is lower, triggered by a claim under benefit tables A, B, C, or D1.
- vii. Carriage of the dead body is covered up to 2% of the sum insured, with a maximum of ₹5,000.

- viii. Terrorism-related accidents are covered, excluding nuclear, biological, or chemical incidents.

C. Wellness Exclusive Offerings

In addition to the group health and accidental policies, employees have access to over 20 exclusive wellness offerings as part of the Employee Insurance program.

Wellness Offerings Include:

- i. Employees can increase their health insurance cover by ₹20,00,000 with PazCare's super top-up plan at a minimal charge.
- ii. Employees are eligible for 4 complimentary therapy sessions annually with therapists listed on the Mind Peers mobile app.
- iii. Employees and their families (up to 5 members) can avail unlimited complimentary video and audio consultations with General Physicians via the MFine Doctor Consultation service.
- iv. Employees receive free fertility consultations on their first visit to any ART Fertility Clinic, including free Ultrasonography under the doctor's consultation. Employees also get discounts on fertility tests and treatments.
- v. Employees enjoy up to 27% off on prescription medicines via Tata 1mg.

- vi. Employees get exclusive discounts on a 12-month subscription to Cult Live/Fit Pass, plus an additional 10% off on Cult store items.
- vii. Flu vaccination services are available via Ekincare.
- viii. Employees are entitled to unlimited free basic vision check-ups at Lenskart stores.
- ix. Up to 15% off on health check-ups by Redcliffe Labs.
- x. Up to 20% off on elective surgeries by Priystn Care.
- xi. A 20% discount on all fitness plans by Fitelo.
- xii. Unlimited free doctor consultations at all Clove Dental clinics.
- xiii. A 20% discount on CureSkin regime orders.
- xiv. Complimentary access to all PazCare online wellness sessions.
- xv. A 30% discount on all Nua products for menstrual hygiene.
- xvi. An additional 10% off (up to ₹300) on all HealthKart products.
- xvii. A 30% discount on all orders by Eat Better.
- xviii. A 75% discount on Magzter Gold subscription.

These offerings enhance the overall well-being of employees, providing extensive support across various health and wellness services.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

NA*

Note: *There were no safety-related incidents that occurred.

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PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The process of identifying key stakeholders involves recognising and evaluating individuals, groups, or organisations that are crucial to the company’s operations. Seven key stakeholder groups have been identified, chosen for their importance to the business’s success and long-term viability. The company ensures consistent and meaningful interaction with these stakeholders to address their concerns, resolve complaints, and gather input. Their feedback is carefully incorpo-rated into the company’s decision-making process. The identification of stakeholders is driven by the principle of mutual influence, considering both the impact they have on the company and the impact the company has on them.

2. List stakeholder groups identified as key for your entity and the frequency of en-gagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumer	No	Advertisements, emails, Website, newspaper, SMS, social media, calls, community meetings	Others – As required	1. Promote the product range 2. Address any product-related inquiries 3. Assess customer satisfaction with the product 4. Identify consumer needs and preferences for new product innovations 5. Interact with customers to drive product sales
Customer	No	Emails, Website SMS, Online & Offline calls	Others – As required	1. Share information on product offerings, promotional schemes, etc. 2. Address product-related queries 3. Evaluate customer satisfaction with the product 4. Interact with customers to feature the products
Employees	No	Emails, online messages, SMS, feedback portal, offline and online meetings	Others – As required	1. Ongoing business updates 2. Assess workplace satisfaction 3. Regular operational communication
Communities	Yes	Via NGO partners	Others – As required	1. Explain the working process and advantages of the implemented program 2. Address and resolve grievances
Shareholders and Investors	No	Earnings call and presentation, website, Emails, SMS, Newspaper, social media, offline and online meetings	Others – As required	1. Showcase the company’s performance 2. Provide updates as mandated by regulatory authorities
Vendors	No	Emails, offline and online meetings, SMS	Others – As required	1. Negotiations based on contract terms. 2. Update on business deliverables 3. Addressing and resolving grievances
Regulatory Body	No	Emails, offline and online meetings, SMS	Others – As required	Adhere to government regulations

Leadership Indicators

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were as-sessed
Health and safety practices	90%
Working Conditions	90%

Note: A holistic audit was conducted for 18 TPMs, which account for 90% of our business. The audit covers quality, material, capacity, SHE (Safety, Health, and Environment), and process-related discussions and documentation reviews.

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	923	923	100%	842	842	100%
Other than perma-nent	2605	0	0%	0	0	0%
Total Employees	3528	923	26.2%	842	842	100%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than perma-nent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Employees										
Permanent										
Male	657	0	0%	657	100%	611	0	0%	611	100%
Female	266	0	0%	266	100%	231	0	0%	231	100%
Total	923	0	0%	923	100%	842	0	0%	842	100%
Other than Permanent*										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%

*The company captures the above mentioned data for permanent employees only.

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Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BOD)	1	3,09,39,400	1	1,89,86,400
Key Managerial Personnel	3	2,42,78,400	1	1,89,86,400
Employees other than BOD and KMP	653	10,01,200	265	10,03,400
Workers	NA	NA	NA	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	28%	26%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

An employee who feels aggrieved can submit a complaint to the Internal Complaints Committee (ICC), which will then conduct an investigation into any issues related to sexual harassment.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	2	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	1	0	Complaint not substantiated, ICC sent the final response to complainant

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Pre-vention, Prohibition and Redressal) Act, 2013 (POSH)	3	0
Complaints on POSH as a % of female employees/workers	1.1%	0%
Complaints on POSH upheld	2	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Confidentiality is upheld during the entire investigation, and the complainant may be granted interim relief if necessary.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

No

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

NA

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasises the importance of environmental stewardship. Companies should minimise their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (in Giga Joules)	FY 2023-24 (in Giga Joules)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	4,896.36	4,843.56
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	4,896.36	4,843.56
Total energy consumed (A+B+C+D+E+F)	4,896.36	4,843.56
Energy intensity per rupee of turnover	0.00000026	0.00000027452
[Total energy consumed (in GJ)/Revenue from operations (in rupees)]		

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Parameter	FY 2024-25 (in Giga Joules)	FY 2023-24 (in Giga Joules)
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total energy consumed (in GJ)/Revenue from operations in rupees adjust-ed for PPP]	0.00000542	0.0000007578
Energy intensity in terms of physical output [Total energy consumed (in GJ)/<mention the physical output details>]	3.89217806	0.00004927785

Energy intensity (optional) – the relevant metric may be selected by the entity

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No

If yes, name of the external agency.

NA

Note:

The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India for the year 2024-2025_, which is _20.66

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	430	436.33
(iv) Seawater/desalinated water	0	0
(v) Others – <Rainwater>	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	430	436.33
Total volume of water consumption (in kilolitres)	430	436.33
Water intensity per rupee of turnover [Total water consumption (in KL)/ Revenue from operations (in rupees)]	0.00000002	0.00000002473
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total water consumption (in KL)/Revenue from operations in rupees adjusted for PPP]	0.00000048	0.00000000683
Water intensity in terms of physical output [Total water consumption (in KL)/<mention the physical output details>]	0.34181240	0.00000443917
Water intensity (optional) – the relevant metric may be selected by the entity	No	No

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)

NA

If yes, name of the external agency.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment		
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment		
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
No treatment	0	0
With treatment – please specify level of treatment		
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

Note:

Water consumption at office locations is discharged into community sewage or, after treatment at the plant, wastewater is sent to the CETP for further treatment.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx		0	0
SOx		0	0
Particulate matter (PM)		0	0
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others – please specify		0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

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7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	79.20	63.35
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	988.79	963.33
Total Scope 1 and Scope 2 emissions per rupee of turnover [Total Scope 1 and Scope 2 GHG emissions (in MTCO ₂ e)/Revenue from operations (in rupees)]		0.00000006	0.0000005819
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total Scope 1 and Scope 2 GHG emissions (in MTCO ₂ e)/Revenue from operations in rupees adjusted for PPP]		0.00000118	0.0000001606
Total Scope 1 and Scope 2 emission intensity in terms of physical output [Total Scope 1 and Scope 2 GHG emissions (in MTCO ₂ e)/<mention the physical output details>		0.84895866	0.00001044533
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		No	No

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

NA

If yes, name of the external agency.

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/No)

No

If Yes, then provide details.

NA

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Office Waste	162.45	142.53
Total (A+B + C + D + E + F + G + H)	162.45	142.53
Waste intensity per rupee of turnover [Total waste generated (in MT)/Revenue from operations (in rupees)]	0.00000001	0.0000000808
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) Total waste generated (in MT)/Revenue from operations in rupees adjusted for PPP	0.00000018	0.0000000223
Waste intensity in terms of physical output Total waste generated (in MT)/<mention the physical output details>	0.12913355	0.00000145008
Waste intensity (optional) – the relevant metric may be selected by the entity		

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2024-25	FY 2023-24
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2024-25	FY 2023-24
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	162.45	142.53
Total	162.45	142.53

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The business is such that we do not use hazardous and toxic chemicals.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
			Nil	

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
			Nil		

13. Is the entity compliant with the applicable environmental law/regulations/guide-lines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		NA	

Business Responsibility and Sustainability Report

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

4

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National/International)
1	ASCI (The Advertising Standards Council Of India)	National
2	ASSOCHAM (The Associated Chambers of Commerce & Industry of India)	National
3	PETA	International
4	Made safe Australia	International

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NA	

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasises the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalised groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Honasa Annual Social Impact Report			Nil		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettle-ment (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
				NA		

3. Describe the mechanisms to receive and redress grievances of the community.

The local bodies report their grievances to the NGO partner, who then forwards them to the company's SPOC. The SPOC, in response, provides corrective actions to the NGO, which then addresses the issue with the local bodies.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/small producers	11%	64%
Directly from within India	98%	99%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Particulars	FY 2024-25	FY 2023-24
Rural	0%	0%
Semi-urban	0%	0%
Urban	0%	0%
Metropolitan	100%	100%

(Place to be categorised as per RBI Classification System – rural/semi-urban/ur-ban/metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In ₹)
1	Saytrees	Pataudi	₹7 Lakhs
2	IamGurgaon	Gurgaon	₹9 Lakhs
3	SOS Children's Villages of India	Faridabad	₹40 Lakhs
4	Agewell Foundation	Delhi NCR	₹31 Lakhs
5	India STEM Foundation	Haryana	₹18 Lakhs
6	Maika Sweet Home Anathalaya	Najafgarh	₹20 Lakhs
7	Dream Girl Foundation	Gurgaon	₹5 Lakhs

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Say trees	Forest Restoration – 14,000 trees	NA*
2	IamGurgaon	Gurgaon's environmental sustainability – 6,500 trees	NA*
3	SOS Children's Villages of India	Child Welfare – 25 children	100%
4	Agewell Foundation	Elderly Care – 300 lives	100%
5	India STEM Foundation	STEM Education – 400 students	100%
6	Maika Sweet Home Anathalaya	Solar Panel Installation – 60 girls	100%
7	Dream Girl Foundation	Girl Child Education – 50 girls	100%

Business Responsibility and Sustainability Report

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customers can reach out to the company through following the channels: <https://support.mamaearth.in/support/home>
<https://www.drsheths.com/pages/contact-us>
<https://support.bblunt.com/support/home>
<https://thedermaco.com/contact-us>
<https://aqualogica.in/pages/contact>

A dedicated team handles these complaints received though above-mentioned portals and respective social media platforms, ensuring they are resolved in an efficient and prompt manner.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	75%
Safe and responsible usage	100%
Recycling and/or safe disposal	57%

3. Number of consumer complaints in respect of the following:

Particular	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	58	1		2,323	0	0
Advertising	0	0		0	0	0
Cyber-security	0	0		4	0	0
Delivery of essential services	0	0		0	0	0
Restrictive Trade Practices	0	0		0	0	0
Unfair Trade Practices	3	3		0	0	0
Other	0	0		0	1	0

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reason for recall
Voluntary recalls	1	One instance of product recall occurred due to a coding eraser issue.
Forced recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

[Honasa_Consumer_Limited_Cybersecurity_Policy_V1.0.pdf](#)

6. Provide details of any corrective actions taken or underway on issues relating to ad-vertising, and

delivery of essential services; cyber security and data privacy of custom-ers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.

NA

Note:

7. Provide the following information relating to data breaches

- a. Number of instances of data breaches along-with impact
0
- b. Percentage of data breaches involving personally identifiable information of customers
0%
- c. Impact, if any, of the data breaches
NA



Independent Auditor’s Report

To the Members of **Honasa Consumer Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Honasa Consumer Limited (“the Company”), which comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, 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 material 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, 2025, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of carrying value of inventory (as described in Note 11 of the standalone financial statements)	
The Company has inventories of ₹1,454.99 million, as at March 31, 2025. These inventories are held mostly at warehouses (including third party warehouses) and stores of the Company.	Our audit procedures included the following:
The Company recognises inventory obsolescence based on the age of the product (i.e. whether it is close to expiry and expired), slow moving and damaged goods including future expectations of disposal of these goods as well as on account of the net realisable value (‘NRV’), if it is lesser than cost. Significant judgment is required in assessing the appropriate level of slow moving and/or obsolete inventory and determination of NRV.	- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to inventory purchases and provision for slow moving, close to expiry, expired and damaged inventories. - Performed testing on the controls over the inventory physical verification process. In testing these controls, we inspected the results of the physical verification carried out by the Company, observed physical inventory counts at few locations during the year ended March 31, 2025. - Verified the reconciliation of inventory confirmations received from third parties vis-a-vis the inventory records of the Company as at March 31, 2025. - Verified the reconciliation of inventory received vis-a-vis the purchase invoices recorded from the vendors for the year ended March 31, 2025. - Performed procedures to test controls around the Company’s process to identify slow moving or obsolete inventories, assess the assessment of the cost and net realisable value, expired and damaged inventories and evaluated the adequacy of obsolescence and provision as at March 31, 2025.
Considering the involvement of estimations in the assessment, we considered carrying value of inventory to be a key audit matter.	

Key audit matters	How our audit addressed the key audit matter
Assessing the recoverability of carrying value of goodwill, other intangible assets and investments in subsidiaries (as described in Note 4, 5 and 7 of the standalone financial statements)	
As at March 31, 2025, the carrying value of goodwill, other intangible assets and investments in subsidiaries is ₹8.89 million, ₹544.56 million and ₹1,685.73 million respectively. The management reviews on a periodical basis whether there are any indicators of impairment of such goodwill, other intangible assets and investments. Management performs an impairment assessment by comparing the carrying value to their recoverable amount to determine whether an impairment is required to be recognised. Management’s process for assessing and determining recoverable amount is based on judgments and assumptions relating to identification of impairment indicators, forecasts of future cashflows, long-term growth rates and discount rates applied to such cash flows. Since the impairment assessment involves significant estimates and judgement, it is considered as a key audit matter.	Our audit procedures included the following: - We read and assessed the Company’s accounting policy with respect to impairment assessment. - We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process. - We examined the management assessment in determining whether any impairment indicators exist. - We evaluated Company’s valuation methodology and assumptions around the key drivers of the cash flow forecasts including revenue growth rates, operating margins, discount rates, and terminal growth rates used for determining the recoverable amount and considered the sensitivity analysis scenarios performed by the management. - In making this assessment, we also assessed the objectivity and independence of Company’s specialists involved in the process. - We tested the arithmetical accuracy of the models. - We evaluated the adequacy of relevant disclosures made in 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 Annual 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 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 and Those Charged with Governance 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 Charged with Governance 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



Independent Auditor's Report

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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, to the extent applicable, 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, except as stated in Note 43 to the standalone financial statements that (i) for two software applications, the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis; and (ii) for matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - (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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) 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 35(b) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks and as explained in Note 43 to the standalone financial statements:
 - (a) the Company has used two software applications for maintaining its distribution management system and price master records for which audit trail (edit log) facility was not enabled throughout the year for all relevant transactions recorded in the software. Accordingly, we are unable to comment upon whether during the year there were any instances of audit trail feature being tampered with in respect of these software applications. Additionally, the audit trail of relevant prior years has been preserved by the company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 43 to the standalone financial statements.

Independent Auditor’s Report

(b) the Company has used two software applications, for maintaining its books of account and price master records which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in these software except that, audit trail feature is not enabled for certain changes made, if any, using privileged/ administrative access rights during the period April 01, 2024 to February 10, 2025 in respect of software application for maintaining its books of account and for the period April 01, 2024 to March 31, 2025 in respect of software application used for maintaining price master records. Further, during the course of our audit in respect of software application where the audit trail has been enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, for these software applications, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years;

Place: Bengaluru
Date: May 22, 2025

(c) the Company has used one software application which is operated by a third-party software service provider, for maintaining inventory records. In the absence of Service Organisation Controls reports covering the relevant period, we are unable to comment on whether audit trail feature of the said software application was enabled and operated throughout the year for all relevant transactions recorded in the software application or whether there were any instances of the audit trail feature being tampered with, in respect of the aforesaid software application. Additionally, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 25213803BMONDQ3945

ANNEXURE I TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HONASA CONSUMER 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 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, 2025.
- (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.
- (ii)

(a)

The inventory has been physically verified by the management during the year, except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at year end. There were no discrepancies of 10% or more in aggregate that were noticed for each class of inventory in respect of such physical verification and third-party confirmations.
- (b)

The Company has been sanctioned working capital limits in excess of ₹ five Crores in aggregate from banks during the year on the basis of security of fixed deposits and quarterly returns or statements are not required to be filed with banks. Accordingly, the requirement to report on clause 3(ii)(b) of the Order with regards to filing of quarterly returns or statements with banks in respect of current assets is not applicable to the Company.

- (iii)

(a)

During the year, the Company has provided loans to companies (subsidiaries) as follows:

	Loans (₹ million)
Aggregate amount granted during the year	
- Subsidiaries	110.00
Balance outstanding as at balance sheet date in respect of above (including opening balances)	
- Subsidiaries	10.00

During the year, the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

- (b)

During the year, the investments made and loans given to subsidiaries are not prejudicial to the Company's interest. The Company has not provided guarantees, security and loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (c)

The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d)

There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e)

There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which had fallen due during the year.
- (f)

As disclosed in note 8 to the standalone financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013("the Act"):

	Related Parties
Aggregate amount of loans repayable on demand as at March 31, 2025	₹10 million
Percentage of such loans to the total loans	29%



Annexure 1

(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.	raised on short-term basis have been used for long-term purposes by the Company.	(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.	(xix) On the basis of the financial ratios disclosed in note 40 to the standalone financial statements, ageing and expected dates of realisation 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.
(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.	(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.	(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.	(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 30 to the standalone financial statements.
(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(l) of the Act, for the products of the Company.	(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.	(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.	(b) There are no ongoing projects and hence the requirement to report on clause (xx)(b) of the Order is not applicable to the Company. This matter has been disclosed in note 30 to the standalone financial statements.
(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services 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.	(x) (a) Monies raised during the previous year by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with banks. The maximum amount of idle/surplus funds invested during the year was ₹3,441.62 million, of which ₹1,794.83 million was outstanding at the end of the year.	(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.	For S.R. Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W/E300004
(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.	(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) 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.	per Rajeev Kumar Partner
(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. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.	(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.	(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.	Place: Bengaluru Date: May 22, 2025
(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) 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) 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.	Membership Number: 213803 UDIN: 25213803BMONDQ3945
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.	(c) We have taken into consideration the whistle blower complaints received by the Company while determining the nature, timing and extent of audit procedures.	(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	
(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.	(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.	(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.	
(d) On an overall examination of the standalone financial statements of the Company, no funds	(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.	(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.	
	(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.		

ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HONASA CONSUMER 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 Limited (“the Company”) as of March 31, 2025 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 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 these 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, 2025, 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

per **Rajeev Kumar**
Partner

Place: Bengaluru
Date: May 22, 2025

Membership Number: 213803
UDIN: 25213803BMONDQ3945



Standalone Balance Sheet

as at March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	Note	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3(a)	127.82	109.54
Capital work in progress	3(b)	0.82	2.88
Goodwill	4	8.89	8.89
Other intangible assets	5	544.56	522.30
Right-of-use assets	6	971.79	1,057.34
Financial assets			
i. Investments in Subsidiaries	7	1,685.73	1,522.31
ii. Loans	8	-	160.00
iii. Other financial assets	9	4,625.23	1,885.87
Deferred tax assets (net)	22	30.85	-
Other non-current assets	10	1.52	9.80
Total non-current assets		7,997.21	5,278.93
Current assets			
Inventories	11	1,454.99	1,149.74
Financial assets			
i. Investments	7	2,901.30	2,734.58
ii. Trade receivables	12	1,239.80	1,468.03
iii. Cash and cash equivalents	13	232.31	1,009.96
iv. Bank balances other than cash and cash equivalents	14	2,717.55	3,785.80
v. Loans	8	35.00	-
vi. Other financial assets	9	560.17	430.49
Other current assets	10	300.90	273.34
Total current assets		9,442.02	10,851.94
Total assets		17,439.23	16,130.87
Equity and liabilities			
Equity			
Equity share capital	15	3,251.84	3,242.44
Other equity	16	8,752.39	8,002.28
Total equity		12,004.23	11,244.72
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	6	881.32	959.31
ii. Other financial liabilities	17	8.20	-
Provisions	18	91.44	66.01
Deferred tax liabilities (net)	22	-	26.74
Total non-current liabilities		980.96	1,052.06
Current liabilities			
Financial liabilities			
ii. Lease liabilities	6	216.62	142.61
iii. Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		259.83	109.05
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,966.48	2,620.72
iv. Other financial liabilities	17	193.80	199.87
Other current liabilities	19	354.36	657.33
Provisions	18	81.84	58.00
Income tax liability (net)	21	381.11	46.51
Total current liabilities		4,454.04	3,834.09
Total liabilities		5,435.00	4,886.15
Total equity and liabilities		17,439.23	16,130.87

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

The accompanying notes form 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

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	Note	March 31, 2025	March 31, 2024
Income			
Revenue from operations	23	18,657.07	17,643.89
Other income	24	763.70	481.35
Total income (I)		19,420.77	18,125.24
Expenses			
Purchases of traded goods	25	5,993.90	5,530.63
Increase in inventories of traded goods	26	(381.21)	(128.49)
Employee benefits expenses	27	1,811.89	1,580.18
Depreciation and amortisation expenses	28	355.21	228.72
Finance costs	29	105.28	71.90
Other expenses	30	10,694.29	9,361.51
Change in fair value of derivative liability	17	-	(102.00)
Total expenses (II)		18,579.36	16,542.45
Profit before Tax (III=I-II)		841.41	1,582.79
Tax expenses			
Current tax	22	258.10	352.40
Deferred tax charge/(credit)	22	(57.52)	20.73
Total tax expenses (IV)		200.58	373.13
Profit after tax for the year (V = III - IV)		640.83	1,209.66
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(loss) on defined benefit plans		(0.29)	3.10
Income tax effect on above	22	0.07	(0.78)
Other comprehensive income/(loss) for the year, net of tax (VI)		(0.22)	2.32
Total comprehensive income (VII=V+VI)		640.61	1,211.98
Earnings per equity share	31		
Basic			
Equity shares, Nominal value of ₹10 each		1.97	3.86
Diluted			
Equity shares, Nominal value of ₹10 each		1.97	3.84

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

The accompanying notes form 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

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308



Standalone Cash flow statement

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2025	March 31, 2024
Cash flow from operating activities		
Profit before tax	841.41	1,582.79
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	68.77	35.90
Amortisation of intangible assets	10.29	4.20
Depreciation of right-of-use assets	276.15	188.62
Provision for doubtful debts	125.04	109.50
Provision for slow moving inventory	90.07	5.38
Property, plant and equipment written off	16.42	-
Share based payments expenses (equity settled)	69.81	172.37
Fair value gain on investments measured at fair value through profit and loss ('FVTPL')	(78.92)	(162.57)
Change in fair value of derivative liability	-	(102.00)
Gain on sale of investments measured at FVTPL	(104.10)	(12.69)
Gain on lease modification	-	(36.91)
Interest income	(554.19)	(259.46)
Finance costs	105.28	71.90
Provision for doubtful advances	-	3.94
Operating cash flow before working capital changes	866.03	1,600.97
Movement in working capital:		
Decrease/(Increase) in trade receivables	103.19	(434.05)
(Increase) in other financial assets	(93.30)	(48.56)
Increase in trade payables	496.54	928.23
Increase in financial liabilities	10.91	93.58
Increase in provisions	48.98	45.38
(Increase) in inventories	(395.32)	(128.76)
(Decrease)/Increase in other liabilities	(302.97)	393.37
(Increase)/Decrease in other current assets	(27.56)	41.92
Cash flow generated from operating activities	706.50	2,492.08
Income tax refund/(Paid)	76.50	(311.84)
Net cash flow generated from operating activities (A)	783.00	2,180.24
Cash flow from Investing activities		
Purchase of property, plant and equipment (including capital work in progress, capital advances and payable for capital goods)	(107.03)	(70.37)
Proceeds from sale of property, plant and equipment	5.12	-
Payment of Initial direct costs on leases	(0.47)	(1.88)
Purchase of intangible assets, including payable for capital goods	(32.55)	-
Investment in subsidiaries	(162.23)	(230.08)
Loan to subsidiaries	125.00	(55.00)
Investment in fixed deposits	(6,792.70)	(7,853.30)
Proceeds from redemption of fixed deposits	5,250.61	3,460.00
Purchase of current investment	(1,315.54)	(745.04)
Redemption proceeds of current investment	1,331.84	770.67
Interest received	380.92	137.59
Net cash flow (used in) investing activities (B)	(1,317.03)	(4,587.41)

Standalone Cash flow statement

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2025	March 31, 2024
Cash flow from Financing activities		
Proceeds from issuance of equity shares (net of share issue expenses)	47.90	3,633.25
Principal repayment of lease liabilities	(186.24)	(124.86)
Interest on lease liabilities	(101.29)	(67.56)
Finance cost paid	(3.99)	(4.33)
Net cash flows (used in)/generated from financing activities (C)	(243.62)	3,436.50
Net (decrease)/increase in cash and cash equivalents (D=A+B+C)	(777.65)	1,029.33
Cash and cash equivalents at the beginning of the year (E)	1,009.96	(19.37)
Cash and cash equivalents at the end of the year (F=D+E)	232.31	1,009.96
Components of cash and cash equivalents		
Balance with banks		
- on current accounts	226.88	256.61
- Deposits with Original maturity of less than or equal to three months	5.00	750.70
Cash in hand	0.43	2.65
Total cash and cash equivalents	232.31	1,009.96

Reconciliation between opening and closing liabilities arising from financing activities:

Particulars	Opening balance	Cash flows	Non- cash movement	Closing balance
March 31, 2025				
Leases liabilities (including interest)	1,101.92	(287.53)	283.55	1,097.94
Total liabilities from financing activities	1,101.92	(287.53)	283.55	1,097.94
March 31, 2024				
Leases liabilities (including interest)	698.41	(192.42)	595.93	1,101.92
Net movement in bank overdraft facilities	36.09	(36.09)	-	-
Total liabilities from financing activities	734.50	(228.51)	595.93	1,101.92

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

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

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

a) Equity share capital

Particulars	No of shares	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at April 01, 2023	13,63,36,336	1,363.36
Issued during the year (Refer Note (i) below)	18,79,07,821	1,879.08
As at March 31, 2024	32,42,44,157	3,242.44
As at April 01, 2024	32,42,44,157	3,242.44
Issued during the year (Refer Note (ii) below)	9,39,453	9.40
As at March 31, 2025	32,51,83,610	3,251.84

Note:

- i. During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹10 each on allotment of ESOP, 1,704,47,700 shares on Non- Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") conversion and 11,267,530 shares through Initial public offer (IPO). Also refer note 15.
- ii. During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹10 each on allotment of ESOP. Also refer note 15.

b) Instruments entirely in the nature of equity

Particulars	No of shares	Amount
0.001% NCCCPS of ₹10 each, fully paid		
As at April 01, 2023	13,213	17,929.36
Converted to equity shares*	(13,213)	(0.13)
Transferred to retained earnings (Refer note 16)	-	(17,929.23)
As at March 31, 2024	-	-
As at April 01, 2024	-	-
Converted to equity shares	-	-
As at March 31, 2025	-	-

* The Company has converted the NCCCPS into equity shares of ₹10/- each in the conversion ratio of 1:12,900 on October 03, 2023.

c) Other equity

For the year ended March 31, 2025

Particulars	Reserve & Surplus				
	Retained earnings (Note 16)	Securities premium (Note 16)	Share based payment reserve (Note 16)	Capital redemption reserve (Note 16)	Total other equity
As at April 1, 2024	422.92	7,331.23	248.10	0.03	8,002.28
Profit for the year	640.83	-	-	-	640.83
Other comprehensive income/(loss)					
Re-measurement loss on defined benefit plans (net of tax)	(0.22)	-	-	-	(0.22)
Total comprehensive income/(loss)	640.61	-	-	-	640.61
Add: Premium received on issue of equity shares	-	38.50	-	-	38.50
Less: Transaction cost on issue of equity shares	-	-	-	-	-
Add: Conversion of NCCCPS into equity	-	-	-	-	-
Add: Share based payment expense for the year (refer note 36)	-	-	69.81	-	69.81
Less: Transfer on account of options lapsed during the year granted to employees of subsidiary companies	-	-	-	-	-
Add/(less): Transferred to securities premium on exercise of stock options	-	125.69	(125.69)	-	-

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	Reserve & Surplus				
	Retained earnings (Note 16)	Securities premium (Note 16)	Share based payment reserve (Note 16)	Capital redemption reserve (Note 16)	Total other equity
Add/(less):Transfer on account of options lapsed during the year	-	-	-	-	-
Less: Utilised on issue of bonus share	-	-	-	-	-
Add: Options granted to employees of subsidiaries	-	-	1.19	-	1.19
As at March 31, 2025	1,063.53	7,495.42	193.41	0.03	8,752.39

For the year ended March 31, 2024

Particulars	Reserve & Surplus				
	Retained earnings (Note 16)	Securities premium (Note 16)	Share based payment reserve (Note 16)	Capital redemption reserve (Note 16)	Total other equity
As at April 1, 2023	(18,723.44)	5,194.55	504.92	0.03	(13,023.94)
Loss for the year	1,209.66	-	-	-	1,209.66
Other comprehensive income/(loss)					
Re-measurement gains on defined benefit plans (net of tax)	2.32	-	-	-	2.32
Total comprehensive income/(loss)	1,211.98	-	-	-	1,211.98
Add: Premium received on issue of equity shares	-	3,602.52	-	-	3,602.52
Less: Transaction cost on issue of equity shares	-	(143.87)	-	-	(143.87)
Less: Transfer on account of options lapsed during the year granted to employees of subsidiary companies*	-	-	(47.47)	-	(47.47)
Add: Conversion of NCCCPS into equity	17,929.23	-	-	-	17,929.23
Add: Share based payment expense for the year (refer note 36)	-	-	172.37	-	172.37
Add/(less): Transferred to securities premium on exercise of stock options	-	382.37	(382.37)	-	-
Add/(less): Transfer on account of options lapsed during the year	5.15	-	(5.15)	-	-
Less: Utilised on issue of bonus share	-	(1,704.34)	-	-	(1,704.34)
Add: Options granted to employees of subsidiaries	-	-	5.80	-	5.80
As at March 31, 2024	422.92	7,331.23	248.10	0.03	8,002.28

* Refer Note 17

Corporate information and summary of material accounting policies (refer note 1 & 2.2)
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

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

1 Corporate Information

Honasa Consumer Limited ("the Company"), is principally engaged in trading of variety of beauty and personal care products across baby care, skin care, hair and other related personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co', 'BBlunt', 'Aqualogica', and 'Ayuga'. The Company, sells its products primarily in India. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The registered office of the Company is located at Unit No 404, 4th floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi - 110075.

The Standalone Financial Statements for the year ended March 31, 2025 were approved for issue in the meeting of the Board of Directors held on May 22, 2025.

2 Basis of Preparation and Material accounting policies

2.1 Statement of compliance and basis of preparation

The standalone financial statements of the Company as at and for the year ended March 31, 2025 are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act (Ind-AS compliant Schedule III as applicable to the standalone financial statements).

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.

- Equity settled ESOP at grant date 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 placed, except when otherwise indicated.

2.2 Material Accounting Policies

2.2.1 Current versus non-current classification

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

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

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.

2.2.2 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 (₹), which is functional and presentation currency of the Company.

Notes to the Standalone Financial Statements

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All amount in ₹ Million, unless otherwise stated

(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 the year end exchange rates are recognised in standalone statement of profit and loss.

2.2.3 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. All assets and liabilities for which fair value is measured or disclosed in the 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.

2.2.4 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, net of accumulated impairment loss, if any. 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 capitalised 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. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Notes to the Standalone Financial Statements

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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	5 to 10	10
Computer & peripherals	3 to 6	3 to 6

Leasehold improvements are amortised on a straight line basis over the period of lease or estimated useful lives of the assets, which ever is lower.

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 derecognised.

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

2.2.5 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 year. 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.

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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
Brand	Indefinite*	No Amortisation	Acquired
Trademarks	5 years	Straight Line	Acquired
Design and Formulation	0.5 years to 4 years	Straight Line	Acquired
Software	1-6 years	Straight Line	Acquired
Goodwill	Indefinite*	No Amortisation	Acquired

* Tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

2.2.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or 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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses 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 Company 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 Standalone 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 its 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.

2.2.7 Inventories

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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Net realisable 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.

Obsolete, slow moving and defective/damage/ near expiry inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.2.8 Revenue recognition

Revenues are recognised when, or as, control of a promised goods transfers to customer, 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 recognised:

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 value which reflects the consideration to which the entity expects to be entitled in exchange of such goods, net of returns and allowances, discounts and incentives. Revenue is measured at amount of "Transaction Price" as per Ind AS 115.

Non Cash consideration

The Company measures the non-cash consideration at fair value to determine the transaction price for contracts in which a customer promises consideration in a form other than cash. In case the fair value cannot be reasonably estimated, the company measures the consideration indirectly by reference to the stand alone selling price of the goods promised to the customer in exchange for the consideration.

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.

Right 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 recognised 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.

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.

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Interest income

Interest income is recognised 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.

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). Refer to accounting policies of financial assets.

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).

2.2.9 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:-

Particulars	Useful lives (years)
Buildings	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.

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



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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.

2.2.10 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 standalone balance sheet.

Accumulated leave, which is expected to be utilised 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: Defined benefits 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 recognises contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.2.11 Investment in subsidiary

The Company has elected to recognise 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 7. Refer to the accounting policies in note 2.2.6 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.

2.2.12 Employee share based payment

The Stock option plan of the Company is classified as equity settled transaction based on the constructive and legal 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 share based payment 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

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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 cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the standalone statement of profit and loss.

When the terms of the equity-settled share-based payment transaction are modified, pre-modification valuation and post modification valuation is compared and if the value of post modification is lower than pre-modification, then the cost would be recognised based on original plan, however if the value of post modification is higher than pre-modification, then the original cost would continue to be accounted and for the additional fair value to the extent of vested options recognised in the statement of profit and loss and to the extent of unvested options, additional fair value is accounted over the remaining vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.2.13 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

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss 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

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 recognised in OCI. However, the Company recognises 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 categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

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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 recognised 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 recognised 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 the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment 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) recognised during the period is recognised 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 and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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 recognised 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 amortisation process. 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 as finance costs in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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.

2.2.14 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 recognised for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and 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 utilised. 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.

2.2.15 Segment reporting

The Company reports the 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.

2.2.16 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. 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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

2.2.17 Provisions

Provisions are recognised 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.

2.2.18 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

2.2.19 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, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.2.20 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statement 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 39)
- Financial risk management objectives and policies (Note 38)
- Sensitivity analysis disclosures (Notes 33 and 38)

The Company bases its assumptions and estimates on parameters available when the Standalone Financial Statements are prepared. Existing circumstances and assumptions 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 recognised in the financial statements are as below.

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 recognised 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.

Revenue from contracts with customers

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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.

Impairment of financial assets

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

Tax contingencies and provisions

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/recovered for uncertain tax positions and the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the

interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

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 36.

Fair value measurement of financial instruments

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

2.2.21 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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) 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.

2.2.22 Changes in accounting policies and disclosures

New and amended standards

The Company applied for the first-time the following standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective:

- (i) Ind AS 117 Insurance Contracts
- The Ministry of corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated August 12, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after April 01, 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement,

presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 had no impact on the Company's standalone financial statements as the company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

Standards notified but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company will adopt this new and amended standard, when it become effective.

(i) Lack of exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs notified amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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

Particulars	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Leasehold Improvements	Total
Cost						
As at April 01, 2023	1.94	44.59	18.69	10.19	24.37	99.78
Additions	1.92	32.86	12.78	2.26	23.19	73.01
As at March 31, 2024	3.86	77.45	31.47	12.45	47.56	172.79
As at April 01, 2024	3.86	77.45	31.47	12.45	47.56	172.79
Additions	5.50	55.65	12.64	14.71	19.53	108.03
Disposal/Deletions	(5.72)	(27.51)	(1.94)	(1.41)	-	(36.58)
As at March 31, 2025	3.64	105.59	42.17	25.75	67.09	244.24
Accumulated Depreciation						
As at April 01, 2023	1.66	8.67	6.77	7.39	2.86	27.35
Charge for the year	0.42	15.23	7.25	1.87	11.13	35.90
As at March 31, 2024	2.08	23.90	14.02	9.26	13.99	63.25
As at April 01, 2024	2.08	23.90	14.02	9.26	13.99	63.25
Charge for the year	0.82	33.58	11.36	3.94	19.08	68.78
Disposal/Deletions	(1.32)	(11.41)	(1.72)	(1.16)	-	(15.61)
As at March 31, 2025	1.58	46.07	23.66	12.04	33.07	116.42
Net book value						
As at March 31, 2024	1.78	53.55	17.45	3.19	33.57	109.54
As at March 31, 2025	2.06	59.52	18.51	13.71	34.02	127.82

3(b) Capital work in progress

	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025					
Projects in progress	0.82	-	-	-	0.82
Projects temporarily suspended	-	-	-	-	-
Total	0.82	-	-	-	0.82
As at March 31, 2024					
Projects in progress	2.88	-	-	-	2.88
Projects temporarily suspended	-	-	-	-	-
Total	2.88	-	-	-	2.88

There are no overdue or cost overrun projects compared to its original plan and no capital work in progress which are temporarily suspended on the above mentioned reporting dates.

As at April 01, 2023	-
Add: Additions during the year	43.24
Less: Capitalised during the year	(40.36)
As at March 31, 2024	2.88
As at April 01, 2024	2.88
Add: Additions during the year	20.35
Less: Capitalised during the year	(22.41)
As at March 31, 2025	0.82

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

4 Goodwill

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

Particulars	As at March 31, 2025	As at March 31, 2024
Bhabani Blunt Hairdressing Private Limited Purchase	8.89	8.89
	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.

Particulars	As at March 31, 2025	As at March 31, 2024
Terminal growth rate	5.00%	5.00%
Discount rate	16.90%	16.10%

Sensitivity change in assumptions

Based on the above, no impairment was identified as of March 31, 2025 and March 31, 2024 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth and discount rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGUs recoverable amount would fall below their carrying amount.

5 Other intangible assets

Particulars	Trademarks	Brand	Design and Formulation	Software	Total
Cost or valuation					
As at April 01, 2023	0.01	511.00	20.50	19.38	550.89
Additions	-	-	-	-	-
As at March 31, 2024	0.01	511.00	20.50	19.38	550.89
As at April 01, 2024	0.01	511.00	20.50	19.38	550.89
Additions (refer note below)	-	-	32.55	-	32.55
As at March 31, 2025	0.01	511.00	53.05	19.38	583.44
Accumulated Amortisation					
As at April 01, 2023	0.01	-	20.50	3.88	24.39
Amortisation for the year	-	-	-	4.20	4.20
As at March 31, 2024	0.01	-	20.50	8.08	28.59
As at April 01, 2024	0.01	-	20.50	8.08	28.59
Amortisation for the year	-	-	6.09	4.20	10.29
As at March 31, 2025	0.01	-	26.59	12.28	38.88
Net book value					
As at March 31, 2024	-	511.00	-	11.30	522.30
As at March 31, 2025	-	511.00	26.46	7.10	544.56

Note: During the year ended March 31, 2025, the Company entered into an asset purchase agreement with Cosmogenesis Cosmetics to acquire the formulation, expertise, research and development lab along with a small manufacturing facility. The acquisition is accounted for as an asset acquisition transaction in accordance with Ind AS 103. The assets acquired have been recorded at their fair value.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

6 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 and low value leases.

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

Particulars	Buildings	Computer and Peripherals	Total
Cost			
As at April 01, 2023	766.94	58.97	825.91
Additions	845.39	28.55	873.94
Modification	(376.12)	-	(376.12)
As at March 31, 2024	1,236.21	87.52	1,323.73
As at April 01, 2024	1,236.21	87.52	1,323.73
Additions	174.49	39.46	213.95
Modification	(39.79)	-	(39.79)
As at March 31, 2025	1,370.91	126.98	1,497.89
Accumulated Depreciation			
As at April 01, 2023	143.57	26.10	169.67
Charge for the year	167.48	21.14	188.62
Modification	(91.90)	-	(91.90)
As at March 31, 2024	219.15	47.24	266.39
As at April 01, 2024	219.15	47.24	266.39
Charge for the year	246.44	29.70	276.14
Modification	(16.43)	-	(16.43)
As at March 31, 2025	449.16	76.94	526.10
Net book value			
As at March 31, 2024	1,017.06	40.28	1,057.34
As at March 31, 2025	921.75	50.04	971.79

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

Carried at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Non current		
Lease liabilities	881.32	959.31
Total non-current lease liabilities (A)	881.32	959.31
Current		
Lease liabilities	216.62	142.61
Total current lease liabilities (B)	216.62	142.61
Total lease liabilities (C=A+B)	1,097.94	1,101.92

(d) Following are the amounts recognised in the Statement of Profit and Loss:

Particulars	March 31, 2025	March 31, 2024
Depreciation of right-of-use-assets (Note 28)	276.14	188.62
Interest expense on lease liability (Note 29)	101.29	67.56
Rent expenses for short term lease (Note 30)	69.61	39.88
	447.04	296.06

Notes to the Standalone Financial Statements

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All amount in ₹ Million, unless otherwise stated

(e) Impact on Statement of cash flow

Particulars	March 31, 2025	March 31, 2024
Lease payments (including interest)	287.53	192.42
	287.53	192.42
Payment of principal portion of lease liabilities	186.24	124.86
Payment of interest portion of lease liabilities	101.29	67.56
	287.53	192.42

(f) Movement in lease liabilities for the year ended March 31, 2025 and March 31, 2024:

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning of the year	1,101.92	698.41
Add: Additions	205.57	849.49
Less: Modifications	(23.31)	(321.12)
Add: Interest on lease liabilities	101.29	67.56
Less: Payment of lease liabilities (including interest)	(287.53)	(192.42)
Balance at the end of the year	1,097.94	1,101.92

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

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	302.72	254.05
Between One to five years	809.36	797.74
More than five years	325.08	423.58
Total	1,437.16	1,475.37

7 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
(valued at cost unless stated otherwise)		
Investment in subsidiaries		
Unquoted:		
96,117 shares (March 31, 2024: 96,117) of ₹10 each in Just4Kids Services Private Limited	1,711.31	1,711.31
27,584 equity shares (March 31, 2024: 23,521) of ₹10 each in Bhabani Blunt Hairdressing Private Limited (refer Note (i))*	956.22	792.80
1,885,148 shares (March 31, 2024: 1,885,148) of ₹10 each in Fusion Cosmeceutics Private Limited	541.23	541.23
1,000 equity shares (March 31, 2024: 1,000) of AED 100 each in Honasa Consumer General Trading LLC	2.34	2.34
Less: Impairment loss on investment in Just4Kids Services Private Limited**	(1,525.37)	(1,525.37)
	1,685.73	1,522.31
Aggregate amount of unquoted investments	1,685.73	1,522.31
Aggregate amount of impairment in value of investments	(1,525.37)	(1,525.37)

* Includes share based payment expenses on options granted to employees of Bhabani Blunt Hairdressing Private Limited amounting to ₹10.02 million (March 31, 2024: ₹8.83 million.)

**During earlier years, the Board of Directors of the Company evaluated the performance and profitability of Just4Kids Services Private Limited and noted that the performance of the Company was deteriorating with the business significantly underperforming vis-à-vis the business plan. Further the business synergies envisaged from the investment could not be realised despite best efforts of the management. The management also presented multiple scenarios with medium term to long term estimates for the acquired business but none of the scenarios demonstrated considerable improvement in profitability profile and any sight of realising synergies for the core product business. Accordingly, the management has accounted for an Impairment loss of ₹1,525.37 million on investment in Just4Kids Services Private Limited.

Notes to the Standalone Financial Statements

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All amount in ₹ Million, unless otherwise stated

Name of entity	Nature	Country of incorporation	Date of acquisition	Ownership interest held by Company in %	
				March 31, 2025	March 31, 2024
Just4Kids Services Private Limited	Subsidiary	India	December 24, 2021	100.00%	100.00%
Bhabani Blunt Hairdressing Private Limited	Subsidiary	India	March 16, 2022	100.00%	100.00%
Fusion Cosmeceutics Private Limited	Subsidiary	India	April 06, 2022	100.00%	100.00%
Honasa Consumer General Trading LLC	Subsidiary	UAE	June 23, 2022	100.00%	100.00%

Note:

- i. During the financial year ended March 31, 2025, the Company acquired additional 4,063 equity shares of Bhabani Blunt Hair Dressing Private Limited for a consideration of 162.23 million.

Current

	No of units		Amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
(valued at amortised cost)				
Quoted bonds and debentures				
8% India Infradebt	500	-	51.71	-
7.65% Sundaram Home Finance	500	-	51.33	-
Total quoted bonds and debentures valued at amortised cost (A)			103.04	-
(valued at fair value through profit and loss)				
Quoted mutual funds				
UTI MMMF Direct - Growth	-	1,675	-	4.75
SBI Magnum Ultra Short Duration Direct - Growth	-	16,781	-	93.00
SBI Corporate Bond Fund Direct-G	30,08,137	30,08,137	46.95	43.16
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund Direct-Growth	28,87,580	28,87,580	34.79	32.25
HDFC Corporate Bond Direct - Growth	62,98,078	62,98,078	204.95	188.21
ICICI Prudential Corporate Bond Direct - Growth*	82,53,324	82,53,324	252.15	232.29
DSP Short Term Direct - Growth	36,85,984	36,85,984	182.22	167.87
HDFC Short Term Debt Direct - Growth	35,50,981	35,50,981	114.64	105.44
Kotak Bond Short-term Direct - Growth	32,13,016	32,13,016	180.08	165.54
HDFC Money Market Direct - Growth	-	24,238	-	128.46
HDFC Floating Rate Debt Direct - Growth	1,65,709	5,91,244	8.25	27.11
HDFC Nifty G-sec Dec 2026 Index Direct-Growth	38,89,834	38,89,834	46.40	43.03
HDFC Nifty G-Sec Jun 2027 Index Direct-Growth	29,36,222	29,36,222	34.90	32.24
Axis Banking & PSU Debt Direct - Growth	12,250	12,250	32.56	30.06
Axis Strategic Bond Fund Direct - Growth	37,96,366	37,96,366	113.98	104.19
Kotak Corporate Bond Direct - Growth	29,390	29,390	113.09	103.90
Kotak Equity Arbitrage Direct-Growth	-	4,61,629	-	16.80
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct-G	19,53,657	19,53,657	23.52	21.70
L&T Triple Ace Bond Direct-Growth*	11,31,887	11,31,887	86.01	79.23
ICICI Pru Short Term Direct - Growth	7,65,761	7,65,761	49.06	45.13
ICICI Pru Long Short Fund II	-	7,99,960	-	83.11
Bharat Bond FOF - April 2030 Direct - Growth	24,19,838	24,19,838	35.55	32.74
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	20.58	19.42
Powergrid Infrastructure Investment Trust	3,22,385	3,22,385	24.51	30.53

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

	No of units		Amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
ICICI Prudential Corporate Credit Opportunities AIF I	1,41,772	4,77,939	13.74	53.18
ICICI Pru Floating Interest Direct-Growth	65,359	65,359	29.59	27.24
Nippon India Corporate Bond Direct - Growth	9,84,373	3,16,628	60.50	17.86
Nippon India ETF Nifty SDL - 2026 Maturity - Growth	5,00,000	5,00,000	64.44	59.90
Edelweiss Credit Plus Fund AIF	10	1,818	0.07	19.53
Edelweiss Arbitrage Direct-Growth	-	19,66,659	-	37.20
Aditya Birla SL Money Manager Direct-Growth	9,42,140	3,04,822	346.40	103.88
Aditya Birla SL Floating rate Direct - Growth	-	66,889	-	21.63
Aditya Birla SL Overnight Fund Direct-Growth	-	38,680	-	50.09
Aditya Birla SL Corporate Bond Direct-Growth	3,14,491	3,14,491	35.37	32.47
Aditya Birla SL CRISIL IBX Gilt - April 2026 Index Fund Direct-Growth	48,33,724	48,33,724	57.91	53.86
Bandhan Corporate Bond Direct-Growth	6,07,706	6,07,706	11.76	10.83
Bandhan Dynamic Bond Direct-Growth	20,72,774	9,72,065	77.69	33.38
Bandhan Bond Short Term Direct-Growth	23,54,846	23,54,846	140.73	129.34
UTI Overnight Fund	-	11,144	-	36.52
ICICI Pru Equity Savings Direct-Growth	64,72,118	-	151.38	-
ICICI Pru Money Market Direct-Growth	5,42,907	-	204.49	-
Total quoted mutual funds at fair value through profit and loss (B)			2,798.26	2,517.07
Quoted bonds and debentures				
Muthoot Fincorp Limited - Market Linked Debenture	-	10	-	11.46
Mahindra & Mahindra Financial Services Ltd. NCD TR II 19DEC24 (INE774D07UO2)	-	100	-	110.11
Shriram City Union MLD	-	80	-	95.94
Total quoted bonds and debentures at fair value through profit and loss (C)			-	217.51
Total quoted investments valued at fair value through profit and loss (FVTPL) (D = C + B)			2,798.26	2,734.58
Total quoted investments (E = A + D)			2,901.30	2,734.58
Total investments			2,901.30	2,734.58
Aggregate book value of quoted investments			2,901.30	2,734.58
Aggregate market value of quoted investments			2,901.30	2,734.58

* Includes an amount of ₹294.70 million (March 31, 2024: ₹294.70 million) secured against bank guarantees on limits with banks.

8 Loans

(Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Carried at amortised cost		
Non-current		
Loan to Subsidiaries		
Loan to Fusion Cosmeceutics Private Limited	-	135.00
Loan to Honasa Consumer General Trading LLC	-	25.00
	-	160.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Loan to Subsidiaries		
Loan to Fusion Cosmeceutics Private Limited*	10.00	-
Loan to Honasa Consumer General Trading LLC**	25.00	-
	35.00	-

* The aforesaid loan carries interest rate @ 9.8% p.a. and is repayable on demand
** The aforesaid loan carries interest rate @ 8.6% p.a. and is repayable on demand.

9 Other financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Carried at amortised cost		
Non-current		
Security deposits	59.13	72.21
Deposit with maturity of more than 12 months**	4,377.44	1,767.10
Interest accrued on deposits	188.66	46.56
	4,625.23	1,885.87
Current		
Security deposits	49.57	42.72
Interest accrued on deposits	136.16	114.63
Recoverable from payment partners	318.94	226.69
Other receivables	55.50	46.45
	560.17	430.49

* Includes an amount of ₹70.24 million (March 31, 2024: ₹150.15 million) secured against bank guarantees issued.
Includes ₹297.75 million (March 31, 2024: ₹243.85 million) lien against overdraft facility with the banks and against credit card..

10 Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances	1.52	9.80
	1.52	9.80
Current		
Balance with government authorities	195.13	163.87
Advance to employees	8.31	2.15
Prepaid expenses	41.91	32.02
Advance to suppliers	25.45	30.72
Other receivables	-	0.36
Right to receive inventory on provision for sales return (refer note 23)	38.26	44.22
Less: Inventory provision w.r.t Right to receive inventory	(8.16)	-
	300.90	273.34

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

11 Inventories

(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Traded goods [includes goods in transit of ₹32.72 million (March 31, 2024: ₹59.78 million)] (Refer note 23)	1,626.48	1,239.31
Less: Provision for slow moving inventories	(171.49)	(89.57)
	1,454.99	1,149.74

12 Trade receivables

Carried at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables	1,239.80	1,468.03
	1,239.80	1,468.03
Break-up for security details		
Trade receivables		
Unsecured, considered good	1,239.80	1,468.03
Trade receivables - credit impaired	239.82	159.53
	1,479.62	1,627.56
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(239.82)	(159.53)
	(239.82)	(159.53)
Total trade receivables (net)	1,239.80	1,468.03

i. Movement in impairment allowance (allowance for bad and doubtful debts)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	159.53	50.03
Add: Charge for the year	125.04	109.50
Less: Reversal/write off during the year	(44.75)	-
Closing balance	239.82	159.53

ii. Ageing schedule for trade receivables:

As at March 31, 2025

	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	992.02	247.78	-	-	-	-	1,239.80
Undisputed - credit impaired	28.10	129.01	40.97	33.46	8.28	-	239.82
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total trade receivables	1,020.12	376.79	40.97	33.46	8.28	-	1,479.62

As at March 31, 2024

	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	1,291.32	176.71	-	-	-	-	1,468.03
Undisputed - credit impaired	14.36	85.59	34.35	25.23	-	-	159.53
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total trade receivables	1,305.68	262.30	34.35	25.23	-	-	1,627.56

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

- iii. There are no non-current trade receivables as on March 31, 2025 and as at March 31, 2024.
- iv. 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 disclosed in note 32. 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.
- v. Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

13 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Balance with banks		
- on current accounts	226.88	256.61
- Deposits with original maturity of less than or equal to three months	5.00	750.70
Cash in hand	0.43	2.65
	232.31	1,009.96
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balance with banks		
- on current accounts	226.88	256.61
- Deposits with original maturity of less than or equal to three months	5.00	750.70
Cash in hand	0.43	2.65
	232.31	1,009.96

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with remaining maturity of more than three month but less than or equal to twelve months	2,717.55	3,785.80
	2,717.55	3,785.80

15 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹10 each		
As at April 01, 2023	34,00,00,000	3,400.00
Increase during the year	-	-
As at March 31, 2024	34,00,00,000	3,400.00
As at April 01, 2024	34,00,00,000	3,400.00
Increase during the year	-	-
As at March 31, 2025	34,00,00,000	3,400.00
Equity share capital of ₹100 each		
As at April 01, 2023	580	0.06
Increase during the year	-	-
As at March 31, 2024	580	0.06
As at April 01, 2024	580	0.06
Increase during the year	-	-
As at March 31, 2025	580	0.06

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹90 each		
As at April 01, 2023	290	0.03
Increase during the year	-	-
As at March 31, 2024	290	0.03
As at April 01, 2024	290	0.03
Increase during the year	-	-
As at March 31, 2025	290	0.03

b) Issued share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹10 each, fully paid up		
As at April 01, 2023	13,63,36,336	1,363.36
Issued during the year (Refer Note (ii) below)	1,74,60,121	174.60
Conversion of NCCCPS into equity shares (Refer Note (iii) below)	13,213	0.13
Bonus Issue on conversion of NCCCPS into equity shares (Refer Note (iii) below)	17,04,34,487	1,704.35
As at March 31, 2024	32,42,44,157	3,242.44
As at April 01, 2024	32,42,44,157	3,242.44
Issued during the year (Refer Note (i) below)	9,39,453	9.40
As at March 31, 2025	32,51,83,610	3,251.84

Notes:

- (i) During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹10 each against allotment of ESOP.
- (ii) During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹10 each against allotment of ESOP and 11,267,530 shares through Initial public offer (IPO) of ₹10 each.
- (iii) During the year ended March 31, 2024, the Company issued 13,213 equity shares on conversion of NCCCPS and 170,434,487 equity shares on Bonus Issue on conversion of NCCCPS (Refer note 16).
- (iv) There are no outstanding numbers of issued shares of Face Value of ₹100 each and ₹90 each as at March 31, 2025 and March 31, 2024. Thus, movement of the same has not been disclosed above.

c) Terms/rights attached to equity shares

The Company has equity shares having par value of ₹10 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, if any, 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, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, as proportion to their holdings.

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

	As at March 31, 2025		As at March 31, 2024	
	Nos.	Holding %	Nos.	Holding %
Equity shares of ₹10 each, fully paid				
Varun Alagh	10,37,30,850	31.90%	10,35,50,850	31.94%
Peak XV Partners Investments VI	4,82,63,012	14.84%	6,06,04,200	18.69%
Sofina Ventures S.A.	1,07,15,978	3.30%	1,99,74,026	6.16%
Fireside Ventures Investment Fund-I	73,00,733	2.25%	1,71,26,192	5.28%
ICICI Prudential Life Insurance Company Limited	2,53,90,108	7.81%	66,41,975	2.05%
	19,54,00,681		20,78,97,243	

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

e) Details of shares held by promoters:

Equity shares of ₹10 each, fully paid

As at March 31, 2025						
Promoter Name	No. of shares at the beginning of the year	Change on account of issue of bonus shares	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	10,35,50,850	-	1,80,000	10,37,30,850	31.90%	0.17%
Ghazal Alagh	99,64,700	-	-	99,64,700	3.06%	-

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change on account of issue of bonus shares	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	10,67,37,650	-	(31,86,800)	10,35,50,850	31.94%	(2.99%)
Ghazal Alagh	1,00,65,200	-	(1,00,500)	99,64,700	3.07%	(1.00%)

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 36.

g) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

- (i) During the year ended March 31, 2023, the Company has issued bonus shares aggregating to 136,032,854 in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹10 each.
- (ii) During the year ended March 31, 2023, 290 equity shares of face value of ₹90 per share were bought back for ₹90 per share.
- (i) During the year ended March 31, 2024, the Company has converted the NCCCPS into equity shares of ₹10 per share in the conversion ratio of 1:12,900.

Instrument entirely in the nature of equity

Preference shares

i) Authorised share capital

	NCCCPS	
	Numbers	Amount
0.001% Non- Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹10 each		
As at April 01, 2023	26,730	0.27
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
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2024	26,730	0.27

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

	NCCCPS	
	Numbers	Amount
As at April 01, 2024	26,730	0.27
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
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2025	26,730	0.27

ii) Issued, subscribed and fully paid up shares

	NCCCPS	
	Numbers	Amount
NCCCPS of ₹10 each		
As at April 01, 2023	13,213	17,929.36
Converted to equity shares*	(13,213)	(0.13)
Transferred to retained earnings (Refer note 16)	-	(17,929.23)
As at March 31, 2024	-	-
As at April 01, 2024	-	-
Issued during the year	-	-
As at March 31, 2025	-	-

* The Company has converted the NCCCPS into equity shares of ₹10 each in the conversion ratio of 1:12,900 on October 03, 2023.

(iii) Terms/rights attached to NCCCPS

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 (post bonus 12,900 equity shares) 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.

- 4) Refer Note 15(b)(iii) for details relating to conversion of NCCCPS into equity shares.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

16 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium	7,495.42	7,331.23
Retained earnings	1,063.53	422.92
Share based payment reserve	193.41	248.10
Capital redemption reserve	0.03	0.03
	8,752.39	8,002.28

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium		
Opening Balance	7,331.23	5,194.55
Add: Premium on issue of equity shares	38.50	3,602.52
Less: Transaction cost on issue of shares	-	(143.87)
Add: Transferred to securities premium on exercise of stock options	125.69	382.37
Less: Utilised on issue of bonus share	-	(1,704.34)
Closing balance	7,495.42	7,331.23
Retained earnings		
Opening Balance	422.92	(18,723.44)
Add: Profit/(loss) for the year	640.83	1,209.66
Add: Other comprehensive income	(0.22)	2.32
Add: Conversion of NCCCPS into equity	-	17,929.23
Add: Transfer on account of options lapsed during the year	-	5.15
Closing balance	1,063.53	422.92
Share based payment reserve		
Opening Balance	248.10	504.92
Add: Share based payments expense (equity settled) for the year (Refer note 27)	69.81	172.37
Add: Options granted to employees of subsidiary companies	1.19	5.80
Less: Transfer on account of options lapsed during the year granted to employees of subsidiary companies	-	(47.47)
Less: Transferred to securities premium on exercise of stock options	(125.69)	(382.37)
Less: Transfer on account of options lapsed during the year	-	(5.15)
Closing balance	193.41	248.10
Capital redemption reserve		
Opening Balance	0.03	0.03
Add: created during the year	-	-
Closing balance	0.03	0.03

Nature and purpose of reserves:

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 are the profits/(loss) that the Company has earned/incurred till date, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Share based payment reserve:

Shared based payment reserve is used to recognise the fair value of equity-settled Employee stock option outstanding transactions with employees.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Capital Redemption reserve:

The capital redemption reserve represents the reserve created by the Company on buy back of equity shares out of free reserves or securities premium account as per Section 69 of the Companies Act, 2013.

17 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current		
<i>Carried at amortised cost</i>		
Security Deposit	8.20	-
	8.20	-
Current		
<i>Carried at amortised cost</i>		
Employee benefits payable	126.52	146.16
Payable for capital goods	8.37	17.15
Other financial liabilities	58.91	36.56
	193.80	199.87

Pursuant to the Shareholders Agreement between the Company and erstwhile shareholders of Just4kids Services Private Limited (Momspresso), both the parties had the obligation to purchase and sell the remaining shares of the existing shareholders at a pre-agreed valuation. This had been treated as a derivative instrument and fair valued through profit and loss account and accordingly an amount of ₹102 Million was accounted as derivative liability. The Company had acquired the remaining stake in Just4Kids Services Private Limited for a consideration of ₹230.08 Million and considering that the liability was settled at a value which was lower than the initial agreed valuation, the change in fair value of derivative liability of ₹102 Million had been reversed on completion of balance stake acquisition during the year ended March 31, 2024. Further, the promoters of Momspresso were also entitled to retention bonus from the Company in the form of employee stock options of the Company, subject to vesting conditions. During the year ended March 31, 2024, the promoters of Momspresso had resigned from their employment and the vesting conditions of the employee stock options were not fulfilled. Accordingly, the Company had reversed the share based payment reserve of ₹47.47 Million.

18 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Provision for Gratuity (Refer note 33)	91.44	66.01
	91.44	66.01
Current		
Provision for Gratuity (Refer note 33)	8.97	1.66
Provision for Leave benefits	72.87	56.34
	81.84	58.00

19 Other liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory dues payable	111.88	416.62
Advance from customers (refer note (i) below)	24.18	68.75
Provision for sales return (refer note (i) below and note 23)	206.96	152.48
Deferred revenue (refer note (i) below)	11.34	19.48
	354.36	657.33

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

(i) Movement during the year

Particulars	Advance from customers	Provision for sales return	Deferred revenue
Balance as at April 01, 2023	38.02	101.71	22.64
Arising during the year	68.75	152.48	19.48
Utilised during the year	(38.02)	(101.71)	(22.64)
Balance as at March 31, 2024	68.75	152.48	19.48
Balance as at April 01, 2024	68.75	152.48	19.48
Arising during the year	24.18	206.96	11.34
Utilised during the year	(68.75)	(152.48)	(19.48)
Balance as at March 31, 2025	24.18	206.96	11.34

20 Trade payables

Carried at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (‘MSME’)	259.83	109.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,966.48	2,620.72
	3,226.31	2,729.77

There are no non-current trade payables as on March 31, 2025 and as on March 31, 2024.

The amount due to Micro, small and medium enterprise in 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	As at March 31, 2025	As at March 31, 2024
(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	255.02	105.93
Interest due on the above	4.81	3.12
Total	259.83	109.05
(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 year 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:	1.69	0.79
(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:	4.81	3.12

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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 38.
- (c) Trade payables (outstanding for following years from the date of transaction) ageing schedule:

Particulars	Not due*	Outstanding for following period from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025						
(i) Undisputed dues - MSME	-	258.79	1.04	-	-	259.83
(ii) Undisputed dues - Others	1,248.77	1,713.34	0.44	3.93	-	2,966.48
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,248.77	1,972.13	1.48	3.93	-	3,226.31
As at March 31, 2024						
(i) Undisputed dues - MSME	6.98	102.07	-	-	-	109.05
(ii) Undisputed dues - Others	1,242.93	1,363.84	11.67	2.28	-	2,620.72
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,249.91	1,465.91	11.67	2.28	-	2,729.77

* Includes unbilled payables of ₹1,144.24 million as on March 31, 2025 (₹1,097.64 as on March 31, 2024).

21 Income tax liability (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Income tax liability (net of advance tax)	381.11	46.51
	381.11	46.51

22 Tax expense (net)

The major components of income tax expense for the year ended March 31, 2025 and March 31, 2024 are:

a) Statement of profit and loss

Profit or loss section

	March 31, 2025	March 31, 2024
Current income tax:		
Current tax	258.10	352.40
Deferred tax:		
Relating to origination and reversal of temporary differences	(57.52)	20.73
Total tax expense	200.58	373.13

b) Other comprehensive income/(loss)

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

Particulars	March 31, 2025	March 31, 2024
Net loss/(gain) on remeasurements of defined benefit plans	(0.07)	0.78
Tax expense charged to OCI	(0.07)	0.78

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

c) Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate

Particulars	March 31, 2025	March 31, 2024
Accounting profit/(loss) before income tax	841.41	1,582.79
Applicable tax rate in India	25.17%	25.17%
Computed tax charge/(credit)	211.78	398.39
(Income)/expenses not taxable/deductible under income tax	(10.58)	(23.43)
Others	(0.62)	(1.83)
Income tax expense reported in the standalone statement of profit and loss	200.58	373.13

d) Deferred tax relates to the following:

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liability		
Investments valued at fair value	112.54	92.65
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	52.88	52.17
A	165.42	144.82
Deferred tax asset		
Allowance for bad and doubtful debts	60.36	40.15
Provision for gratuity	25.27	17.02
Provision for leave encashment	18.34	14.18
Provision for bonus	0.43	0.49
Provision for deferred revenue	2.24	3.69
Provision for slow moving inventory	45.21	22.54
Leases (Net)	31.75	11.22
Security deposits	8.34	8.79
Others	4.33	-
B	196.27	118.08
Net deferred tax liability/(asset)	A-B	(30.85)

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 liability/(asset) (net):

Particulars	March 31, 2025	March 31, 2024
Opening balance	26.74	5.23
Tax expense/(credit) during the year		
- recognised in statement of profit and loss	(57.52)	20.73
- recognised in OCI	(0.07)	0.78
Closing balance as at reporting date	(30.85)	26.74

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

f) Movement for the year ended March 31, 2025

Particulars	March 31, 2024	Recognised in profit or loss	Recognised in OCI	March 31, 2025
Deferred tax liability				
Investments valued at fair value	92.65	19.89	-	112.54
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	52.17	0.71	-	52.88
A	144.82	20.60	-	165.42
Deferred tax asset				
Allowance for bad and doubtful debts	40.15	20.21	-	60.36
Provision for gratuity	17.02	8.18	0.07	25.27
Provision for leave encashment	14.18	4.16	-	18.34
Provision for bonus	0.49	(0.06)	-	0.43
Provision for deferred revenue	3.69	(1.45)	-	2.24
Provision for slow moving inventory	22.54	22.67	-	45.21
Leases (Net)	11.22	20.53	-	31.75
Security deposits	8.79	(0.45)	-	8.34
MSME payments disallowed u/s 43BH	-	4.33	-	4.33
B	118.08	78.12	0.07	196.27
Net deferred tax liability/(asset)	A-B	26.74	(0.07)	(30.85)

g) Movement for the year ended March 31, 2024

Particulars	April 01, 2023	Recognised in profit or loss	Recognised in OCI	March 31, 2024
Deferred tax liability				
Investments valued at fair value	51.74	40.91	-	92.65
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	34.73	17.44	-	52.17
A	86.47	58.35	-	144.82
Deferred tax asset				
Allowance for bad and doubtful debts	12.59	27.56	-	40.15
Provision for gratuity	11.03	6.77	(0.78)	17.02
Provision for leave encashment	9.53	4.65	-	14.18
Provision for bonus	0.66	(0.17)	-	0.49
Provision for deferred revenue	5.70	(2.01)	-	3.69
Provision for slow moving inventory	24.97	(2.43)	-	22.54
Leases (Net)	10.61	0.61	-	11.22
Security deposits	6.15	2.64	-	8.79
B	81.24	37.62	(0.78)	118.08
Net Deferred tax liability	(A-B)	5.23	0.78	26.74

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

23 Revenue from operations

Particulars	March 31, 2025	March 31, 2024
Sale of products*	18,657.07	17,643.89
Revenue from operations	18,657.07	17,643.89

* During the year ended March 31, 2025, the Company has executed Project 'Neev' which entails transition to Direct distribution model across top 50 cities and in the process making the general trade distribution future ready. As part of the Project 'Neev' the Company has discontinued super stockist layer as well as certain direct Distributors replacing them with higher quality/Tier 1 Distributors to service Retailers across top 50 cities. Consequent to the aforesaid transition, revenue from operations is net of sales return of ₹635.18 Million with resulting inventory/right to return asset. As at March 31, 2025, the Company has outstanding provision for sales return of ₹52.01 Million in this regard.

Particulars	March 31, 2025	March 31, 2024
Sale of products (net of Goods and Service Tax)	18,657.07	17,643.89
Traded goods	18,657.07	17,643.89

23.1 Details of disaggregation of revenue

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

23.2 Contract balances

Particulars	As at March 31, 2025	As at March 31, 2024
Contract Assets		
Trade receivables (refer note 12)	1,239.80	1,468.03
Right to receive inventory on sales return (refer note 10)	30.10	44.22
Recoverable from Payment Partners (refer note 9)	318.94	226.69
	1,588.84	1,738.94
Contract Liabilities		
Advance from customers (refer note 19)	24.18	68.75
Provision for sales return (refer note 19)	206.96	152.48
Deferred revenue (refer note 19)	11.34	19.48
	242.48	240.71

23.3 Timing of revenue recognition

Particulars	March 31, 2025	March 31, 2024
Revenue recognised at a point in time	18,657.07	17,643.89
	18,657.07	17,643.89

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

Particulars	March 31, 2025	March 31, 2024
Revenue as per contracted price	20,664.34	19,177.36
Adjustments		
Provision for sales return	(54.48)	(63.71)
Claims and rebates	(1,960.92)	(1,472.92)
Deferred revenue	8.13	3.16
Revenue from contract with customers	18,657.07	17,643.89

23.5 Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

24 Other income

Particulars	March 31, 2025	March 31, 2024
Interest income on:		
Investments	211.64	75.47
Deposits with bank	323.87	159.82
Loan to subsidiary	7.81	12.15
Income Tax Refund	1.23	-
Unwinding of discount on security deposits	9.64	12.02
Fair value gain on investments measured at FVTPL	78.92	162.57
Gain on sale of investments measured at FVTPL	104.10	12.69
Gain on lease modification	-	36.91
Foreign exchange fluctuation gain (net)	7.35	2.26
Others	19.14	7.46
	763.70	481.35

25 Purchases of traded goods

Particulars	March 31, 2025	March 31, 2024
Purchases (traded goods)	5,993.90	5,530.63
	5,993.90	5,530.63

26 Increase in inventories of traded goods

Particulars	March 31, 2025	March 31, 2024
Inventories at the beginning of the year	1,239.31	1,125.55
Right to receive inventory on provision for sales return at the beginning of the year	44.22	29.49
(A)	1,283.53	1,155.04
Inventories at the end of the year	1,626.48	1,239.31
Right to receive inventory on provision for sales return at the end of the year	38.26	44.22
(B)	1,664.74	1,283.53
Increase in inventories of traded goods (A-B)	(381.21)	(128.49)

27 Employee benefits expenses

Particulars	March 31, 2025	March 31, 2024
Salaries, wages and bonus	1,624.94	1,313.55
Contribution to provident and other funds (Refer note 33)	22.45	20.90
Gratuity (Refer note 33)	37.18	26.92
Share based payments expenses (equity settled) (Refer note 36)	69.81	172.37
Staff welfare expenses	57.51	46.44
	1,811.89	1,580.18

28 Depreciation and amortisation expense

Particulars	March 31, 2025	March 31, 2024
Depreciation of property, plant and equipment (refer note 3a)	68.78	35.90
Depreciation of right-of-use-assets (refer note 6)	276.14	188.62
Amortisation of intangible assets (refer note 5)	10.29	4.20
	355.21	228.72

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

29 Finance costs

Particulars	March 31, 2025	March 31, 2024
Interest expense on:		
Lease liabilities	101.29	67.56
Bank overdraft	0.36	1.13
Bank charges	3.63	3.21
	105.28	71.90

30 Other expenses

Particulars	March 31, 2025	March 31, 2024
Advertisement expense	6,679.62	5,949.58
Freight and forwarding charges (including warehousing charges)	1,439.15	1,702.79
Sales Commission	1,040.47	551.32
Software support expenses	226.11	245.62
Packaging materials and other consumables	234.81	166.00
Legal and professional charges (refer note (i) below)	287.61	184.16
Contract Labour charges	213.45	192.65
Provision for slow moving inventory	90.07	5.38
Travelling and conveyance	121.49	111.56
Provision for doubtful debts	125.04	109.50
Rent (refer note 6)	69.61	39.88
Repairs and maintenance- others	61.59	38.31
Provision for doubtful advances	-	3.94
Payment gateway charges	15.70	14.09
Directors sitting fees	7.40	7.40
Property, plant and equipment written off	16.42	-
Power and fuel	16.27	10.80
Insurance	4.77	8.75
Miscellaneous expenses	4.56	0.63
Printing and stationery	1.17	1.90
Corporate social responsibility expenses (Refer note (ii) below)	15.28	7.69
Communication costs	14.82	5.10
Rates and taxes	8.88	4.46
	10,694.29	9,361.51

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

Particulars	March 31, 2025	March 31, 2024
Statutory audit fee (excluding goods and services tax)	5.70	5.00
Limited Review Fees	5.50	3.00
Reimbursement of expenses	1.07	0.73
Certification fees	1.60	0.63
Other services (IPO related services)	-	12.31
Other adjustments*	-	(12.31)
	13.87	9.36

* Payment to auditor in respect of IPO related services are proportionately recovered from the selling shareholders and the remaining amounts are adjusted against Securities premium during the year ended March 31, 2024.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

(ii) Details of CSR Expenditure

Consequent to the requirements of section 135 and Schedule VII of the Act 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 ₹13.00 million (March 31, 2024: ₹9.00 million) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act.

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Gross amount required to be spent by the Company during the year	15.28	7.69
b) Amount approved to be spent by board of directors	13.00	9.00

c) Amount spent during the year ended March 31, 2025

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of assets	-	-	-
(ii) On purposes other than (i) above	13.00	-	13.00

d) Amount spent during the year ended March 31, 2024

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of assets	-	-	-
(ii) On purposes other than (i) above	9.00	-	9.00

Details of ongoing project and other than ongoing project for year ended March 31, 2025

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	
-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
2.44	-	15.28	13.00	0.16

Details of ongoing project and other than ongoing project for year ended March 31, 2024

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	
-	-	-	-	-	-

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
1.13	-	7.69	9.00	2.44

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

31 Earnings per share ('EPS')

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:

Particulars	March 31, 2025	March 31, 2024
Profit after tax attributable to equity holders of the Company (a)	640.83	1,209.66
Weighted average number of shares outstanding during the year for basic EPS		
Equity shares of ₹10 each (including vested employee stock options with no substantial consideration)	32,50,83,373	31,32,88,253
Total considered for basic EPS (b)	32,50,83,373	31,32,88,253
Weighted average number of shares outstanding during the year for diluted EPS		
Total considered for basic EPS	32,50,83,373	31,32,88,253
Add: Unvested employee stock options	8,11,660	16,06,606
Total considered for diluted EPS (c)	32,58,95,033	31,48,94,859
Basic earnings per share (in ₹) (a/b)		
Equity shares of ₹10 each	1.97	3.86
Diluted earnings per share (in ₹) (a/c)		
Equity shares of ₹10 each	1.97	3.84

32 Related party disclosures

Names of related parties and related party relationship, irrespective of whether transaction have occurred or not is given below:

a) Names of related parties and description of relationships:

Entities where control exists	Nature of relationship
Just4Kids Services Private Limited	Subsidiary
Bhabani Blunt Hairdressing Private Limited	Subsidiary
B Blunt Spratt Hair dressing Private Limited	Subsidiary of Subsidiary
PT Honasa Consumer Indonesia	Subsidiary
Honasa Consumer General Trading L.L.C.	Subsidiary
Fusion Cosmeceutics Private Limited	Subsidiary

Key management personnel (KMP)

Varun Alagh	Director and Chief Executive Officer
Ghazal Alagh	Director
Ishaan Mittal	Director
Vivek Gambhir	Independent Director
Namita Gupta	Independent Director
Subramaniam Somasundaram	Independent Director

Other Key management personnel (KMP):

Raman Preet Sohi	Chief Financial officer
Dhanraj Dagar	Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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, 2025 and year ended March 31, 2024. The Company has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2025 and March 31, 2024. 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, 2025	March 31, 2024
Remuneration paid*		
Varun Alagh	30.88	19.98
Ghazal Alagh	18.99	14.38
Raman Preet Sohi	37.88	147.39
Dhanraj Dagar	5.02	3.85
	92.77	185.60
Sitting fees		
Vivek Gambhir	2.20	2.20
Namita Gupta	2.20	2.20
Subramaniam Somasundaram	3.00	3.00
	7.40	7.40
Share based payments expenses (equity settled)		
Raman Preet Sohi	8.33	0.36
Dhanraj Dagar	0.17	0.38
	8.50	0.74
Investments made		
Just4Kids Services Private Limited**	-	185.94
Bhabani Blunt Hairdressing Private Limited#	163.42	2.47
	163.42	188.41
Loans given		
Fusion Cosmeceutics Private Limited	110.00	75.00
	110.00	75.00
Repayment of loans given		
Fusion Cosmeceutics Private Limited	235.00	20.00
	235.00	20.00
Royalty Income		
Honasa Consumer General Trading LLC	-	0.13
	-	0.13
Interest income on loan		
Fusion Cosmeceutics Private Limited	5.66	10.00
Honasa Consumer General Trading LLC	2.15	2.15
	7.81	12.15
Reimbursement of expenses		
Varun Alagh	0.33	0.60
Ghazal Alagh	0.33	0.34
	0.66	0.94

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Nature of transactions	March 31, 2025	March 31, 2024
Legal and professional charges		
Bhabani Blunt Hairdressing Private Limited	29.05	18.05
	29.05	18.05
Expenses incurred on behalf of related parties		
Fusion Cosmeceutics Private Limited	99.09	20.20
Just4Kids Services Private Limited	1.05	-
Honasa Consumer General Trading LLC	7.23	26.25
	107.37	46.45
Expenses incurred by related parties on behalf of the Company		
Honasa Consumer General Trading LLC	51.37	57.95
	51.37	57.95

*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 17

#Includes share based payment expenses on options granted to employees of Bhabani Blunt Hairdressing Private Limited amounting to ₹1.19 million (March 31, 2024: ₹2.47 million).

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

Particulars	March 31, 2025	March 31, 2024
Other financial assets		
Just4Kids Services Private Limited	1.23	-
Fusion Cosmeceutics Private Limited	53.57	20.20
Honasa Consumer General Trading LLC	1.13	26.38
	55.93	46.58
Trade payables		
Bhabani Blunt Hairdressing Private Limited	7.55	5.32
Honasa Consumer General Trading LLC	11.20	39.20
	18.75	44.52
Loans		
Fusion Cosmeceutics Private Limited	10.00	135.00
Honasa Consumer General Trading LLC	25.00	25.00
	35.00	160.00
No. of Employee Stock Options Outstanding		
Raman Preet Sohi	1,18,481	30,637
Dhanraj Dagar	1,548	2,787
	1,20,029	33,424

Note- For closing balance of investments in subsidiaries, refer note 7.

33 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 ₹22.45 million (March 31, 2024: ₹20.90 million) for Provident Fund & other fund contributions 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

(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.
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.

Particulars	March 31, 2025	March 31, 2024
Current	8.97	1.66
Non-current	91.44	66.01
	100.41	67.67

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, 2024:

Particulars	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2023	43.85	-	43.85
Amount recognised in statement of profit and loss			
Current service cost	23.63	-	23.63
Interest cost on benefit obligation	3.29	-	3.29
Total amount recognised in statement of profit and loss	26.92	-	26.92
Benefits paid	-	-	-
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	3.54	-	3.54
Experience adjustments	(6.64)	-	(6.64)
Total amount recognised in other comprehensive income	(3.10)	-	(3.10)
Contributions by employer	-	-	-
As at March 31, 2024	67.67	-	67.67

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Changes in the defined benefit obligation and fair value of plan assets for year ended March 31, 2025:

Particulars	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2024	67.67	-	67.67
Amount recognised in statement of profit and loss			
Current Service cost	32.31	-	32.31
Interest cost on benefit obligation	4.87	-	4.87
Total amount recognised in statement of profit and loss	37.18	-	37.18
Benefits paid	(4.73)	-	(4.73)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	6.48		6.48
Experience adjustments	(6.19)	-	(6.19)
Total amount recognised in other comprehensive income	0.29	-	0.29
Contributions by employer	-	-	-
As at March 31, 2025	100.41	-	100.41

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

Particulars	March 31, 2025	March 31, 2024
Discount rate (p.a.)	6.80%	7.20%
Salary growth rate (p.a.)	10.00%	10.00%
Normal retirement age	60 years	60 years
Attrition/withdrawal (per annum)	10.00%	10.00%
Mortality	100% of Indian Assured Lives Mortality (2012-14)	100% of Indian Assured Lives Mortality (2012-14)

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

Sensitivity Level		March 31, 2025		March 31, 2024	
		Impact on Defined benefit obligation			
		Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase/decrease	(7.99)	8.99	(5.76)	6.48
Salary growth rate	0.5% increase/decrease	5.44	(5.25)	4.07	(3.95)
Attrition rate sensitivity	0.5% increase/decrease	(1.34)	1.39	(1.06)	1.10

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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 18 years (March 31, 2024: 18 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	March 31, 2025	March 31, 2024
Within the next 12 months	8.97	1.66
Between 2 and 5 years	10.86	7.55
Beyond 5 years	387.54	310.60

34 Segment information

The Company reports 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.

35 Commitments and Contingent Liabilities

a) Commitments

Refer note 6 for lease commitments.

b) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
i) Claims against the Company not acknowledged as debts*	Refer note below	Refer note below
ii) Bank guarantee**	278.80	365.56

* RSM General Trading LLC (‘RSM’), an overseas distributor of the Company had filed a legal suit against the Company in the Court of First Instance in UAE on the grounds that the Distributorship Agreement between RSM and the Company has been terminated illegally by the Company without complying with provisions of the Distributorship Agreement and RSM has claimed damages to the tune of AED 45 million (equivalent to ₹1,001.25 million), whereas the Court in its hearing held on May 16, 2024, had ordered the Company to pay an amount of AED 25.07 million (equivalent to ₹576.65 million) plus interest at the rate of 5% from the date of order till the date of payment (‘UAE Court Order’). The Company had filed an appeal against the said order. The Court of Appeal on October 15, 2024 rejected the appeal filed by the Company, without issuing any observations or findings on the expert reports filed by the Company and the exclusive jurisdiction clause contained in the Agreement. The Company subsequently filed an appeal against this judgment before the Cassation Court, and the Cassation Court on March 26, 2025 referred the case back to Court of Appeal for re-hearing by a panel composed of different judges from the original panel that passed the Judgment dated October 15, 2024. The execution of the original judgment shall stand further stayed, until the fresh appeal to be re-heard by different panel of Court of Appeal and further recourse to Cassation Court, if any, is disposed off.

The Company had further filed a petition under Section 9 of Arbitration and Conciliation Act, 1996, in High court of Delhi seeking Anti-suit and enforcement injunction prohibiting RSM from continuing proceedings in UAE, which was subsequently allowed by the Court. RSM appealed against this judgment before the division bench of Delhi High Court seeking stay on the anti-suit enforcement and the direction to deposit ₹576.65 Million to Delhi High Court Registry. The Delhi High Court, on November 07, 2024, only stayed the direction of deposit and ruled that RSM shall immediately withdraw the execution proceedings filed in UAE and directed RSM to make a request to Dubai Court for staying execution proceedings until the Indian appeal is disposed off. The next date for hearing in Indian Appeal is September 01, 2025 for hearing the appeal filed by RSM and applications filed by Honasa. The Company had also filed an application under Section 11 of the Arbitration & Conciliation Act, 1996 for appointment of an arbitrator and for arbitration proceedings to commence under the terms of the Agreement, which was graciously allowed by the Supreme Court on February 17, 2025. Currently, the arbitration proceedings have commenced between the Parties in Indian, in terms of the dispute resolution clause under the Agreement, wherein the Company shall duly file its Statement of Claim detailing the damages and losses suffered by it due to the various breaches committed by RSM under the Agreement.

Accordingly, as on date, the Company does not expect any material financial impact, in view of the orders passed by Delhi High Court on November 07, 2024 in favour of the Company and restricting RSM to file any execution proceedings until the Indian appeal is disposed, the Judgment passed by Cassation Court on March 26, 2025, and commencement of arbitration proceedings in India.

**Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt. Ltd. against laptops taken on lease amounting to ₹85.60 million (March 31, 2024: ₹72.22 million), performance guarantees issued in favour of The Deputy General Manager – Canteen Stores Department amounting to ₹193.20 million (March 31, 2024: ₹153.20 million) and National stock exchange of India Nil (March 31, 2024: ₹140.14 million).

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

36 Share based payments

[A] 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.

Employees Stock Option Plan 2018

On August 02, 2018, the Board of Directors approved the equity settled ‘Honasa Consumer Private Limited’ 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 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 and beneficial 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 first quarter of the second year and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹10, ₹20.43 and ₹262.41 after bonus issue. (Refer note 15)
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 approved by the shareholders at the meeting held on August 13, 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, 2025		March 31, 2024	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	21,67,209	33.85	81,02,071	33.85
Granted during the year *	4,42,832	262.41	4,73,268	262.41
Forfeited during the year	(2,50,494)	142.00	(3,94,793)	142.00
Exercised during the year	(8,65,571)	18.68	(60,13,337)	18.68
Outstanding at the end of the year	14,93,976	106.17	21,67,209	106.17
Exercisable at the end of the year	4,63,431	65.24	3,11,579	65.24
Weighted Average Remaining Contractual Life	4.79 years		4.84 years	

*During the year ended March 31, 2025, the options granted by the Company have combination of time based vesting and performance based vesting over period of 4 years. The performance conditions for all the years are not communicated to employees and only the performance conditions of year ending March 31, 2025 are communicated. Accordingly, the Company has only accounted for performance conditions of FY 2024-25 and has not accounted for the performance grants for FY 2025-26 and beyond since the performance conditions are substantive and not defined, in accordance with Ind AS 102.

The weighted average fair value of the options granted during the year is ₹443.62 (March 31, 2024: ₹215.47)

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All amount in ₹ Million, unless otherwise stated

Employees Stock Option Plan 2021

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) ("December 2022 Amendment"). Except for the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same. 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 December 17, 2022).
Ownership	Legal and beneficial Ownership
Vesting Pattern	Two-year vesting term and vest at the rate of 40% in the first year and 60% in second year and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹10 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 approved by the shareholders at the meeting held on December 17, 2022).

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	Year ended March 31, 2025		Year ended March 31, 2024	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	52,282	10.00	2,47,307	10.00
Forfeited during the year	-	10.00	(25,771)	10.00
Exercised during the year	(35,507)	10.00	(1,69,254)	10.00
Outstanding at the end of the year	16,775	10.00	52,282	10.00
Exercisable at the end of the year	16,775	10.00	52,282	10.00

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	ESOP scheme 2018	ESOP scheme 2021*	ESOP scheme 2018	ESOP scheme 2021
Weighted average fair values at the measurement date in ₹	422.96	-	78.41	327.87
Dividend yield (%)	0.00%	-	0.00%	0.00%
Expected volatility (%)	45.00%	-	45.00%	45.00%
Risk-free interest rate (%)	6.80%-6.82%	-	7.22%-7.34%	6.80%
Expected life of the options (in years)	4.79	-	4.84	0.60
Weighted average share price	451.23	-	337.21	337.21

The expected life of the share options 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.

* No new options have been granted under the ESOP scheme 2021 during the year ended March 31, 2025.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

[B] The promoters of Just4Kids Services Private Limited are entitled to retention bonus from the Company in the following manner:

Particulars	Total Options	Vesting period
- Three equity shares to each Promoters of Just4Kids Services Private Limited*	116,100	2 years
- Equity shares equity shares worth ₹10.83 million to each Promoters of Just4Kids Services Private Limited**	38,700	4 years

* Pre bonus entitled for 9 equity shares of ₹10 each, adjusted for bonus issue.

** Pre bonus entitled for 3 equity shares of ₹10 each, adjusted for bonus issue.

Movements during the year

The following are the movements in share options during the year:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	No. of shares	No. of shares
Outstanding at the beginning of the year	-	1,80,837
Granted during the year	-	-
Forfeited during the year***	-	(1,80,837)
Exercised during the year	-	-
Outstanding at the end of the year	-	-
Weighted Average Remaining Contractual Life	NA	NA

***During the year ended March 31, 2024, the promoters of Just4kids Services Private limited have resigned from their employment and the vesting conditions of the employee stock options were not fulfilled, hence Company has forfeited the options.

[C] The CEO of Bhabani Blunt Private Limited is entitled to retention bonus from the Company in the following manner:

Particulars	Total Options	Vesting period	Exercise Price
- Two equity shares to CEO of Bhabani Blunt Private Limited	25,800	2 years	20.39
- Three Equity shares to CEO of Bhabani Blunt Private Limited	38,700	4 years	20.39

Movements during the year

The following are the movements in share options during the year:

Particulars	March 31, 2025		March 31, 2024	
	No. of shares	WAEP	No. of shares	WAEP
Outstanding at the beginning of the year	54,500	20.39	64,500	20.39
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(38,375)	20.39	(10,000)	20.39
Outstanding at the end of the year	16,125	20.39	54,500	20.39
Weighted Average Remaining Contractual Life	1 year		1 year	

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

Particulars	March 31, 2025	March 31, 2024
Expense arising from equity-settled share-based payment transactions (Note 27)	69.81	172.37
Total expense arising from share-based payment transactions	69.81	172.37

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All amount in ₹ Million, unless otherwise stated

37 Financial instruments by category and Fair value hierarchy

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

Particulars	Level	As at March 31, 2025	As at March 31, 2024
Measured at fair value through statement of profit and loss (FVTPL)			
Investment in mutual funds (Note 7)	1	2,798.26	2,734.58
Total financial assets measured at FVTPL		2,798.26	2,734.58
Measured at amortised cost			
Investment in bonds and commercial papers (Note 7)		103.04	-
Trade receivables (Note 12)		1,239.80	1,468.03
Cash and cash equivalents (Note 13)		232.31	1,009.96
Bank balances other than cash and cash equivalents (Note 14)		2,717.55	3,785.80
Loans (Note 8)		35.00	160.00
Other financial assets (Note 9)		5,185.40	2,316.36
Total financial assets measured at amortised cost		9,513.10	8,740.15
Total financial assets		12,311.36	11,474.73

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

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Other financial liabilities (Note 17)	202.00	199.87
Lease liabilities (Note 6)	1,097.94	1,101.92
Trade payables (Note 20)	3,226.31	2,729.77
Total financial liabilities measured at amortised cost	4,526.25	4,031.56
Total financial liabilities	4,526.25	4,031.56

The carrying values of the financial assets and liabilities measured at amortised cost and FVTPL is equal to their fair values. Accordingly, the fair values of such financial assets and liabilities have not been disclosed separately.

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 categorised 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 amortised cost. There is no significant change in fair value of such liabilities and assets.

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All amount in ₹ Million, unless otherwise stated

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

Particulars	Derivative liability
As at April 1, 2023	102.00
Charge/(credit) to statement of profit and loss	(102.00)
As at March 31, 2024	-
As at April 1, 2024	-
Charge/(credit) to statement of profit and loss	-
As at March 31, 2025	-

38 Financial risk management, Objectives and Policies

The Company’s principal financial liabilities comprise of 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 in mutual funds, bonds and commercial papers, cash and cash equivalents and bank balances and trade and other receivables.

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.

The Company’s exposure in foreign currency at the end of reporting year:

Net exposure on foreign currency risk		March 31, 2025		March 31, 2024	
Currency/Nature	Particulars	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
AED					
Liability	Trade payables	(0.22)	(5.19)	(0.17)	(3.91)
Assets	Trade receivables	(0.02)	(0.48)	(0.02)	(0.48)
		(0.24)	(5.67)	(0.19)	(4.38)
EUR					
Liability	Trade payables	(0.04)	(3.89)	(0.19)	(16.07)
		(0.04)	(3.89)	(0.19)	(16.07)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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Net exposure on foreign currency risk		March 31, 2025		March 31, 2024	
Currency/Nature	Particulars	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
QAR					
Assets	Trade receivables	0.68	15.96	0.48	10.09
		0.68	15.96	0.48	10.09
AUD					
Assets	Trade receivables	(0.00)	(0.24)	0.02	1.24
		(0.00)	(0.24)	0.02	1.24
GBP					
Assets	Trade receivables	0.00	0.41	(0.00)	(0.21)
		0.00	0.41	(0.00)	(0.21)
USD					
Liability	Trade Payables	(0.35)	(29.80)	(0.52)	(43.64)
Assets	Trade receivables	0.34	29.23	0.19	16.01
		(0.01)	(0.57)	(0.33)	(27.63)
CAD					
Assets	Trade receivables	0.06	3.60	0.08	4.85
		0.06	3.60	0.08	4.85

Currency/Nature	Particulars	Impact on profit before tax	
		March 31, 2025	March 31, 2024
AED	Increases by 5%	(0.28)	(0.22)
	Decreases by 5%	0.28	0.22
EUR	Increases by 5%	(0.19)	(0.80)
	Decreases by 5%	0.19	0.80
QAR	Increases by 5%	0.80	0.50
	Decreases by 5%	(0.80)	(0.50)
AUD	Increases by 5%	(0.01)	0.06
	Decreases by 5%	(0.01)	0.06
GBP	Increases by 5%	0.02	(0.01)
	Decreases by 5%	(0.02)	0.01
USD	Increases by 5%	(0.03)	(1.38)
	Decreases by 5%	0.03	1.38
CAD	Increases by 5%	0.18	0.24
	Decreases by 5%	(0.18)	(0.24)

iii. Price risk

The Company invests surplus funds in liquid mutual funds. The Company is exposed to market price risk arising from uncertainties about future values of the investment. The Company manages the equity price risk through investing surplus funds in liquid mutual funds on a short term basis.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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 receivable from payment partners) and from its investing activities (primarily deposits with banks). 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 Standalone Financial Statements.

Particulars	March 31, 2025	March 31, 2024
Trade receivables (refer note (i) below)	1,239.80	1,468.03
Recoverable from payment partners (refer note (i) below)	318.94	226.69
Cash and cash equivalents (refer note (iii) below)	232.31	1,009.96
Bank balances other than cash and cash equivalents (refer note (iii) below)	2,717.55	3,785.80
Other financial assets (refer note (iii) below)	5,185.40	2,316.36
Investment in mutual funds, bonds and commercial papers (refer note (ii) below)	2,901.30	2,734.58

i) Trade receivables and recoverable from payment partner

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.

Particulars	March 31, 2025	March 31, 2024
Opening balance	159.53	50.03
Allowance made during the year (net)	125.04	109.50
Reversal/write off during the year	(44.75)	-
Closing balance	239.82	159.53

ii) Investment in mutual funds, bonds and commercial papers

The Company has invested in multiple funds which are susceptible to market price risk arising from uncertainties about future values. The Company mitigates related risk by investing in different types of funds. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

iii) Cash and cash equivalents, other bank balances and other financial assets

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, 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, 2025					
Lease liabilities	-	302.72	809.36	325.08	1,437.16
Trade payables	-	3,226.31	-	-	3,226.31
Other financial liabilities	-	193.80	-	-	193.80
	-	3,722.83	809.36	325.08	4,857.27
As at March 31, 2024					
Lease liabilities	-	254.05	797.74	423.58	1,475.37
Trade payables	-	2,729.77	-	-	2,729.77
Other financial liabilities	-	199.87	-	-	199.87
	-	3,183.69	797.74	423.58	4,405.01

39 Capital management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. As at March 31, 2025 and March 31, 2024, the Company's funding needs are met through the issuance of equity shares and own funds and the Company does not have debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

40 Ratio analysis and its elements

	Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Reason for variance exceeding 25% as compared to the preceding year
A	Current ratio	Current Assets	Current Liabilities	2.12%	2.83%	(25.09%)	Change on account of decrease in current assets and increase in current liabilities
B	Debt- Equity Ratio*	Net debt = Total borrowings- Cash & Cash equivalents - Bank balances other than Cash & Cash equivalents- short term investments	Shareholder's Equity	-	-	-	-
C	Debt Service Coverage Ratio*	Earnings for debt service = Net profit after taxes + Depreciation + Interest	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	-
D	Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	5.51%	14.00%	(60.64%)	Change is on account of reduction in net profit during the current year.
E	Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	13.78%	13.51%	2.00%	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

	Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Reason for variance exceeding 25% as compared to the preceding year
F	Trade Payable Turnover Ratio	Purchases	Average Trade Payables	2.01%	2.44%	(17.62%)	-
G	Net Capital Turnover Ratio	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	3.74%	2.51%	49.00%	Change on account of decrease in current assets and increase in current liabilities
H	Net Profit Ratio	Net Profit	Net sales = Total sales – sales return	3.43%	6.86%	(50.00%)	Change is on account of reduction in net profit during the current year.
I	Inventory Turnover Ratio	Sales	Average Inventory	14.33%	16.22%	(11.65%)	-
J	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	8.27%	15.41%	(46.33%)	Change is on account of reduction in net profit during the current year.

* Net debt after adjustments is negative and hence the ratio has not been furnished.

41 Other statutory information

- (i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (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 have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) 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 (whether recorded in writing or otherwise) that the Intermediary shall:

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (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 year 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).
- (viii) The company has not been declared any wilfull defaulter by any bank or financial institution or other lender.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

42. During the year ended March 31, 2025, the Board of Directors of the Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited (Transferor Company-1) and Just4Kids Services Private Limited (Transferor Company-2), had approved the Scheme of Amalgamation between the Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as “the Scheme”) in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Company. The Company had filed the scheme with the regulatory authorities and received approval on first motion application by National Company Law Tribunal (NCLT) Delhi and NCLT Chandigarh via order dated August 13, 2024 and August 22, 2024 respectively. The Company has subsequently filed the second motion application and received the order granting approval of merger by NCLT Chandigarh on May 08, 2025. The Hearing for second motion application was concluded on May 13, 2025 by NCLT Delhi and the order was reserved. The Company is awaiting for the final merger order from NCLT Delhi.

43. As per the amended Rule 3 and 11(g) of the Companies (Accounts) Rules, 2014 (the “Accounts Rules”), Companies are required to maintain daily back-up of the books of account and other relevant books and papers which are maintained in electronic mode on servers physically located in India and accounting software used for maintaining its books of account should have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. In addition, Companies are required to preserve audit trail as per the statutory requirements of record retention.

The Company has used certain accounting softwares for maintaining its books of account which have a feature of maintaining proper daily backup on servers physically located in India, except in case of two applications for inventory management and distribution management, the backup of the books of account and other books and papers in electronic mode has not been maintained on servers physically located in India on daily basis.

Further, the Company has used certain accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the aforesaid softwares, except (i) in respect of two accounting software applications pertaining to distribution management system and price master records, audit trail was not enabled throughout the year for all relevant transactions recorded in the applications; (ii) in respect of two accounting software applications for maintaining its books of account and price master records, audit trail feature is not enabled for certain changes made, if any, using privileged/administrative access rights and; (iii) in respect of one software application which is operated by a third-party software service provider, for maintaining inventory records, the Service Organisation Controls report is not available. Further, audit trail feature has not been tampered with in respect of the accounting software applications where audit trail has been enabled/Service Organisation Controls report is available and the audit trail of prior year(s) has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

The management is in the process of taking steps to ensure that the books of account are maintained as required under the applicable statute.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

44. During the year ended March 31, 2024, the Company has completed its Initial Public Offer (IPO) of 52,515,692 equity shares of face value of ₹10 each at an issue price of ₹324 per share (including a share premium of ₹314 per share). A discount of ₹30 per share was offered to eligible employees bidding in the employee's reservation portion of 22,678 equity shares. The issue comprised of a fresh issue of 11,267,530 equity shares aggregating to ₹3,650 Million and offer for sale of 41,248,162 equity shares by selling shareholders aggregating to ₹13,364.40 Million. Pursuant to the IPO, the equity shares of the Holding Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023.

The utilisation of the IPO proceeds from fresh issue of ₹3,504.92 million (net of IPO expenses of ₹145.08 million) is summarised below:

Particulars	Amount to be utilised as per Prospectus (₹ million)	Utilisation upto March 31, 2025 (₹ million)	Unutilised upto March 31, 2025 (₹ million)
Advertisement expenses towards enhancing the awareness and visibility of brands	1,820.00	1,224.10	595.90
Capital expenditure to be incurred by the Company for setting up new EBOs	206.00	50.26	155.74
Investment in Subsidiary, BBlunt for setting up new salons	260.00	61.31	198.69
General corporate purposes and unidentified inorganic acquisition	1,218.92	374.42	844.50
Total	3,504.92	1,710.09	1,794.83

45. Absolute amounts less than ₹5,000 are appearing in the Standalone Financial Statements as "0.00" due to presentation in millions.

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

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership no.: ACS33308

Independent Auditor’s Report

To the Members of Honasa Consumer Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Honasa Consumer 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, 2025, the consolidated Statement of Profit and Loss, including other comprehensive income, 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 material 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, 2025, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of carrying value of inventory (as described in Note 11 of the consolidated financial statements)	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Group has in relation to inventory purchases and provision for slow moving, close to expiry, expired and damaged inventories. • Performed testing on the controls over the inventory physical verification process. In testing these controls, we inspected the results of the physical verification carried out by the Group, observed physical inventory counts at few locations during the year ended March 31, 2025. • Verified the reconciliation of inventory confirmations received from third parties vis-a-vis the inventory records of the Group as at March 31, 2025. • Verified the reconciliation of inventory received vis-a-vis the purchase invoices recorded from the vendors for the year ended March 31, 2025. • Performed procedures to test controls around the Group’s process to identify slow moving or obsolete inventories, assess the assessment of the cost and net realisable value, expired and damaged inventories and evaluated the adequacy of obsolescence and provision as at March 31, 2025.
Assessing the recoverability of goodwill and other intangible assets (as described in Note 4(a) and 4(b) of the consolidated financial statements)	Our audit procedures included the following: • We assessed the Group’s accounting policies with respect to impairment in accordance with Ind AS 36 “Impairment of assets”. • We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process. • We involved our specialists to evaluate management’s identification of CGUs and the Group’s valuation methodology applied in determining the recoverable amount of each CGU. • We evaluated the assumptions around the key drivers of the cash flow forecasts including revenue growth rates, operating margins, discount rates, and terminal growth rates used. • In making this assessment, we also assessed the objectivity and independence of Group’s specialists involved in the process. • We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We discussed potential changes in key drivers as compared to previous year/actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We tested the arithmetical accuracy of the models. • We evaluated the adequacy of relevant disclosures made in the consolidated financial statements.

Independent Auditor’s Report

Other Information

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual report is expected to be made available to us after the date of this auditor’s report.

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 and Those Charged with Governance 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 judgements 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 Charged with Governance 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 judgement 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 consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose financial statements include total assets of ₹1,461.48 million as at March 31, 2025, and total revenues

of ₹2,041.34 million and net cash inflows of ₹36.81 million for the year ended on that date. These financial statement 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-sections (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.

One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company’s management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information (before elimination) reflect total assets of Nil as at March 31, 2025, and total revenues of Nil and net cash inflows of Nil for the year ended on that date. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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 the other auditors and the financial statements and other financial information certified by the Management.



Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government 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(xx1) 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 except as stated in Note 44 to the consolidated financial statements that (i) for two software applications, the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis by the Holding Company; and (ii) for matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - (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, 2025 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, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (i) 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 Note 35(b) to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;
 - 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 incorporated in India during the year ended March 31, 2025.

- 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, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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 persons 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which

are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. No dividend has been declared or paid during the year by the Holding Company.
- vi. Based on our examination which included test checks and as explained in Note 44 to the consolidated financial statements:
 - (a) the Holding Company has used two accounting software applications for maintaining its distribution management system and price master records for which audit trail (edit log) facility was not enabled throughout the year for all relevant transactions recorded in the software. Accordingly, we are unable to comment upon whether during the year there were any instances of audit trail feature being tampered with in respect of these accounting software applications. Additionally, the audit trail of relevant prior years has been preserved by the Holding Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 44 to the consolidated financial statements.
 - (b) the Holding Company has used two accounting software applications, for maintaining its books of account and price master records which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in these software except that, audit trail feature is not enabled for certain changes made, if any, using privileged/ administrative access rights during the period April 01, 2024 to February 10, 2025 in respect of accounting software application for maintaining its books of account and for the period April 01, 2024 to March 31, 2025 in respect of software application used for maintaining price master records. Further, during the course of our audit in respect of accounting software

Independent Auditor’s Report

application where the audit trail has been enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, for these software applications, the audit trail of prior year has been preserved by the Holding Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years;

- (c) the Holding Company has used one software application which is operated by a third-party software service provider, for maintaining inventory records. In the absence of Service Organisation Controls reports covering the relevant period, we are unable to comment on whether audit trail feature of the said software application was

enabled and operated throughout the year for all relevant transactions recorded in the software application or whether there were any instances of the audit trail feature being tampered with, in respect of the aforesaid software application. Additionally, we are unable to comment whether the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

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

per **Rajeev Kumar**
Partner
Place: Bengaluru
Date: May 22, 2025
Membership Number: 213803
UDIN: 25213803BMONDS2543

ANNEXURE I TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HONASA CONSUMER LIMITED

In terms of the information and explanations sought by us and given by the Holding 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

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 25213803BMONDS2543

Place: Bengaluru
Date: May 22, 2025



ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HONASA CONSUMER 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 Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2025, 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”), to the extent applicable, incorporated in 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 auditors in terms of their reports 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, 2025, 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 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 4 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

per **Rajeev Kumar**
Partner

Place: Bengaluru
Date: May 22, 2025

Membership Number: 213803
UDIN: 25213803BMONDS2543



Consolidated Balance Sheet

as at March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	258.33	199.60
Capital work-in-progress	3(b)	0.82	4.63
Goodwill	4(a)	527.75	527.75
Other intangible assets	4(b)	1,025.31	1,017.51
Right-of-use assets	5(b)	1,210.39	1,242.61
Financial assets			
i. Other financial assets	8	4,654.35	2,008.29
Income tax assets (net)	9	12.10	8.88
Deferred tax assets (net)	22	95.37	17.98
Other non-current assets	10	1.52	9.80
Total non-current assets		7,785.94	5,037.05
Current assets			
Inventories	11	1,582.79	1,228.36
Financial assets			
i. Investments	7	3,047.75	2,917.69
ii. Trade receivables	12	1,323.28	1,593.76
iii. Cash and cash equivalents	13	329.67	1,070.21
iv. Bank balances other than cash and cash equivalents	14	2,983.25	3,786.30
v. Other financial assets	8	509.24	392.94
Other current assets	10	339.47	294.13
Total current assets		10,115.45	11,283.39
Total Assets		17,901.39	16,320.44
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,251.84	3,242.44
Other equity	16	8,546.46	7,710.27
Equity attributable to equity holders of the parent		11,798.30	10,952.71
Total equity		11,798.30	10,952.71
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	5(c)	1,097.94	1,124.50
ii. Other financial liabilities	17	8.20	-
Provisions	18	99.47	73.17
Deferred tax liabilities (net)	22	-	30.87
Total non-current liabilities		1,205.61	1,228.54
Current liabilities			
Financial liabilities			
i. Lease liabilities	5(c)	266.06	185.19
ii. Trade payables	20		
(a) Total outstanding due of micro enterprises and small enterprises		312.38	159.18
(b) Total outstanding due of creditors other than micro enterprises and small enterprises		3,255.52	2,781.89
iii. Other financial liabilities	17	217.27	226.51
Other current liabilities	19	377.40	673.57
Provisions	18	87.72	61.84
Income Tax Liability (net)	21	381.13	51.01
Total current liabilities		4,897.48	4,139.19
Total liabilities		6,103.09	5,367.73
Total Equity and Liabilities		17,901.39	16,320.44

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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 the Board of Directors of
Honasa Consumer Limited

per **Rajeev Kumar**
Partner
Membership No.: 213803

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership No.: ACS33308

Place: Bengaluru
Date: May 22, 2025

Place: Gurugram
Date: May 22, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	Note	March 31, 2025	March 31, 2024
Income			
Revenue from operations	23	20,669.49	19,199.04
Other income	24	787.34	497.01
Total income (I)		21,456.83	19,696.05
Expenses			
Purchases of traded goods	25	6,563.87	5,935.66
(Increase) in inventories of traded goods	26	(434.62)	(128.83)
Employee benefits expenses	27	2,004.18	1,705.63
Depreciation and amortisation expenses	28	450.06	306.17
Finance costs	29	126.49	90.41
Other expenses	30	11,850.72	10,315.26
Total expenses (II)		20,560.70	18,224.30
Profit before Tax (III = I - II)		896.13	1,471.75
Tax expenses			
Current tax	22	277.48	368.01
Deferred tax (credit)	22	(108.22)	(1.99)
Total tax expenses (IV)		169.26	366.02
Profit after tax (V = III - IV)		726.87	1,105.73
Other comprehensive income/(Loss) (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(loss) on defined benefit plans		(0.13)	2.41
Income tax effect on above	22	0.04	(0.78)
Items that will be reclassified to profit or loss in subsequent periods:			
Exchange difference on translating the financial statement of foreign operation		(0.09)	(0.48)
Other comprehensive (loss)/income for the year, net of tax (VI)		(0.18)	1.15
Total comprehensive income (VII=V+VI)		726.69	1,106.88
Profit for the year after tax attributable to:		726.87	1,105.73
Owners of the parent		726.87	1,118.20
Non-controlling interests		-	(12.47)
Other comprehensive (loss)/income for the year, net of tax attributable to:		(0.18)	1.15
Owners of the parent		(0.18)	1.15
Non-controlling interests		-	-
Total comprehensive income/(loss) attributable to:		726.69	1,106.88
Owners of the parent		726.69	1,119.35
Non-controlling interests		-	(12.47)
Earnings per equity share	34		
Basic, computed on the basis of Profit attributable to owners of the company			
Equity shares, Nominal value of ₹10 each		2.24	3.57
Diluted, computed on the basis of Profit attributable to owners of the company			
Equity shares, Nominal value of ₹10 each		2.23	3.55

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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 the Board of Directors of
Honasa Consumer Limited

per **Rajeev Kumar**
Partner
Membership No.: 213803

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership No.: ACS33308

Place: Bengaluru
Date: May 22, 2025

Place: Gurugram
Date: May 22, 2025

Consolidated Cash flow statement

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2025	March 31, 2024
A Cash flow from operating activities		
1 Profit before tax	896.13	1,471.75
2 Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment ('PPE')	97.68	55.62
Amortisation of intangible assets	25.01	19.53
Depreciation of right-of-use-assets	327.37	231.02
Provision for doubtful debts	124.28	103.55
Bad debts written off	1.27	-
Provision for slow moving inventory	94.76	9.59
Property, plant and equipment written off	16.42	-
Loss on sale of property, plant and equipment	-	11.00
Share-based payments expense (equity settled)	71.00	130.69
Fair value gain on investments measured at fair value through profit and loss ('FVTPL')	(82.64)	(167.22)
Gain on sale of investments measured at FVTPL	(109.27)	(13.35)
Gain on lease modification	-	(38.88)
Interest income	(563.41)	(254.32)
Provision for doubtful advances	-	3.94
Finance costs	126.49	90.41
3 Operating cash flow before working capital changes	1,025.10	1,653.33
4 Movement in working capital:		
Decrease/(Increase) in trade receivables	144.92	(389.51)
(Increase) in other financial assets	(89.91)	(20.42)
Increase in trade payables	626.82	974.34
Increase in financial liabilities	4.11	95.41
Increase in provisions	52.05	36.46
(Increase) in inventories	(449.20)	(128.18)
(Decrease)/Increase in other liabilities	(296.16)	383.09
(Increase)/Decrease in other current assets	(45.34)	73.70
5 Cash flow generated from operating activities	972.38	2,678.23
6 Income tax refund/(paid)	49.42	(324.40)
Net cash flow generated from operating activities [A]	1,021.80	2,353.83
B Cash flow from Investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and payable for capital goods)	(171.13)	(117.68)
Proceeds from sale of property, plant and equipment and intangible assets	5.12	-
Purchase of intangible assets, including payable for capital goods	(32.81)	(0.32)
Payment of Initial direct costs on leases	(0.47)	(1.88)
Investment in Deposits	(7,637.46)	(7,853.30)
Proceeds from redemption of fixed deposits	5,930.18	3,521.73
Purchase of current investment	(1,269.98)	(940.81)
Proceeds from redemption of current investment	1,331.84	790.72
Interest received	393.49	133.40
Settlement of NCI Liability	-	(230.08)
Net cash flow used in investing activities [B]	(1,451.22)	(4,698.22)

Consolidated Cash flow statement

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2025	March 31, 2024
C Cash flow from Financing activities		
Proceeds from issuance of equity shares (net of share issue expense)	47.89	3,633.25
Principal repayment of lease liabilities	(232.54)	(174.25)
Interest on lease liabilities	(118.57)	(82.51)
Finance cost paid	(7.91)	(7.90)
Net cash flow (used in)/generated from financing activities [C]	(311.13)	3,368.59
D Net (decrease)/increase in cash and cash equivalents [D=A+B+C]	(740.54)	1,024.20
E Cash and cash equivalents at the beginning of the year [E]	1,070.21	46.46
Cash and cash equivalents at the end of the year [F=E+D]	329.67	1,070.66
Components of cash and cash equivalents (refer note 13)		
Balance with banks		
- In current accounts	323.26	315.77
- Deposits with original maturity of less than or equal to three months	5.00	750.70
Cash in hand	1.41	3.74
Total cash and cash equivalents	329.67	1,070.21

Reconciliation between opening and closing Consolidated Balance Sheet for liabilities arising from financing activities:

Particulars	Opening balance	Additions due to acquisition	Cash flows	Non- cash movement	Closing balance
March 31, 2025					
Lease liabilities (including interest)	1,309.69	-	(351.11)	405.42	1,364.00
Total liabilities from financing activities	1,309.69	-	(351.11)	405.42	1,364.00
March 31, 2024					
Net movement in bank overdraft facilities	36.09	-	(36.09)	-	-
Lease liabilities (including interest)	885.81	-	(256.76)	680.64	1,309.69
Total liabilities from financing activities	921.90	-	(292.85)	680.64	1,309.69

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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

per **Rajeev Kumar**
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership No.: ACS33308

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

a) Equity share capital
(i) Equity shares of ₹10 each issued, subscribed and fully paid

Particulars	No. of shares	Amount
As at April 01, 2023	13,63,36,336	1,363.36
Issued during the year – Refer note (a) below	18,79,07,821	1,879.08
As at March 31, 2024	32,42,44,157	3,242.44
As at April 01, 2024	32,42,44,157	3,242.44
Issued during the year- Refer note (b) below	9,39,453	9.40
As at March 31, 2025	32,51,83,610	3,251.84

(a) During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹10 each on allotment of ESOP, 1,704,47,700 shares on Non- Convertible Preference Shares ("NCCCPs") conversion and 11,267,530 shares through Initial public offer (IPO). Also refer note 15.

(b) During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹10 each on allotment of ESOP. Also refer note 15.

b) Instruments entirely in the nature of equity

Particulars	No. of shares	Amount
0.001% NCCCPs of ₹10 each, fully paid		
As at April 01, 2023	13,213	17,929.36
Converted to equity shares*	(13,213)	(0.13)
Transferred to Retained earnings	-	(17,929.23)
As at March 31, 2024	-	-
As at April 01, 2024	-	-
Transferred to Retained earnings	-	-
As at March 31, 2025	-	-

* The Company has converted the NCCCPs into equity shares of ₹10/- each in the conversion ratio of 1:12,900 on October 03, 2023.

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

c) Other equity

For the year ended March 31, 2024

	Reserves and Surplus					Other Comprehensive Income	Attributable to the owners of the parent	Non-controlling interest (NCI)	Total Equity
	Retained earnings (Note 16)	Securities premium (Note 16)	Share-based Payment Reserve (Note 16)	Capital redemption reserve (Note 16)	Statutory reserve (Note 16)				
As at April 01, 2023	(18,932.66)	5,194.55	504.92	0.03	-	(0.55)	(13,233.71)	-	(13,233.71)
Profit for the year	1,117.75	-	-	-	-	-	1,117.75	(12.47)	1,105.28
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-
Re-measurement gains on defined benefit plans (net)	1.63	-	-	-	-	-	1.63	-	1.63
Foreign exchange translation difference	-	-	-	-	-	(0.48)	(0.48)	-	(0.48)
Total comprehensive income/(loss)	1,119.38	-	-	-	-	(0.48)	1,118.90	(12.47)	1,106.43
Add: Premium received on issue of equity shares	-	3,602.52	-	-	-	-	3,602.52	-	3,602.52
Less: Transaction cost on issue of shares	-	(143.87)	-	-	-	-	(143.87)	-	(143.87)
Add: Share-based payments expense (equity settled) for the year (Refer note 36)	-	-	130.69	-	-	-	130.69	-	130.69
Less: Transferred to securities premium on exercise of stock options	-	382.37	(382.37)	-	-	-	-	-	-
Less: Reclass for Non-controlling interest	(12.47)	-	-	-	-	-	(12.47)	12.47	-
Less: Change in fair value of non-controlling interest liability	23.21	-	-	-	-	-	23.21	-	23.21
Add: Conversion of CCPS into equity	17,929.23	-	-	-	-	-	17,929.23	-	17,929.23
Less: Utilised on issue of bonus share	-	(1,704.34)	-	-	-	-	(1,704.34)	-	(1,704.34)
Add: Creation of statutory reserve	-	-	-	-	0.11	-	0.11	-	0.11
Add: Transfer on account of options lapsed during the year	5.14	-	(5.14)	-	-	-	-	-	-
As at March 31, 2024	131.83	7,331.23	248.10	0.03	0.11	(1.03)	7,710.27	-	7,710.27

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

For the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

	Reserves and Surplus					Other Comprehensive income	Attributable to the owners of the parent	Non-controlling interest (NCI)	Total Equity
	Retained earnings (Note 16)	Securities premium (Note 16)	Share-Based Payment Reserve (Note 16)	Capital redemption reserve (Note 16)	Statutory reserve (Note 16)	Foreign currency translation reserve (Note 16)			
As at April 01, 2024	131.83	7,331.23	248.10	0.03	0.11	(1.03)	7,710.27	-	7,710.27
Profit for the year	726.87	-	-	-	-	-	726.87	-	726.87
Other comprehensive income/(loss)									
Re-measurement bss on defined benefit plans (net of tax)	(0.09)	-	-	-	-	-	(0.09)	-	(0.09)
Foreign exchange translation difference	-	-	-	-	-	(0.09)	(0.09)	-	(0.09)
Total comprehensive income/(loss)	726.79	-	-	-	-	(0.09)	726.70	-	726.70
Add: Premium received on issue of equity shares	-	38.50	-	-	-	-	38.50	-	38.50
Less: Transaction cost on issue of shares	-	-	-	-	-	-	-	-	-
Add: Share-based payments expense (equity settled) for the year (Refer note 36)	-	-	71.00	-	-	-	71.00	-	71.00
Less: Transferred to securities premium on exercise of stock options	-	125.69	(125.69)	-	-	-	-	-	-
Less: Reclass for Non-controlling interest	-	-	-	-	-	-	-	-	-
Add: Conversion of CCPS into equity	-	-	-	-	-	-	-	-	-
Less: Utilised on issue of bonus share	-	-	-	-	-	-	-	-	-
Add: Creation of statutory reserve	-	-	-	-	-	-	-	-	-
Add: Transfer on account of options lapsed during the year	-	-	-	-	-	-	-	-	-
As at March 31, 2025	858.61	7,495.42	193.41	0.03	0.11	(1.12)	8,546.46	-	8,546.46

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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/E3000004

per **Rajeev Kumar**
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership No.: ACS33308



Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

1 (a) Corporate Information

"Honasa Consumer Limited ("the Company" or "Holding Company" or "Parent Company"), together with its subsidiaries (collectively, the Group), is principally engaged in trading of variety of beauty and personal care products and related services with products across baby care, skin care, hair and other related personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co', 'BBlunt', 'Aqualogica', 'Ayuga' and 'Dr.Sheth's' and services comprises of beauty salon and hair styling services (under the trademark 'BBlunt') as well as content

development and influencer marketing (with its online platform 'Momspresso.com'). The Company, together with its subsidiaries, sells its products and services primarily in India. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The registered office of the Company is located at Unit No - 404, 4th floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi - 110075.

The Group's Consolidated Financial Statements for the year ended March 31, 2025 were approved for issue in the meeting of the Board of directors held on May 22, 2025.

1 (b) Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of Company (Nature of Business)	CIN No.	Country of incorporation	Ownership interest as on March 31, 2025	Ownership interest as on March 31, 2024
Fusion Cosmeceutics Private Limited (acquired w.e.f. April 06, 2022) (skin care products)	U24230MH2003PTC141I01	India	100.00%	100.00%
Just4Kids Services Private Limited (content development and Influencer marketing services)	U80302HR2010PTC107239	India	100.00%	100.00%
PT Honasa Consumer Indonesia*	Not Applicable	Indonesia	100.00%	100.00%
Honasa Consumer General Trading L.L.C. (incorporated on June 16, 2022)	Not Applicable	UAE	100.00%	100.00%
Bhabani Blunt Hairdressing Private Limited (hair styling salon and academy)	U93020MH2004PTC148I87	India	100.00%	100.00%
B:Blunt Spratt Hairdressing Private Limited (hair styling salon and academy) (100% subsidiary of Bhabani Blunt Hairdressing Private Limited) (hair styling salon and academy)	U93000KA201IPTC058323	India	100.00%	100.00%

* The subsidiary is not operational, has no transactions and infusion of capital has not yet been completed.

2 Basis of Preparation and Material accounting policies

2.1 Statement of compliance and basis of preparation

Consolidated financial statements of the Group as at and for the year ended March 31, 2024 are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act (Ind-AS compliant Schedule III as applicable to the consolidated financial statements).

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.

- Equity settled ESOP at grant date fair value
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Consolidated Financial Statements are presented in Indian Rupee (₹). All the values are rounded off to the nearest millions, upto two decimal places except when otherwise indicated.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

2.2 Basis of Consolidation

The Consolidated financial statements comprises of the financial information of the Holding Company and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to the consolidated financial statements to ensure conformity with the group's accounting policies.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, assets, liabilities, equity, income, expenses and cash flows of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of Profit and Loss resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the summary statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

- Recognise that distribution of shares of subsidiary to Holding Company in Holding Company's capacity as owners.

2.3 Material Accounting Policies

2.3.1 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 realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

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.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.

2.3.2 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 parent entity operates (the functional currency). The consolidated financial statements are presented in Indian Rupee (₹) which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included

in the consolidated 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 investment.

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

2.3.3 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the 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

Notes to the Consolidated Financial Statements

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All amount in ₹ Million, unless otherwise stated

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.

2.3.4 Business combination and Goodwill

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 Group 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 Group 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:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group 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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit or loss or OCI, as appropriate

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses 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,

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allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If 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.

Liability for Non-Controlling Interests

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 derecognised and present value of the redemption based on the valuation, which is recorded as a financial liability, is accounted for as an equity transaction.

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	5 to 10	10
Computer & peripherals	3 to 6	3 to 6

Leasehold improvements are amortised on a straight-line basis over the remaining period of the lease or estimated useful life of the assets, whichever is lower.

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 consolidated statement of profit and loss when the asset is derecognised.

The useful lives have been determined based on managements' judgement, based on technical assessment, which in certain instances are different

2.3.5 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. 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 consolidated 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 capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

from those specified by Schedule II to the Act, 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.

2.3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated

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impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the consolidated statement of 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 consolidated 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 consolidated 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	5-7 years	Straight-Line	Acquired
Brand	Indefinite*	No Amortisation	Acquired
Design and Formulation	0.5 - 3 year	Straight-Line	Acquired
Software	1-10 years	Straight-Line	Acquired
Goodwill	Indefinite*	No Amortisation	Acquired

* Tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

2.3.7 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, including impairment on inventories, are recognised in the statement of profit

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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.

2.3.8 Inventories

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

Obsolete, slow moving and defective/damage/ near expiry inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.3.9 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 recognised:

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 a value which reflects the consideration to which the entity expects to be entitled in exchange of such goods, net of returns and allowances, discounts and incentives. Revenue is measured at amount of "Transaction Price" as per Ind AS 115.

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 recognised prorata over the subscription/advertising agreement, usually ranging between one to twelve months.

Non-Cash consideration

The Group measures the non-cash consideration at fair value to determine the transaction price for contracts in which a customer promises consideration in a form other than cash. In case the fair value cannot be reasonably estimated, the company measures the consideration indirectly by reference to the stand alone selling price of the goods promised to the customer in exchange for the consideration.

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

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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 recognised 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.

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 recognised 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 consolidated 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 2.13 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).

2.3.10 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

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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)
Buildings	2-9 years
Computer & Peripherals	3 years

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.

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.

2.3.11 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 utilised 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 treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. 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.

Defined benefit plans – Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually

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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 consolidated statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the consolidated 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 the consolidated statement of 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 recognises contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.3.12 Employee share-based payments

The Stock option plan of the Group is classified as equity settled transaction based on the 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 share-based payment reserve 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 Holding Company's employees are granted share appreciation rights (SAR) settled in cash upto May 30, 2022 and w.e.f. May 31, 2022 the scheme is modified as equity settled scheme. 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.

When the terms of a cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the consolidated statement of profit and loss.

When the terms of a cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the consolidated statement of profit and loss.

When the terms the equity-settled share-based payment transaction are modified, pre-modification valuation and post modification valuation is compared and if the value of post modification is lower than pre-modification, then the cost would be recognised based on original plan, however if the value of post modification is higher than pre-modification, then the original cost would continue to be accounted and for the additional fair value to the extent of vested options recognised in the statement of profit and loss and to

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the extent of unvested options, additional fair value is accounted over the remaining vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.3.13 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

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss 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 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- 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 consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- 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 recognised in OCI. However, the Group recognises 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 categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated 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 Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised 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 recognised in the consolidated 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 the 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



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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) recognised during the period is recognised as income/expense in the consolidated statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the consolidated 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 and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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 consolidated 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 recognised 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 consolidated statement of profit and loss.

After initial recognition, gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. 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 as finance costs in the consolidated 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 consolidated statement of profit and loss.

Offsetting of financial instruments

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

2.3.14 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

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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 recognised for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and 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 utilised. 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 consolidated 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.

2.3.15 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 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 organised and managed on a single segment considering the entire beauty and personal care products and related services 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 Chief Operating Decision Maker (CODM) and monitors the operating results of Group as a whole for the purpose of making decisions about resource allocation and performance assessment.

2.3.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to parent company (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



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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.

2.3.17 Provisions

Provisions are recognised 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.

2.3.18 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 recognised 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 recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

2.3.19 Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet and consolidated statement of cash flows comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and 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.

2.3.20 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 40)
- Financial risk management objectives and policies (Note 39)
- Sensitivity analysis disclosures (Notes 33 and 38).

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 recognised 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.

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

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in the transaction price. A refund liability is recognised 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.

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.

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

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for estimating fair value for share-based payment transactions are disclosed in Note 36.

Business combination

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgements, estimates, and assumptions can materially affect the results of operations.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

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 financial instruments.

2.3.21 Changes in accounting policies and disclosures

New and amended standards

The Group applied for the first-time the following standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective:

(i) Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated August 12, 2024, under the Companies (Indian Accounting Standards) Amendment Rules,

2024, which is effective from annual reporting periods beginning on or after April 01, 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The application of Ind AS 117 had no impact on the consolidated financial statements as the Group has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

Standards notified but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements of the Group are disclosed below. The Group will adopt this new and amended standard, when it become effective.

(i) Lack of exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs notified amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the consolidated financial statements.

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

Particulars	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Leasehold Improvements	Total
Gross Block						
Cost						
As at April 01, 2023	4.20	83.58	25.12	11.36	45.22	169.48
Additions	2.65	46.31	10.14	3.31	60.63	123.04
Disposal/Deletions	(4.63)	-	-	-	-	(4.63)
As at March 31, 2024	2.22	129.89	35.26	14.67	105.85	287.89
As at April 01, 2024	2.22	129.89	35.26	14.67	105.85	287.89
Additions	6.38	74.11	17.49	18.04	61.36	177.38
Disposal/Deletions	(5.72)	(27.52)	(1.94)	(1.41)	-	(36.59)
As at March 31, 2025	2.88	176.48	50.81	31.30	167.21	428.68
Accumulated depreciation						
As at April 01, 2023	2.45	13.61	7.54	7.50	4.13	35.23
Charge for the year	0.80	19.22	5.15	2.02	28.43	55.62
Disposal/Deletions	(2.56)	-	-	-	-	(2.56)
As at March 31, 2024	0.69	32.83	12.69	9.52	32.56	88.29
As at April 01, 2024	0.69	32.83	12.69	9.52	32.56	88.29
Charge for the year	1.25	39.26	12.54	4.38	40.25	97.68
Disposal/Deletions	(1.32)	(11.42)	(1.72)	(1.16)	-	(15.62)
As at March 31, 2025	0.62	60.67	23.51	12.74	72.81	170.35
Net book value						
As at March 31, 2024	1.53	97.06	22.57	5.15	73.29	199.60
As at March 31,2025	2.26	115.81	27.30	18.56	94.40	258.33

3(b). Capital work-in-progress*

	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024					
Projects in progress	4.63	-	-	-	4.63
Projects temporarily suspended	-	-	-	-	-
Total	4.63	-	-	-	4.63
As at March 31, 2025					
Projects in progress	0.82	-	-	-	0.82
Projects temporarily suspended	-	-	-	-	-
Total	0.82	-	-	-	0.82

*There are no overdue or cost overrun projects compared to its original plan and no capital work-in-progress which are temporarily suspended on the above mentioned reporting dates.

As at April 01, 2023	-
Add: Additions during the year	166.31
Less: Capitalised during the year	(161.68)
As at March 31, 2024	4.63
As at April 01, 2024	4.63
Add: Additions during the year	64.19
Less: Capitalised during the year	(68.00)
As at March 31, 2025	0.82

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

4(a). Goodwill*

Goodwill acquired pertains to the following:

Particulars	As at March 31, 2025	As at March 31, 2024
Acquisition of business:		
Bhabani Blunt Hairdressing Private Limited	8.89	8.89
Acquisition of subsidiary		
Just4Kids Services Private Limited	1,360.63	1,360.63
Bhabani Blunt Hairdressing Private Limited	363.38	363.38
Fusion Cosmeceutics Private Limited	155.48	155.48
Less: Provision for impairment on Just4Kids Services Private Limited (Refer note 6)	(1,360.63)	(1,360.63)
	527.75	527.75

* Refer note 6 for impairment testing of Goodwill.

4(b). Intangible assets

Particulars	Brand*	Design and Formulation	Software	Trademarks	Franchise agreements	Non- complete agreement	Total
Cost							
As at April 01, 2023	989.29	20.50	41.55	206.19	4.40	43.20	1,305.13
Additions	-	-	-	0.32	-	-	0.32
Disposals	-	-	-	-	-	-	-
As at March 31, 2024	989.29	20.50	41.55	206.51	4.40	43.20	1,305.45
As at April 01, 2024	989.29	20.50	41.55	206.51	4.40	43.20	1,305.45
Additions **	-	32.55	-	0.26	-	-	32.81
Disposals	-	-	-	-	-	-	-
As at March 31, 2025	989.29	53.05	41.55	206.77	4.40	43.20	1,338.26
Accumulated Amortisation							
As at April 01, 2023	-	20.50	26.03	205.94	0.92	15.02	268.41
Amortisation (Note 28)	-	-	4.25	0.01	0.88	14.39	19.53
Disposals	-	-	-	-	-	-	-
As at March 31, 2024	-	20.50	30.28	205.95	1.80	29.41	287.94
As at April 01, 2024	-	20.50	30.28	205.95	1.80	29.41	287.94
Amortisation (Note 28)	-	6.09	4.20	0.05	0.88	13.79	25.01
Disposals	-	-	-	-	-	-	-
As at March 31, 2025	-	26.59	34.48	206.00	2.68	43.20	312.95
Net book value							
As at March 31, 2024	989.29	-	11.27	0.55	2.60	13.79	1,017.51
As at March 31, 2025	989.29	26.46	7.07	0.77	1.72	-	1,025.31

* Refer note 6 for impairment testing of brand.

** During the year ended March 31, 2025, the Holding Company entered into an asset purchase agreement with Cosmogenesis Cosmetics to acquire the formulation, expertise, research and development lab along with a small manufacturing facility. The acquisition is accounted for as an asset acquisition transaction in accordance with Ind AS 103. The assets acquired have been recorded at their fair value.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

5. 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/low value leases.

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

Particulars	Buildings	Computer and Peripherals	Total
Cost			
As at April 01, 2023	963.95	79.35	1,043.30
Additions	941.81	28.54	970.35
Modification	(376.12)	-	(376.12)
Disposals	(25.93)	(20.38)	(46.31)
As at March 31, 2024	1,503.71	87.51	1,591.22
As at April 01, 2024	1,503.71	87.51	1,591.22
Additions	262.30	39.46	301.76
Modification	(23.06)	(16.73)	(39.79)
As at March 31, 2025	1,742.95	110.24	1,853.19
Accumulated Depreciation			
As at April 01, 2023	185.10	32.29	217.39
Charge for the year (Note 28)	208.18	22.84	231.02
Modification	(91.90)	-	(91.90)
Disposal	-	(7.90)	(7.90)
As at March 31, 2024	301.38	47.23	348.61
As at April 01, 2024	301.38	47.23	348.61
Charge for the year (Note 28)	297.67	29.70	327.37
Modification	(16.45)	(16.73)	(33.17)
As at March 31, 2025	582.60	60.20	642.80
Net book value			
As at March 31, 2024	1,202.33	40.28	1,242.61
As at March 31, 2025	1,160.35	50.04	1,210.39

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

Carried at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Lease liabilities	1,097.94	1,124.50
Total non-current lease liabilities (A)	1,097.94	1,124.50
Current		
Lease liabilities	266.06	185.19
Total current lease liabilities (B)	266.06	185.19
Total lease liabilities (C=A+B)	1,364.00	1,309.69



Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

(d) Following are the amounts recognised in Profit and loss account:

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation of right-of-use-assets (Note 28)	327.37	231.02
Interest expense on lease liability (Note 29)	118.57	82.51
Rent expenses for short-term lease (included in other expenses) (Note 30)	78.73	46.09
	524.67	359.62

(e) Impact on Statement of cash flow (decrease)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease payments (Including interest portion)	351.11	256.76
	351.11	256.76
Payment of principal portion of lease liabilities	232.54	174.25
Payment of interest portion of lease liabilities	118.57	82.51
	351.11	256.76

(f) Movement in lease liabilities for period ended March 31, 2025 and March 31, 2024:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1,309.69	885.81
Add: Additions	326.84	945.91
Less: Modification	(39.99)	(321.12)
Add: Interest on lease liability	118.57	82.51
Less: Payment of lease liabilities	(351.11)	(256.76)
Less: Disposal	-	(26.66)
Balance at the end of the year	1,364.00	1,309.69

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

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	352.16	296.62
Between 1 to 5 years	984.46	930.30
More than five years	368.26	456.20
Total	1,704.88	1,683.12

6. Impairment testing of goodwill and brand

Carrying amount as at March 31, 2025:

Particulars	Fusion Cosmeceutics Private Limited	Just4Kids Services Private Limited	Bhabani Blunt Hairdressing Private Limited	Total
Intangible assets				
Goodwill	155.48	1,360.63	372.27	1,888.38
Brand	168.49	-	820.80	989.29
Less: Provision for impairment*	-	(1,360.63)	-	(1,360.63)
Net Carrying value	323.97	-	1,193.07	1,517.04

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Carrying amount as at March 31, 2024:

Particulars	Fusion Cosmeceutics Private Limited	Just4Kids Services Private Limited	Bhabani Blunt Hairdressing Private Limited	Total
Intangible assets				
Goodwill	155.48	1,360.63	372.27	1,888.38
Brand	168.49	-	820.80	989.29
Less: Provision for impairment*	-	(1,360.63)	-	(1,360.63)
Net Carrying value	323.97	-	1,193.07	1,517.04

The Group tests whether goodwill and indefinite life brand has suffered any impairment on an annual basis or more frequently when there is an indication that the CGU may be impaired. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations uses cash flow projections based on financial budgets approved by the management.

The Group assessed the carrying value of its goodwill and indefinite life brand at CGU level to which they are 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 and indefinite life brand is appropriate for the CGUs- Fusion Cosmeceutics Private Limited and Bblunt.

	As at March 31, 2025		As at March 31, 2024	
	Fusion Cosmeceutics Private Limited	Bhabani Blunt Hairdressing Private Limited	Fusion Cosmeceutics Private Limited	Bhabani Blunt Hairdressing Private Limited
Terminal growth rate	5%	5%	5%	5%
Discount rate	15.90%	15.70%	16.00%	16.00%

Sensitivity change in assumptions

Except for Just4Kids Services Private Limited above, no impairment was identified as the recoverable value of the CGUs exceeded the carrying value. A sensitivity analysis to a change in the key parameters (revenue growth and discount rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGUs recoverable amount would fall below their carrying amount.

* Impairment (CGU-Just4Kids Services Private Limited):

During earlier years, the Board of Directors of the Holding Company evaluated the performance and profitability of Just4Kids Services Private Limited and noted that the performance of the Company was deteriorating with the business significantly underperforming vis-à-vis the business plan. Further the business synergies envisaged from the investment could not be realised despite best efforts of the management. The management also presented multiple scenarios with medium-term to long-term estimates for the acquired business but none of the scenarios demonstrated considerable improvement in profitability profile and any sight of realising synergies for the core product business. Consequently, the Board of Directors have decided to perform impairment analysis by an independent expert.

Basis, such valuation report, impairment loss attributable to Goodwill is ₹1,360.63 million, attributable to software ₹19.14 million and attributable to trademarks ₹167.20 million respectively has been provided for.

Computation of impairment:

Particulars	Carrying value	Fair value	Impairment
Assets			
Non-current assets			
Property, plant and equipment	1.11	1.11	-
Goodwill	1,360.63	-	1,360.63
Trademarks	167.20	-	167.20
Software	19.14	-	19.14
Total (A)	1,548.08	1.11	1,546.97



Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	Carrying value	Fair value	Impairment
Current assets			
Cash & Cash Equivalents	172.14	172.14	-
Trade receivables	110.19	110.19	-
Other current assets	16.33	16.33	-
Loans(TDS Receivable)	14.27	14.27	-
Total (B)	312.93	312.93	-
Current Liabilities			
Trade Payables	23.35	23.35	-
Other Liabilities	3.24	3.24	-
Provisions	24.45	24.45	-
Total (C)	51.04	51.04	-
Net Assets = A+B-C	1,809.97	263.00	1,546.97

7 Investments

Current

	No. of units		Amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Quoted Bonds and Debentures				
8% India Infradebt	500	-	51.71	-
7.65% Sundaram Home Finance	500	-	51.33	-
Total quoted bonds and debentures valued at amortised cost [A]			103.04	-
<i>(valued at fair value through profit and loss)</i>				
Quoted Mutual Funds				
UTI MMMF Direct - Growth	-	1,675	-	4.75
SBI Magnum Ultra Short Duration Direct - Growth	-	16,781	-	93.00
SBI Corporate Bond Fund Direct-G	30,08,137	30,08,137	46.95	43.16
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund Direct-G	28,87,580	28,87,580	34.79	32.25
HDFC Corporate Bond Direct - Growth	62,98,078	62,98,078	204.95	188.21
ICICI Prudential Corporate Bond Direct - Growth*	82,53,324	82,53,324	252.15	232.29
DSP Short-Term Direct - Growth	36,85,984	36,85,984	182.22	167.87
HDFC Short-Term Debt Direct - Growth	35,50,981	35,50,981	114.64	105.44
Kotak Bond Short-term Direct - Growth	32,13,016	32,13,016	180.08	165.54
HDFC Money Market Direct - Growth	-	24,238	-	128.46
HDFC Floating Rate Debt Direct - Growth	1,65,709	5,91,244	8.25	27.11
HDFC Nifty G-sec Dec 2026 Index Direct-G	38,89,834	38,89,834	46.40	43.03
HDFC Nifty G-Sec Jun 2027 Index Direct-G	29,36,222	29,36,222	34.90	32.24
Axis Banking & PSU Debt Direct - Growth	12,250	12,250	32.56	30.06
Axis Strategic Bond Fund Direct - Growth	37,96,366	37,96,366	113.98	104.19
Kotak Corporate Bond Direct - Growth	29,390	29,390	113.09	103.90
Kotak Equity Arbitrage Direct-G	-	4,61,629	-	16.80
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct-G	19,53,657	19,53,657	23.52	21.70
L&T Triple Ace Bond Direct-Growth*	11,31,887	11,31,887	86.01	79.23
ICICI Pru Short-Term Direct - Growth	7,65,761	7,65,761	49.06	45.13
ICICI Pru Long Short Fund II	-	7,99,960	-	83.11
Bharat Bond FOF - April 2030 Direct - Growth	24,19,838	24,19,838	35.55	32.74

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

	No. of units		Amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	20.58	19.42
Powergrid Infrastructure Investment Trust	3,22,385	3,22,385	24.51	30.53
ICICI Prudential Corporate Credit Opportunities AIF I	1,41,772	4,77,939	13.74	53.18
ICICI Pru Floating Interest Direct-G	65,359	65,359	29.59	27.24
Nippon India Corporate Bond Direct - Growth	9,84,373	3,16,628	60.50	17.86
Nippon India ETF Nifty SDL - 2026 Maturity - Growth	5,00,000	5,00,000	64.44	59.90
Edelweiss Credit Plus Fund AIF	10	1,818	0.07	19.53
Edelweiss Arbitrage Direct-G	-	19,66,659	-	37.20
Aditya Birla SL Money Manager Direct-G	9,42,140	3,04,822	346.40	103.88
Aditya Birla SL Floating rate Direct - Growth	-	66,889	-	21.63
Aditya Birla SL Overnight Fund Direct-G	-	38,680	-	50.09
Aditya Birla SL Corporate Bond Direct-G	3,14,491	3,14,491	35.37	32.47
Aditya Birla SL CRISIL IBX Gilt - April 2026 Index Fund Direct-G	48,33,724	48,33,724	57.91	53.86
Bandhan Corporate Bond Direct-G	6,07,706	6,07,706	11.76	10.83
Bandhan Dynamic Bond Direct-G	20,72,774	9,72,065	77.69	33.38
Bandhan Bond Short-Term Direct-G	23,54,846	23,54,846	140.73	129.34
UTI Overnight Fund	-	11,144	-	36.52
ICICI Pru Equity Savings Direct-G	64,72,118	-	151.38	-
ICICI Pru Money Market Direct-G	5,42,907	-	204.50	-
Kotak Savings Fund-Direct Plan - Growth	-	4,287	-	20.92
UTI liquid fund- Direct - Growth	-	10,567	-	41.82
ABSL Floating Rate Fund - Direct Growth	-	1,07,352	-	41.83
Aditya Birla Sun Life Money Manager Fund	2,17,777	1,02,932	83.06	34.98
Aditya Birla Sun Life Overnight Fund	1,51,675	33,560	63.28	43.46
Total [B]			2,944.61	2,700.08
Muthoot Fincorp Limited - Market Linked Debenture - Non Convertible	-	10	-	11.46
Mahindra & Mahindra Financial Services Ltd. NCD TR II 19DEC24 (INE774D07UO2)	-	100	-	110.11
Shriram City Union MLD	-	80	-	95.94
Total [C]			-	217.51
Total Quoted investments valued at FVTPL [D=B+C]			2,944.61	2,917.59
Total Quoted investments [E=A+D]			3,047.65	2,917.59
Unquoted other investments valued at amortised cost				
Beauty Wellness Association India			0.10	0.10
Total Unquoted investments [F]			0.10	0.10
Total Investments [E+F]			3,047.75	2,917.69
Aggregate book value of quoted investments [D]			3,047.65	2,917.59
Aggregate market value of quoted investments [D]			3,047.65	2,917.59
Aggregate value of unquoted investments [F]			0.10	0.10

* Includes an amount of ₹294.70 million (March 31, 2024: ₹294.70 million) secured against bank guarantees on limits with banks.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

8 Other financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Carried at amortised cost		
Non-current		
Security deposits	85.43	91.81
Fixed deposit with maturity of more than 12 months **	4,380.26	1,869.92
Interest accrued	188.66	46.56
	4,654.35	2,008.29
Current		
Security deposits	50.82	43.97
Recoverable from payment partners	318.94	226.69
Unbilled revenue	3.23	2.65
Interest accrued	136.25	119.63
	509.24	392.94

* Includes an amount of ₹70.24 million (March 31, 2024: ₹150.15 million) secured against bank guarantees issued.

Includes ₹297.75 million (March 31, 2024: ₹243.85 million) lien against overdraft facility with the banks.

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2025						
Undisputed unbilled revenue-considered good	3.23	-	-	-	-	3.23
Total	3.23	-	-	-	-	3.23
March 31, 2024						
Undisputed unbilled revenue-considered good	2.65	-	-	-	-	2.65
Total	2.65	-	-	-	-	2.65

There are no disputed dues for the year ended March 31, 2025 and year ended March 31, 2024.

9 Income tax assets (Net)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Advance tax (Net)	12.10	8.88
	12.10	8.88

10 Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances	1.52	9.80
	1.52	9.80
Current		
Balance with government authorities	215.72	171.18
Advance to employees	8.36	2.17
Prepaid expenses	52.31	39.57
Advance to suppliers	30.47	33.49
Other receivables	2.51	3.49
Right to receive inventory on provision for sales return (refer note 23)	38.26	44.23
Less: Inventory provision w.r.t. Right to receive inventory	(8.16)	-
	339.47	294.13

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

11 Inventories

(valued at lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Traded goods [includes goods in transit of ₹32.72 million (March 31, 2024: ₹59.78 million)]	1,763.20	1,322.16
Less: Provision for slow moving inventories	(180.41)	(93.80)
	1,582.79	1,228.36

* During the year ended March 31, 2025, ₹8.16 million has been reclassified to provision on right to receive inventory. Further, during the year ended March 31, 2024, ₹15.00 Million has been reclassified from provision for slow moving inventories to provision for doubtful advances.

12 Trade receivables

Carried at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables	1,323.28	1,593.76
	1,323.28	1,593.76

Break-up for security details

Trade receivables		
Unsecured, considered good	1,323.28	1,593.76
Trade receivables - credit impaired	240.52	160.08
	1,563.80	1,753.84

Impairment allowance (allowance for bad and doubtful debts)

Trade receivables - credit impaired	(240.52)	(160.08)
	(240.52)	(160.08)
Total trade receivables	1,323.28	1,593.76

Movement in impairment allowance (allowance for bad and doubtful debts)

Opening balance	160.08	16.34
Add: Charge for the year	124.28	48.09
Less: Reversal/write off during the year	(43.84)	(7.89)
Closing balance	240.52	160.08

As at March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	992.02	331.26	-	-	-	-	1,323.28
Undisputed trade receivable - credit impaired	28.10	129.56	40.97	33.61	8.28	-	240.52
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total trade receivables	1,020.12	460.82	40.97	33.61	8.28	-	1,563.80

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

As at March 31, 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Undisputed trade receivables - considered good	1,289.09	304.02	0.53	0.12	-	-	1,593.76
Undisputed trade receivable - credit impaired	14.36	85.59	34.90	25.23	-	-	160.08
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total trade receivables	1,303.45	389.61	35.43	25.35	-	-	1,753.84

- There are no non-current trade receivables as on March 31, 2025 and March 31, 2024.
- 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 35. 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 30-90 days.
- For unbilled receivables, refer Note 8.

13 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Balance with banks		
- In current accounts	323.26	315.77
- Deposits with original maturity of less than or equal to three months	5.00	750.70
Cash in hand	1.41	3.74
	329.67	1,070.21
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balance with banks		
- In current accounts	323.26	315.77
- Deposits with original maturity of less than or equal to three months	5.00	750.70
Cash in hand	1.41	3.74
	329.67	1,070.21

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with original maturity of more than three months but less than or equal to twelve months	2,983.25	3,786.30
	2,983.25	3,786.30

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

15 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹10 each		
As at April 01, 2023	34,00,00,000	3,400.00
Increase during the year	-	-
As at March 31, 2024	34,00,00,000	3,400.00
As at April 01, 2024	34,00,00,000	3,400.00
Increase during the year	-	-
As at March 31, 2025	34,00,00,000	3,400.00
Equity share capital of ₹100 each		
As at April 01, 2023	580	0.06
Increase during the year	-	-
As at March 31, 2024	580	0.06
As at April 01, 2024	580	0.06
Increase during the year	-	-
As at March 31, 2025	580	0.06
Equity share capital of ₹90 each		
As at April 01, 2023	290	0.03
Increase during the year	-	-
As at March 31, 2024	290	0.03
As at April 01, 2024	290	0.03
Increase during the year	-	-
As at March 31, 2025	290	0.03

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

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹10 each, fully paid up		
As at April 01, 2023	13,63,36,336	1,363.36
Issued during the year – Refer note (ii) below	1,74,60,121	174.60
Conversion of NCCCPS into equity shares – Refer note (iii) below	13,213	0.13
Bonus Issue on conversion of NCCCPS into equity shares – Refer note (iii) below	17,04,34,487	1,704.35
As at March 31, 2024	32,42,44,157	3,242.44
As at April 01, 2024	32,42,44,157	3,242.44
Issued during the year – Refer note (i) below	9,39,453	9.40
As at March 31, 2025	32,51,83,610	3,251.84

Notes:

- (i) During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹10 each against allotment of ESOP.
- (ii) During the year ended March 31, 2024, the Company issued 6,192,591 equity shares of ₹10 each against allotment of ESOP and 11,267,530 shares through Initial public offer (IPO) of ₹10 each.
- (iii) During the year ended March 31, 2024, the Company issued 13,213 equity shares on conversion of NCCCPS and 170,434,487 equity shares on Bonus Issue on conversion of NCCCPS (Refer "Instruments entirely in the nature of equity" section under this same note 15).
- (iv) There are no outstanding numbers of issued shares of Face Value of ₹100 each and ₹90 each as on March 31, 2025, March 31, 2024, March 31, 2023 (i.e. April 01, 2023). Thus, movement of the same has not been disclosed above.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

c) Terms/rights attached to equity shares

- (i) The Holding Company has equity shares having par value of ₹10 per share. Each shareholder of equity shares is entitled to have one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The dividend, if any, 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, normally the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, as proportion to their holdings.

d) Details of shareholders holding more than 5% shares in the Holding Company:

	As at March 31, 2025		As at March 31, 2024	
	Nos.	Holding %	Nos.	Holding %
Equity shares of ₹10 each, fully paid				
Varun Alagh	10,37,30,850	31.90%	10,35,50,850	31.94%
ICICI Prudential Life Insurance Company Limited	2,53,90,108	7.81%	66,41,975	2.05%
Peak XV Partners Investments VI	4,82,63,012	14.84%	6,06,04,200	18.64%
Sofina Ventures S.A.	1,07,15,978	3.30%	1,99,74,026	6.14%
Fireside Ventures Investment Fund-I	73,00,733	2.25%	1,71,26,192	5.27%
	19,54,00,681		20,78,97,243	

e) Details of shares held by promoters:

Equity shares of ₹10 each, fully paid

As at March 31, 2025

Promoter Name	No. of shares at the beginning of the year	Change on account of issue of bonus shares	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	10,35,50,850	-	1,80,000	10,37,30,850	31.90%	0.17%
Ghazal Alagh	99,64,700	-	-	99,64,700	3.06%	-

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change on account of issue of bonus shares	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Varun Alagh	10,67,37,650	-	(31,86,800)	10,35,50,850	31.94%	(2.99)%
Ghazal Alagh	1,00,65,200	-	(1,00,500)	99,64,700	3.07%	(1.00)%

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) and erstwhile Share appreciation rights (SARs), Refer note 36.

- g) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:
- (i) During the year ended March 31, 2023, the Company has issued bonus shares aggregating to 136,032,854 in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹10 each.
- (ii) During the year ended March 31, 2023, 290 equity shares of face value of ₹90 per share were bought back for ₹90 per share.
- (iii) During the year ended March 31, 2024, the Company has converted the NCCCPS into equity shares of ₹10 per share in the conversion ratio of 1:12,900.

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for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Instrument entirely in the nature of equity

Preference shares

a) Authorised share capital

	NCCCPS	
	Numbers	Amount
0.001% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹10 each		
As at April 01, 2023	26,730	0.27
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
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2024	26,730	0.27
As at April 01, 2024	26,730	0.27
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
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2025	26,730	0.27

ii) Issued, subscribed and fully paid up shares

	NCCCPS	
	Numbers	Amount
NCCCPS of ₹10 each		
As at April 01, 2023	13,213	17,929.36
Converted to equity shares	(13,213)	(0.13)
Transferred to retained earnings (Refer note 16)	-	(17,929.23)
As at March 31, 2024	-	-
As at April 01, 2024	-	-
Issued during the year	-	-
As at March 31, 2025	-	-

* The Company has converted the NCCCPS into equity shares of ₹10 each in the conversion ratio of 1:12,900 on October 03, 2023.

(iii) Terms/rights attached to NCCCPS

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

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 (post bonus 12,900 equity shares) of the Company at the earlier of the following events:

- Anytime at the option of the holder
- Immediately upon the expiry of 20 years from the date of allotment; or
- 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.

- Refer Note 15(b)(iii) for details relating to conversion of NCCCPS into equity shares.

16 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium	7,495.42	7,331.23
Retained earnings	858.61	131.83
Share-based payment reserve	193.41	248.10
Capital redemption reserve	0.03	0.03
Foreign currency translation reserve	(1.12)	(1.03)
Statutory reserve	0.11	0.11
	8,546.46	7,710.27
(a)Securities premium		
Opening balance	7,331.23	5,194.55
Add: Premium on issue of equity shares	38.50	3,602.52
Less: Transaction cost on issue of shares	-	(143.87)
Add: Transferred to securities premium on exercise of stock options	125.69	382.37
Less: Utilised on issue of bonus share	-	(1,704.34)
Closing balance	7,495.42	7,331.23
(b)Retained earnings		
Opening balance	131.83	(18,932.66)
Add:(Loss)/profit for the year	726.87	1,117.75
Add: Other comprehensive income	(0.09)	1.63
Less: Change in fair value of non-controlling interest liability, net of tax (Refer note below)	-	23.21
Less: Reclass for Non-controlling interest	-	(12.47)
Add: Conversion of NCCCPS into equity	-	17,929.23
Add: Transfer on account of options lapsed during the year of vested options	-	5.14
Closing balance	858.61	131.83
Note: During the year ended March 31, 2024, the Holding Company has settled the NCI liability based on the share purchase agreement for a consideration of ₹230.08 million and the differential gain of ₹23.21 million has been recognised in retained earnings.		
(c)Share-based payment reserve		
Opening balance	248.10	504.92
Add: Share-based payments expense (equity settled) for the year (Refer note 27)	71.00	130.69
Less: Transferred to securities premium on exercise of stock options	(125.69)	(382.37)
Less: Transfer on account of options lapsed during the year of vested options	-	(5.14)
Closing balance	193.41	248.10
(d)Capital redemption reserve		
Opening balance	0.03	0.03
Add: Created during the year	-	-
Closing balance	0.03	0.03

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	As at March 31, 2025	As at March 31, 2024
(e) Foreign currency translation reserve		
Opening balance	(1.03)	(0.55)
Add: Impact of translation of foreign subsidiary	(0.09)	(0.48)
Closing balance	(1.12)	(1.03)
(e) Statutory Reserve		
Opening balance	0.11	-
Add: Creation of statutory reserve	-	0.11
Closing balance	0.11	0.11

Nature and purpose of reserves

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 are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Consolidated Statement of Profit and Loss.

c) Share-based payment reserve:

Share-based payment reserve is used to recognise the fair value of equity-settled share-based payment transactions with employees.

d) Capital redemption reserve:

The capital redemption reserve represents the reserve created by the Holding Company on buy back of equity shares out of free reserves or securities premium account as per Section 69 of the Companies Act, 2013.

e) Foreign currency translation reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

f) Statutory Reserve

Statutory reserve is created by allocating 5% of the net profit of the subsidiary company, Honasa Consumer General Trading L.L.C as required by U.A.E. Federal Law No. 32 of 2021 ("Companies Law"), concerning Commercial Companies in the U.A.E. The subsidiary company can discontinue such annual transfers when this reserve totals 50% of the paid-up share capital. The reserve is not available for distribution, except as provided in the UAE Federal Decree-Law No. 32.

17 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non- Current		
Carried at amortised cost		
Security deposits	8.20	-
	8.20	-
Current		
Carried at amortised cost		
Employee benefits payable	142.59	163.73
Security deposits	0.59	0.75
Payable for capital goods	12.00	17.15
Other financial liabilities	62.09	44.88
	217.27	226.51



Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

18 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Provision for Gratuity (Refer note 33)	99.47	73.17
	99.47	73.17
Current		
Provision for Gratuity (Refer note 33)	11.76	3.44
Provision for Leave benefits	75.96	58.40
	87.72	61.84

19 Other liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory dues payable	124.37	432.43
Advance from customers	25.11	69.18
Provision for sales return	206.96	152.48
Deferred revenue	20.96	19.48
	377.40	673.57

Movement during the year	Advance from customers	Provision for sales return	Deferred revenue
Balance as at April 01, 2023	44.91	101.71	22.64
Arising during the year	69.18	152.48	19.48
Utilised during the year	(44.91)	(101.71)	(22.64)
Balance as at March 31, 2024	69.18	152.48	19.48
Balance as at April 01, 2024	69.18	152.48	19.48
Arising during the year	25.11	206.96	20.96
Utilised during the year	(69.18)	(152.48)	(19.48)
Balance as at March 31, 2025	25.11	206.96	20.96

20 Trade payables

Carried at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises ('MSME')	312.38	159.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,255.52	2,781.89
	3,567.90	2,941.07

There are no non-current trade payables as on March 31, 2025 and March 31, 2024.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

The amount due to Micro, small and medium enterprise in 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 Group. The disclosure relating to micro, small and medium enterprises are as under:

Particulars	March 31, 2025	March 31, 2024
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period:		
Principal amount due to micro and small enterprises	307.16	155.65
Interest due on the above	5.22	3.53
Total	312.38	159.18
(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	1.69	1.18
(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	5.22	3.53

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 39.

Trade payables (outstanding for following years from the date of transaction) ageing schedule:

Promoter Name	Not Due *	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025						
(i) Undisputed dues - MSME	-	311.34	1.04	-	-	312.38
(ii) Undisputed dues - Others	1,413.21	1,837.85	0.53	3.93	-	3,255.52
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,413.21	2,149.19	1.57	3.93	-	3,567.90
As at March 31, 2024						
(i) Undisputed dues - MSME	7.00	151.60	0.58	-	-	159.18
(ii) Undisputed dues - Others	1,321.41	1,446.42	11.78	2.28	-	2,781.89
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,328.41	1,598.02	12.36	2.28	-	2,941.07

* Includes unbilled payables of ₹1,337.74 million as on March 31, 2025 (₹1,097.64 as on March 31, 2024).

21 Income tax liability (Net)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Income tax liability (net of advance tax)	381.13	51.01
	381.13	51.01

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

22 Tax expense (net)

The major components of income tax expense for the year ended March 31, 2025 and March 31, 2024 are:

a) Statement of Profits and Losses

Profit or loss section

	Year ended March 31, 2025	Year ended March 31, 2024
Current income tax:		
Current tax	277.48	368.01
Deferred tax:		
Relating to origination and reversal of temporary differences	(108.22)	(1.99)
Total tax expense	169.26	366.02

b) Other comprehensive income/(loss)

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

	Year ended March 31, 2025	Year ended March 31, 2024
Deferred tax charge on remeasurements of defined benefit plans	0.04	0.78
Tax expense charged to OCI	0.04	0.78

c) Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate:

	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit/(loss) before income tax	896.13	1,471.75
Applicable tax rate in India	25.17%	25.17%
Computed tax charge/(credit)	225.56	370.44
Deferred tax asset not recognised in subsidiaries/ not recognised in previous years	(43.74)	(7.09)
Expenses not deductible under income tax	(13.38)	2.24
Others	0.82	0.54
Income tax expense reported in the Consolidated Statement of Profit and Loss	169.26	366.13

d) (i) Deferred tax balances

	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities [refer note d (ii) (a) below]	-	30.87
Deferred tax assets [refer note d (ii) (a) below and refer note d (ii) (a) below respectively]	95.37	17.98
	(95.37)	12.89

d) (ii) Deferred tax relates to the following:

	As at March 31, 2025	As at March 31, 2024
(a)Deferred tax liability		
Investments – Fair value	113.71	92.65
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	53.30	56.30
	167.01	148.95
Deferred tax asset		
Allowance for bad and doubtful debts	60.35	40.14
Property, plant and equipment: Impact of difference between tax depreciation and depreciation charged for the financial reporting	12.27	-

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for the year ended March 31, 2025

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	As at March 31, 2025	As at March 31, 2024
Provision for Gratuity	27.41	17.03
Provision for leave encashment	18.94	14.18
Provision for bonus	0.93	0.49
Provision for deferred revenue	2.23	3.69
Leases (net)	38.66	11.22
Provision for slow moving inventory	45.20	22.54
Security deposits	8.33	8.79
Others	4.32	-
Brought forward losses and unabsorbed depreciation	43.74	46.41
	262.38	164.49
	(95.37)	(15.54)
Less: Deferred tax not recognised (Refer note (i) below)	-	46.41
Net Deferred tax liability/(asset)	(95.37)	30.87
(b)Deferred tax asset		
Provision for Gratuity	-	1.98
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	-	10.34
Right of Use Asset, net	-	5.66
Net Deferred tax (asset)	-	(17.98)

e) Reconciliation of deferred tax liabilities/(asset):

	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance	12.89	14.10
Tax income/(expense) during the year		
- recognised in Consolidated Statement of Profit and Loss	(108.22)	(1.99)
- recognised in OCI	(0.04)	0.78
Closing net deferred tax liability/ (asset)	(95.37)	12.89

f) The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2025 is as follows:

Particulars	March 31, 2024	Recognised in profit or loss	Recognised in OCI	March 31, 2025
Deferred tax liability/ (asset) in relation to				
Investments – Fair value	92.65	21.06	-	113.71
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	45.96	(4.93)	-	41.02
Allowance for bad and doubtful debts	(40.14)	(20.21)	-	(60.35)
Provision for Gratuity	(19.01)	(8.37)	(0.04)	(27.41)
Provision for leave encashment	(14.18)	(4.76)	-	(18.94)
Provision for bonus	(0.49)	(0.44)	-	(0.93)
Provision for deferred revenue	(3.69)	1.46	-	(2.23)
Brought forward losses and unabsorbed depreciation	(46.41)	2.68	-	43.73
Leases (net)	(16.88)	(21.78)	-	(38.66)
Others	-	(4.33)	-	(4.33)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Particulars	March 31, 2024	Recognised in profit or loss	Recognised in OCI	March 31, 2025
Provision for slow moving inventory	(22.54)	(22.66)	-	(45.20)
Security deposits	(8.79)	0.46	-	(8.33)
Net Deferred tax asset/(liability)	(33.52)	(61.81)	(0.04)	(95.37)
Add: Deferred tax asset not recognised till March 31, 2024 recognised during March 31, 2025 [Refer note (ii)]	46.41	(46.41)	-	-
Net Deferred tax liability/(asset)	12.89	(108.22)	(0.04)	95.37

- Notes:
- (i)

The Group 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.
- (ii)

During the year ended March 31, 2025, the Group has reassessed and basis projected availability of taxable future profits of Fusion Cosmeceutics Private Limited and recognised deferred tax asset thereon with respect to carry forward losses and other temporary differences.

g) Movement for the year ended March 31, 2024

Particulars	March 31, 2023	Recognised in profit or loss	Recognised in OCI	March 31, 2024
Deferred tax liability in relation to				
Investments – Fair value	51.74	40.91	-	92.65
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	40.94	15.36	-	56.30
Deferred tax asset in relation to				
Allowance for bad and doubtful debts	(12.59)	(27.55)	-	(40.14)
Provision for Gratuity	(15.03)	(2.78)	0.78	(17.03)
Provision for leave encashment	(9.53)	(4.65)	-	(14.18)
Provision for bonus	(0.66)	0.17	-	(0.49)
Provision for deferred revenue	(5.70)	2.01	-	(3.69)
Brought forward losses and unabsorbed depreciation	(35.22)	(11.19)	-	(46.41)
Leases (Net)	(5.78)	(5.44)	-	(11.22)
Provision for slow moving inventory	(26.66)	4.12	-	(22.54)
Security deposits	(6.14)	(2.65)	-	(8.79)
Total	(24.63)	8.31	0.78	(15.54)
Less: Deferred tax not recognised (Refer note (i) above)	40.09	6.32	-	46.41
Net Deferred tax liability [A]	15.46	14.63	0.78	30.87
Deferred tax asset/(liability) in relation to				
Provision for Gratuity	(0.95)	(1.03)	-	(1.98)
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	(0.91)	9.43	-	(10.34)
Leases (net)	0.50	(6.16)	-	(5.66)
Net Deferred tax asset [B]	(1.36)	(16.62)	-	(17.98)
Net Deferred tax liability [A + B]	14.10	(1.98)	0.78	12.89

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for the year ended March 31, 2025

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23 Revenue from operations

Particulars	March 31, 2025	March 31, 2024
Sale of products*	20,264.77	18,815.24
Sale of services	404.72	383.80
Revenue from operations	20,669.49	19,199.04

* During the year ended March 31, 2025, the Holding Company has executed Project 'Neev' which entails transition to Direct distribution model across top 50 cities and in the process making the general trade distribution future ready. As part of the Project 'Neev' the Holding Company has discontinued super stockist layer as well as certain direct Distributors replacing them with higher quality/Tier 1 Distributors to service Retailers across top 50 cities. Consequent to the aforesaid transition, revenue from operations is net of sales return of ₹635.18 Million with resulting inventory/right to return asset. As at March 31, 2025, the Holding Company has outstanding provision for sales return of ₹52.01 Million in this regard.

Particulars	March 31, 2025	March 31, 2024
Sale of products (net of Goods and Service Tax)		
Traded goods	20,264.77	18,815.24
	20,264.77	18,815.24
Sale of services (net of Goods and Service Tax)		
Content creation and influencer marketing	-	40.50
Hair care	404.72	343.30
	404.72	383.80

23.1 Details of disaggregation of revenue

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

23.2 Contract balances

Particulars	As at March 31, 2025	As at March 31, 2024
Contract assets		
Trade receivables (Refer Note 12)	1,323.28	1,593.76
Unbilled revenue (Refer note 8)	3.23	2.65
Right to receive inventory on sales return (Refer note 10)	30.10	44.23
Recoverable from Payment Partners (Refer note 8)	318.94	226.69
	1,675.55	1,867.33
Contract Liabilities		
Advance from customers (Refer note 19)	25.11	69.18
Deferred revenue (Refer note 19)	20.96	19.48
Provision for sales return (Refer Note 19)	206.96	152.48
	253.03	241.14

23.3 Timing of revenue recognition

Particulars	March 31, 2025	March 31, 2024
Revenue recognised at a point in time	20,669.49	19,158.54
Revenue recognised over a period of time	-	40.50
Revenue from contract with customers	20,669.49	19,199.04

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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

Particulars	March 31, 2025	March 31, 2024
Revenue as per contracted price	22,801.01	20,824.37
Adjustments		
Provision for sales return	(54.48)	(63.71)
Claims and rebates	(2,075.56)	(1,564.78)
Deferred revenue	(1.48)	3.16
Revenue from contract with customers	20,669.49	19,199.04

23.5 Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise 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.

24 Other income

Particulars	March 31, 2025	March 31, 2024
Interest income on:		
Investments	280.02	75.47
Deposits with bank	270.59	165.29
Income tax refund	1.60	0.97
Unwinding of discount on security deposits	11.20	12.60
Fair value gain on investments measured at FVTPL	82.64	167.22
Gain on sale of investments measured at FVTPL	109.27	13.35
Foreign exchange gain (net)	7.98	2.26
Gain on lease modification	-	38.88
Others	24.04	20.97
	787.34	497.01

25 Purchases of traded goods

Particulars	March 31, 2025	March 31, 2024
Purchases (traded goods)	6,563.87	5,935.66
	6,563.87	5,935.66

26 (Increase) in inventories of traded goods

Particulars	March 31, 2025	March 31, 2024
Inventories at the beginning of the year	1,322.61	1,208.51
Right to receive inventory on provision for sales return at the beginning of the year	44.23	29.50
	1,366.84	1,238.01
Inventories at the end of the year	1,763.20	1,322.61
Right to receive inventory on provision for sales return at the end of the year	38.26	44.23
	1,801.46	1,366.84
(Increase) in inventories of traded goods	(434.62)	(128.83)



Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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27 Employee benefits expenses

Particulars	March 31, 2025	March 31, 2024
Salaries, wages and bonus	1,807.29	1,478.12
Contribution to provident fund and other funds (Refer note 33)	29.09	25.72
Gratuity (Refer note 33)	38.69	23.95
Share-based payments expense (equity settled) (Refer note 36)	71.00	130.69
Staff welfare expenses	58.11	47.15
	2,004.18	1,705.63

28 Depreciation and amortisation expense

Particulars	March 31, 2025	March 31, 2024
Depreciation of property, plant and equipment (refer note 3(a))	97.68	55.62
Depreciation of right-of-use-assets (refer note 5(b))	327.37	231.02
Amortisation of intangible assets (refer note 4(b))	25.01	19.53
	450.06	306.17

29 Finance costs

Particulars	March 31, 2025	March 31, 2024
Interest on		
Lease liabilities	118.57	82.51
Borrowings from bank	0.36	1.13
Others	-	2.88
Bank charges	7.56	3.89
	126.49	90.41

30 Other expenses

Particulars	March 31, 2025	March 31, 2024
Advertisement expense	7,434.04	6,612.80
Freight and forwarding charges	1,622.04	1,795.02
Software support expenses	230.51	267.92
Sales Commission	1,140.14	560.54
Packaging materials and other consumables	252.73	182.97
Influencer expense	-	18.26
Content creation expense	-	4.34
Activation expenses	-	5.76
Power and fuel	21.42	14.29
Rent (Refer note 5)	78.73	46.09
Rates and taxes	20.20	7.59
Contract Labour charges	213.45	192.65
Insurance	6.81	10.25
Repairs and maintenance	65.64	44.75
Travelling and conveyance	122.50	113.22
Communication costs	15.54	5.64
Printing and stationery	1.76	2.63
Legal and professional charges (Refer note (i) below)	336.86	252.61
Bad debts written off	1.27	2.07
Provision for doubtful advances	-	3.94
Payment gateway charges	13.91	14.09

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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Particulars	March 31, 2025	March 31, 2024
Research and insights expense	0.29	2.94
Loss on sale of property, plant and equipment	-	11.00
Foreign exchange fluctuation loss (net)	-	(0.39)
Provision for slow moving inventory	94.76	9.59
Property, plant and equipment written off	16.42	-
Corporate social responsibility expenses (Refer note (ii) below)	15.28	7.69
Provision for doubtful debts	124.28	103.55
Miscellaneous expenses	14.74	16.05
Directors sitting fees	7.40	7.40
	11,850.72	10,315.26
(i) Payment to auditor (included under legal and professional charges)		
Audit fee paid to statutory auditors of Standalone and Consolidated financial statements	5.70	5.00
Limited review fees	5.50	3.00
Audit fees relating to subsidiary companies	2.57	3.17
Other services fees relating to subsidiary companies	0.27	0.19
Reimbursement of expenses	1.15	1.08
Certification fees	1.60	0.63
Other services (IPO related services)	-	12.31
Other adjustments *	-	(12.31)
	16.79	13.07

* Payment to auditor in respect of IPO related services are proportionately recovered from the selling shareholders and the remaining amounts are adjusted against Securities premium during the year ended March 31, 2024.

(ii) Details of CSR Expenditure

Consequent to the requirements of Section 135 and Schedule VII of the Act 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 Group has spent ₹13 million in the year ended March 31, 2025 (March 31, 2024: ₹9 million) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act.

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

Particulars	March 31, 2025	March 31, 2024
a) Gross amount required to be spent by the Group during the year	15.28	7.69
b) Amount approved by the Board to be spent during the year	13.00	9.00

c) Amount spent during the period ended March 31, 2025

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	13.00	-	13.00

d) Amount spent during the year ended March 31, 2024

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	9.00	-	9.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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Details of ongoing project and other than ongoing project for the year ended March 31, 2025

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 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
2.44	-	15.28	13.00	0.16

Details of ongoing project and other than ongoing project for the year ended March 31, 2024

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 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
1.13	-	7.69	9.00	2.44

31 Earnings per share

Basic Earnings per share ('EPS') amounts are calculated by dividing the Consolidated Profit for the period attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the Consolidated Profit attributable to equity holders of the Holding 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:

Particulars	March 31, 2025	March 31, 2024
Profit after tax attributable to equity holders of the Parent (a)	726.87	1,118.20
Equity shares of ₹10 each	726.87	1,118.20
Weighted average number of shares outstanding during the year for basic EPS		
Equity shares of ₹10 each (including vested employee stock options with no substantial consideration)	32,50,85,484	31,32,88,253
Total considered for basic EPS (b)	32,50,85,484	31,32,88,253
Weighted average number of shares outstanding during the year for diluted EPS ©		
Total considered for basic EPS	32,50,85,484	31,32,88,253
Add: Unvested employee stock options	8,11,660	16,06,606
Total considered for diluted EPS (c)	32,58,97,144	31,48,94,859
Basic earnings per share (in ₹) (a/b)		
Equity shares of ₹10 each	2.24	3.57
Diluted earnings per share (in ₹) (a/c)		
Equity shares of ₹10 each	2.23	3.55

Notes to the Consolidated Financial Statements

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32 Related party disclosures

Note 1(b) of Material accounting policies forming part of Consolidated Financial Statements provides the information about the Group's structure including the details of the subsidiaries. Names of related parties and related party relationship, irrespective of whether transaction have occurred or not is given below:

Entities where control exists	Nature of relationship
Just4Kids Services Private Limited	Subsidiary
Bhabani Blunt Hairdressing Private Limited	Subsidiary
Bblunt Spratt Hair dressing Private Limited	Subsidiary of subsidiary
PT Honasa Consumer Indonesia	Subsidiary
Honasa Consumer General Trading L.L.C.	Subsidiary
Fusion Cosmeceutics Private Limited	Subsidiary

Key management personnel (KMP) of Holding company

Directors

Varun Alagh	Director and Chief Executive Officer
Ghazal Alagh	Director
Ishaan Mittal	Director
Vivek Gambhir	Independent Director
Namita Gupta	Independent Director
Subramaniam Somasundaram	Independent Director

Other KMP

Raman Preet Sohi	Chief Financial Officer
Dhanraj Dagar	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 period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties as at March 31, 2025 and March 31, 2024. This assessment is undertaken at each financial period through examining the financial position of the related party and the market in which the related party operates. There are no commitments with related parties.

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

Nature of transactions	March 31, 2025	March 31, 2024
Reimbursement of expenses		
Varun Alagh	0.33	0.60
Ghazal Alagh	0.33	0.34
	0.66	0.94
Remuneration paid*		
Varun Alagh	30.88	19.98
Ghazal Alagh	18.99	14.38
Ramanpreet Sohi	37.88	147.39
Dhanraj Dagar	5.02	3.85
	92.77	185.60

*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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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Nature of transactions	March 31, 2025	March 31, 2024
Directors sitting fees		
Vivek Gambhir	2.20	2.20
Namita Gupta	2.20	2.20
Subramaniam Somasundaram	3.00	3.00
	7.40	7.40
Share-based payment expenses		
Ramanpreet Sohi	8.33	0.36
Dhanraj Dagar	0.17	0.38
	8.50	0.74

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

Nature of transactions	As at March 31, 2025	As at March 31, 2024
No. of Employee Stock Options Outstanding		
Ramanpreet Sohi	1,18,481	30,637
Dhanraj Dagar	1,548	2,787
	1,20,029	33,424

33 Employee benefits plan

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

The Group makes Provident Fund and Employee State Insurance Scheme 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 ended March 31, 2025 the Group recognised ₹29.09 million (March 31, 2024: ₹25.72 million) towards such contributions in the Consolidated 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 employees.

Gratuity is a defined benefit plan and 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.

Notes to the Consolidated Financial Statements

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Particulars	As at March 31, 2025	As at March 31, 2024
Current	11.76	3.44
Non-current	99.47	73.17
	111.23	76.61

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, 2025:

Particulars	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2024	76.61	-	76.61
Amount recognised in Statement of Profit and Loss:			
Current service cost	33.37	-	33.37
Interest cost on benefit obligation	5.32	-	5.32
Total amount recognised in statement of profit and loss	38.69	-	38.69
Benefits paid	(4.20)	-	(4.20)
Remeasurement			
Actuarial changes arising from changes in financial assumptions	6.62	-	6.62
Experience adjustments	(6.49)	-	(6.49)
Total amount recognised in other comprehensive income	0.13	-	0.13
Contributions by employer	-	-	-
As at March 31, 2025	111.23	-	111.23

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2024:

Particulars	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2023	62.60	-	62.60
Amount recognised in Statement of Profit and Loss:			
Current service cost	20.27	-	20.27
Interest cost on benefit obligation	3.68	-	3.68
Total amount recognised in statement of profit and loss	23.95	-	23.95
Benefits paid	(7.53)	-	(7.53)
Remeasurement			
Actuarial changes arising from changes in financial assumptions	3.57	-	3.57
Experience adjustments	(5.98)	-	(5.98)
Total amount recognised in other comprehensive income	(2.41)	-	(2.41)
Contributions by employer	-	-	-
As at March 31, 2024	76.61	-	76.61

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

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.75% - 7.29%	7.20% - 7.50%
Future salary increases	5% - 10%	5% - 10%
Normal retirement age	60 years	60 years
Attrition/withdrawal (per annum)	5% - 35%	5% - 35%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Notes to the Consolidated Financial Statements

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

		As at March 31, 2025		As at March 31, 2024	
	Sensitivity Level	Impact on Defined benefit obligation			
		Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase/decrease	(9.02)	14.05	(6.14)	8.64
Future salary increase	0.5% increase/decrease	10.01	(5.86)	5.81	(3.95)
Attrition rate	0.5% increase/decrease	(0.01)	3.85	(0.33)	2.06

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 year) has been applied as when calculating the defined benefit liability recognised in the Consolidated Balance Sheet.

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 4 to 20 years (March 31, 2024: 4 years to 20 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	11.76	3.44
Between 2 and 5 years	23.11	4.95
Beyond 5 years	390.83	313.66

34 Segment information

The Group is principally engaged in trading of variety of beauty and personal care products and related services with products across baby care, skin care, hair and other personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co', 'BBlunt', 'Aqualogica', 'Ayuga' 'Staze' and 'Dr.Sheth's' and services comprises of beauty salon and hair styling services (under the trademark 'BBlunt') as well as content development and influencer marketing (with its online platform 'Momspresso.com'). The Company, together with its subsidiaries, sells its products and services primarily in India. 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 segment 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/(loss) as per the Consolidated Statement of Profit and Loss represents the revenue, total expenses and net profit/(loss) of the sole reportable segment.

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:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) The amount of revenue from external customers broken down by location of customers is shown below:		
India	20,094.09	18,748.85
Outside India	575.40	450.19
	20,669.49	19,199.04

(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. The overseas subsidiaries do not have any non-current assets outside India as at the reporting date.

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35 Commitments & Contingent Liabilities

a) Commitments

Refer note 5 for lease commitments

b) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the Group not acknowledged as debts*	Refer note below	Refer note below
Bank guarantee**	278.80	365.56
Disputed statutory demands pending before the Appellate Authorities#	-	0.47

**RSM General Trading LLC ("RSM"), an overseas distributor of the Holding Company had filed a legal suit against the Holding Company in the Court of First Instance in UAE on the grounds that the Distributorship Agreement between RSM and the Holding Company had been terminated illegally by the Company without complying with provisions of the Distributorship Agreement and RSM had claimed damages to the tune of AED 45 million (equivalent to ₹1,001.25 million), whereas the Court in its hearing held on May 16, 2024, had ordered the Holding Company to pay an amount of AED 25.07 million (equivalent to ₹576.65 million) plus interest at the rate of 5% from the date of order till the date of payment ("UAE Court Order"). The Holding Company had filed an appeal against the said order. The Court of Appeal on October 15, 2024 rejected the appeal filed by the Holding Company, without issuing any observations or findings on the expert reports filed by the Holding Company and the exclusive jurisdiction clause contained in the Agreement. The Holding Company subsequently filed an appeal against this judgement before the Cassation Court, and the Cassation Court on March 26, 2025 referred the case back to Court of Appeal for re-hearing by a panel composed of different judges from the original panel that passed the Judgement dated October 15, 2024. The execution of the original judgement shall stand further stayed, until the fresh appeal to be re-heard by different panel of Court of Appeal and further recourse to Cassation Court, if any, is disposed off.*

The Holding Company had further filed a petition under Section 9 of Arbitration and Conciliation Act, 1996, in High court of Delhi seeking Anti-suit and enforcement injunction prohibiting RSM from continuing proceedings in UAE, which was subsequently allowed by the Court. RSM appealed against this judgement before the division bench of Delhi High Court seeking stay on the anti-suit enforcement and the direction to deposit ₹576.65 Million to Delhi High Court Registry. The Delhi High Court, on November 07, 2024, only stayed the direction of deposit and ruled that RSM shall immediately withdraw the execution proceedings filed in UAE and directed RSM to make a request to Dubai Court for staying execution proceedings until the Indian appeal is disposed off. The next date for hearing in Indian Appeal is September 01, 2025 for hearing the appeal filed by RSM and applications filed by Honasa. The Holding Company had also filed an application under Section 11 of the Arbitration & Conciliation Act, 1996 for appointment of an arbitrator and for arbitration proceedings to commence under the terms of the Agreement, which was graciously allowed by the Supreme Court on February 17, 2025.

Currently, the arbitration proceedings have commenced between the Parties in Indian, in terms of the dispute resolution clause under the Agreement, wherein the Holding Company shall duly file its Statement of Claim detailing the damages and losses suffered by it due to the various breaches committed by RSM under the Agreement.

Accordingly, as on date, the Holding Company does not expect any material financial impact in view of the orders passed by Delhi High Court on November 07, 2024 in favour of the Company and also restricting RSM to file any execution proceedings until the Indian appeal is disposed off, basis the Judgement passed by Cassation Court on March 26, 2025 and also basis commencement of arbitration proceedings in India.

** The Group has certain disputes, lawsuits and claims, which arise in from time to time in the ordinary course of business. The Group 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 ₹85.60 million (March 31, 2024: ₹72.72 million), performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department amounting to ₹193.20 million (March 31, 2024: ₹153.20 million) and National stock exchange of India ₹Nil (March 31, 2024: ₹140.14 million)*

Represents demands raised by Income tax and service tax authorities pending before appellate authorities.

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All amount in ₹ Million, unless otherwise stated

36 Share-based payments

A. Employee Share Option Plan (ESOP) of the Holding Company

Employees Stock Option Plan 2018

"On August 02, 2018, the Board of Directors of the Holding Company approved the equity settled" "Employee 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 Group. 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 ₹10 each (as amended vide board meeting held on August 02, 2018).
Ownership	Legal and Beneficial 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 first quarter of the second year and become fully exercisable, subject to employee being in the employment of the Holding Company.
Exercise Price	Exercisable at an exercise price of ₹10, ₹20.43 and ₹262.41 after bonus issue (Refer note 15)
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 approved by the shareholders at the meeting held on August 13, 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, 2025		March 31, 2024	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	21,67,209	33.85	81,02,071	33.85
Granted during the year*	4,42,832	262.41	4,73,268	262.41
Forfeited during the year	(2,50,494)	142.00	(3,94,793)	142.00
Exercised during the year	(8,65,571)	18.68	(60,13,337)	18.68
Outstanding at the end of the year	14,93,976	106.17	21,67,209	106.17
Exercisable at the end of the year	4,63,431	65.24	3,11,579	65.24
Weighted Average Remaining Contractual Life	4.79 years		4.84 years	

** During the year ended March 31, 2025, the options granted by the Holding Company have combination of time based vesting and performance based vesting over period of 4 years. The performance conditions for all the years are not communicated to employees and only the performance conditions of year ending March 31, 2025 are communicated. Accordingly, the Holding Company has only accounted for performance conditions of FY 2024-25 and has not accounted for the performance grants for FY 2025-26 and beyond since the performance conditions are substantive and not defined, in accordance with Ind AS 102.*

The weighted average fair value of the options granted during the year is ₹443.62 (March 31, 2024: ₹215.47).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Employees Stock Option Plan 2021

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) ("December 2022 Amendment"). Except for the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same. 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 December 17, 2022).
Ownership	Legal and beneficial Ownership
Vesting Pattern	Two-year vesting term and vest at the rate of 40% in the first year and 60% in second year and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹10 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 approved by the shareholders at the meeting held on December 17, 2022).

Movements during the year

The following are the number and WAEP of, and movements in, share options during the year:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	52,282	10.00	2,47,307	10.00
Forfeited during the year	-	10.00	(25,771)	10.00
Exercised during the year	(35,507)	10.00	(1,69,254)	10.00
Outstanding at the end of the year	16,775	10.00	52,282	10.00
Exercisable at the end of the year	16,775	10.00	52,282	10.00
Weighted Average Remaining Contractual Life	NA		NA	

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	ESOP Scheme-2018	ESOP Scheme-2021*	ESOP Scheme-2018	ESOP Scheme-2021
Weighted average fair values at the measurement date	422.96	-	78.41	327.87
Dividend yield (%)	0.00%	-	0.00%	0.00%
Expected volatility (%)	45.00%	-	45.00%	45.00%
Risk-free interest rate (%)	6.80%-6.82%	-	7.22%-7.34%	6.80%
Expected life of the options/SARs granted (in years)	4.79	-	4.84	0.60
Weighted Average Share Price	451.23	-	337.21	337.21

The expected life of the share options 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.

* No new options has been granted under the ESOP scheme 2021 during the year ended March 31, 2025.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

B. The promoters of Just4Kids Services Private Limited are entitled to retention bonus from the Holding Company in the following manner:

Particulars	Total Shares	Vesting period
- Three equity shares to each Promoters of Just4Kids Services Private Limited*	1,16,100	2 years
- Equity shares equity shares worth ₹10.83 million to each Promoters of Just4Kids Services Private Limited**	38,700	4 years

* Pre bonus entitled for 9 equity shares of ₹10 each, adjusted for bonus issue.

** Pre bonus entitled for 3 equity shares of ₹10 each, adjusted for bonus issue.

Movements during the year

The following are the movements in share options during the year:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	No. of shares	No. of shares
Outstanding at the beginning of the year	-	1,80,837
Granted during the year	-	-
Forfeited during the year***	-	(1,80,837)
Exercised during the year	-	-
Outstanding at the end of the year	-	-
Weighted Average Remaining Contractual Life	NA	NA

***During the year ended March 31, 2024, the promoters of Just4Kids Services Private limited have resigned from their employment and the vesting conditions of the employee stock options were not fulfilled, hence Company has forfeited the options.

C. The CEO of Bhabani Blunt Private Limited is entitled to retention bonus from the Holding Company in the following manner:

Particulars	Total Options	Vesting period	Exercise Price
- Two equity shares to CEO of Bhabani Blunt Private Limited	25,800	2 years	20.39
- Three Equity shares to CEO of Bhabani Blunt Private Limited	38,700	4 years	20.39

Movements during the year

The following are the movements in share options during the year:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year*	54,500	20.39	64,500	20.39
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(38,375)	20.39	(10,000)	20.39
Outstanding at the end of the year	16,125	20.39	54,500	20.39
Weighted Average Remaining Contractual Life	1 year		1 year	

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Expense arising from equity-settled share-based payment transactions (Note 27)	71.00	130.69
Total expense arising from share-based payment transactions	71.00	130.69

Notes to the Consolidated Financial Statements

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37 Employee Share Option Plan (ESOP) of the Subsidiary Company

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 Option holder 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 33.33% in the first year, 33.33% in the second year and 33.33% in the third year, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹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 ₹10 per option.

Movement during the year

The following are the number, WAEP and movements in share options post acquisition:

	March 31, 2025			
	Scheme I		Scheme II	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the date of acquisition/beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	-	-	-	-

	March 31, 2024			
	Scheme I		Scheme II	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the date of acquisition/beginning of the year	335	10.00	301	2,787.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(280)	2,787.00
Exercised during the year	(335)	10.00	(21)	2,787.00
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	-	-	-	-

The Black Scholes valuation model was used for computing the weighted average fair value. However, there are no new grants during the year ended March 31, 2025 and March 31, 2024 and thus inputs methods are also not disclosed.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

38 Financial instruments by category and Fair value hierarchy

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

Particulars	Level	As at March 31, 2025	As at March 31, 2024
Measured at fair value through statement of profit and loss ('FVTPL')			
Investment in mutual funds and Bonds	1	2,944.61	2,917.59
Total financial assets measured at FVTPL		2,944.61	2,917.59
Measured at amortised cost			
Investment in bonds and commercial paper		103.14	0.10
Trade receivables		1,323.28	1,593.76
Cash and cash equivalents		329.67	1,070.21
Bank balances other than cash and cash equivalents		2,983.25	3,786.30
Other financial assets		5,163.59	2,401.23
Total financial assets measured at amortised cost		9,902.93	8,851.60
Total financial assets		12,847.54	11,769.19

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

Particulars	Level	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost			
Lease liabilities		1,363.99	1,309.69
Trade payables		3,567.90	2,941.07
Other financial liabilities		225.47	226.51
Total financial liabilities measured at amortised cost		5,157.37	4,477.27
Total financial liabilities		5,157.37	4,477.27

The carrying values of the financial assets and liabilities measured at amortised cost is equal to their fair values. Accordingly, the fair values of such financial assets and liabilities have not been disclosed separately.

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 categorised 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 advance 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 amortised cost. There is no significant change in fair value of such liabilities and assets.

Notes to the Consolidated Financial Statements

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All amount in ₹ Million, unless otherwise stated

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

Particulars	Stock Appreciation Rights	Borrowings – NCCCCPS	Non-controlling interests liability
As at April 01, 2023	-	-	253.29
Charge to Profit and Loss	-	-	-
Accounted in equity (Refer note 16)	-	-	(23.21)
Paid during the year	-	-	(230.08)
As at March 31, 2024	-	-	-
As at April 01, 2024	-	-	-
Charge to Profit and Loss	-	-	-
Accounted in equity	-	-	-
Paid during the year	-	-	-
As at March 31, 2025	-	-	-

39 Financial risk management Objectives & Policies

The Group's principal financial liabilities comprise of 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 in mutual funds, bonds and commercial papers, cash and cash equivalents and bank balances and trade and other receivables.

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 significant borrowings, the impact of change in interest rate is not significant.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

The Group's exposure in foreign currency at the end of reporting year:

Net exposure on foreign currency risk		As at March 31, 2025		As at March 31, 2024	
		FC	₹	FC	₹
AED					
Liability	Trade payables	(0.22)	(5.19)	(0.17)	(3.91)
Assets	Trade receivables	(0.02)	(0.48)	(0.02)	(0.48)
		(0.24)	(5.67)	(0.19)	(4.39)
EUR					
Liability	Trade payables	(0.04)	(3.89)	(0.19)	(16.07)
		(0.04)	(3.89)	(0.19)	(16.07)
QAR					
Assets	Trade receivables	0.68	15.96	0.48	10.09
		0.68	15.96	0.48	10.09
AUD					
Assets	Trade receivables	(0.00)	(0.24)	0.02	1.24
		(0.00)	(0.24)	0.02	1.24
GBP					
Assets	Trade receivables	0.00	0.41	(0.00)	(0.21)
		0.00	0.41	(0.00)	(0.21)
USD					
Liability	Trade Payables	(0.35)	(29.80)	(0.52)	(43.64)
Assets	Trade receivables	0.34	29.23	0.19	16.01
		(0.01)	(0.57)	(0.33)	(27.63)
CAD					
Assets	Trade receivables	0.06	3.60	0.08	4.85
		0.06	3.60	0.08	4.85

Sensitivity (impacting profit/loss before tax):		As at March 31, 2025	As at March 31, 2024
AED	Increases by 5%	(0.28)	(0.22)
	Decreases by 5%	0.28	0.22
EUR	Increases by 5%	(0.19)	(0.80)
	Decreases by 5%	0.19	0.80
QAR	Increases by 5%	0.80	0.50
	Decreases by 5%	(0.80)	(0.50)
AUD	Increases by 5%	(0.01)	0.06
	Decreases by 5%	(0.01)	0.06
GBP	Increases by 5%	0.02	(0.01)
	Decreases by 5%	(0.02)	0.01
USD	Increases by 5%	(0.03)	(1.38)
	Decreases by 5%	0.03	1.38
CAD	Increases by 5%	0.18	0.24
	Decreases by 5%	(0.18)	(0.24)



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All amount in ₹ Million, unless otherwise stated

iii. Equity Price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions."

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 receivable from payment partners) and from its investing activities (primarily deposits with banks). 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.

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

	March 31, 2025	March 31, 2024
Trade receivables (refer note (i) below)	1,323.28	1,593.76
Recoverable from payment partner (refer note (i) below)	318.94	226.69
Investment in mutual funds, bonds and commercial papers (refer note (ii) below)	3,047.75	2,917.69
Cash and cash equivalents (refer note (iii) below)	329.67	1,070.21
Bank balances other than cash and cash equivalents (refer note (iii) below)	2,983.25	3,786.30
Other financial assets (refer note (iii) below)	4,844.65	2,174.54

i) Trade receivables and recoverable from payment partner

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 Group 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, 2025	March 31, 2024
Opening balance	160.08	56.54
Allowance made during the year (net)	124.28	103.55
Reversal/write off during the year	(43.84)	(0.01)
Closing balance	240.52	160.08

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

ii) Investment in mutual funds, bonds and commercial papers

The Group has invested in multiple funds which are susceptible to market price risk arising from uncertainties about future values. The Group mitigates related risk by investing in different types of funds. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

iii) Cash and cash equivalents, other bank balances and other financial assets

Cash and cash equivalents, deposits with bank and interest receivable are placed with a reputable financial institution with high credit ratings and no history of default. Further, security deposits are given to reputed builders, developers and parties against leases against a valid legal contract enforceable in the court.

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	More than 5 years	Total
As at March 31, 2025					
Lease liabilities	-	352.16	984.46	368.26	1,704.86
Trade payables	-	3,567.90	-	-	3,567.90
Other financial liabilities	-	225.47	-	-	225.47
	-	4,145.53	984.46	368.26	5,498.23
As at March 31, 2024					
Lease liabilities	-	296.62	930.30	456.20	1,683.12
Trade payables	-	2,941.07	-	-	2,941.07
Other financial liabilities	-	226.51	-	-	226.51
	-	3,464.20	930.30	456.20	4,850.70

40 Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. As at March 31, 2025 and March 31, 2024, the Group's funding needs are met through the issuance of equity shares and own funds and the Group does not have debt. Consequent to the above capital structure, there are no externally imposed capital requirements.



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All amount in ₹ Million, unless otherwise stated

41. Statutory Group Information

As at March 31, 2025

Name of the Entity in the Group	Country of Incorporation	Relationship as at March 31, 2025	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 Limited	India	-	101.75%	12,004.23	88.22%	640.83	122.08%	(0.22)	88.21%	640.61
Subsidiaries										
Fusion Cosmeceutics Private Limited	India	Subsidiary	(0.78)%	(91.76)	5.24 %	38.10	(7.52)%	0.01	5.25 %	38.11
Just4Kids Services Private Limited	India	Subsidiary	1.90%	224.43	1.48 %	10.76	0.00 %	-	1.48 %	10.76
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	3.02%	355.90	2.77 %	20.14	108.10%	(0.20)	2.75%	19.94
BBlunt Spratt Hairdressing Private Limited	India	Subsidiary	1.61%	189.77	3.80 %	27.63	(166.08)%	0.31	3.85 %	27.94
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	-	-	-	-	-	-	-	-
Honasa Consumer General Trading LLC.	UAE	Subsidiary	(0.05)%	(5.43)	0.05 %	0.38	-	-	0.05%	0.38
Adjustment arising on consolidation			(7.45)%	(879.30)	(1.56)%	(11.43)	-	(0.08)	(1.59)%	(11.51)
Total			100.00%	11,797.84	100.00%	726.41	100.00%	(0.18)	100.00%	726.23

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All amount in ₹ Million, unless otherwise stated

As at March 31, 2024

Name of the Entity in the Group	Country of Incorporation	Relationship as at March 31, 2024	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 Limited	India	-	102.67%	11,244.72	109.44%	1,209.66	201.62%	2.32	109.54%	1,211.98
Subsidiaries										
Fusion Cosmeceutics Private Limited	India	Subsidiary	(1.19)%	(129.88)	(3.60)%	(39.79)	(3.60)%	(0.04)	(3.60)%	(39.83)
Just4Kids Services Private limited	India	Subsidiary	1.95%	213.67	(0.43)%	(4.72)	-	-	(0.43)%	(4.72)
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	1.58%	172.52	2.39 %	26.43	(29.49)%	(0.34)	2.36%	26.09
BBlunt Spratt Hairdressing Private Limited	India	Subsidiary	0.73%	80.34	2.29 %	25.29	(2714)%	(0.31)	2.26 %	24.98
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	-	-	-	-	-	-	-	-
Honasa Consumer General Trading LLC.	UAE	Subsidiary	(0.05)%	(5.72)	0.14%	1.55	-	-	0.14%	1.55
Adjustment arising on consolidation			(5.69)%	(622.94)	(10.23)%	(113.14)	(41.39)%	(0.48)	(10.27)%	(113.62)
Total			100.00%	10,952.71	100.00%	1,105.28	100.00%	1.15	100.00%	1,106.43

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

42. Other statutory information

- (i) No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (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 not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (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 Beneficiaries) or
 - (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).
- (viii) The Group is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company has not been declared any wilful defaulter by any bank or financial institution or other lender.

43. During the year ended March 31, 2025, the Board of Directors of the Holding Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited ('Fusion' or 'Transferor Company-1') and Just4Kids Services Private Limited ('J4K' or 'Transferor Company-2'), had approved the Scheme of Amalgamation between the Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Company. The Holding Company had filed the scheme with the regulatory authorities and received approval on first motion application by NCLT Delhi and NCLT Chandigarh via order dated August 13, 2024 and August 22, 2024 respectively. The Holding Company has subsequently filed the second motion application and received the order granting approval of merger by NCLT Chandigarh on May 08, 2025.The Hearing for second motion application was concluded on May 13, 2025 by NCLT Delhi and the order was reserved. The Company is awaiting for the final merger order from NCLT Delhi.

44. As per the amended Rule 3 and 11(g) of the Companies (Accounts) Rules, 2014 (the "Accounts Rules"), Companies are required to maintain daily back-up of the books of account and other relevant books and papers which are maintained in electronic mode on servers physically located in India and accounting software used for maintaining its books of account should have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. In addition, Companies are required to preserve audit trail as per the statutory requirements of record retention.

The Holding Company has used certain accounting softwares for maintaining its books of account which have a feature of maintaining proper daily backup on servers physically located in India, except in case of two applications for inventory management and distribution management, the backup of the books of account and other books and papers in electronic mode has not been maintained on servers physically located in India on daily basis.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

All amount in ₹ Million, unless otherwise stated

Further, the Holding Company has used certain accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the aforesaid softwares, except (i) in respect of two accounting software applications pertaining to distribution management system and price master records, audit trail was not enabled throughout the year for all relevant transactions recorded in the applications; (ii) in respect of two accounting software applications for maintaining its books of account and price master records, audit trail feature is not enabled for certain changes made, if any, using privileged/ administrative access rights and; (iii) in respect of one software application which is operated by a third-party software service provider, for maintaining inventory records, the Service Organisation Controls report is not available. Further, audit trail feature has not been tampered with in respect of the accounting software applications where audit trail has been enabled/Service Organisation Controls report is available and the audit trail of prior year(s) has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

The management is in the process of taking steps to ensure that the books of account are maintained as required under the applicable statute.

45. During the year ended March 31, 2024, the Holding Company has completed its Initial Public Offer (IPO) of 52,515,692 equity shares of face value of ₹10 each at an issue price of ₹324 per share (including a share premium of ₹314 per share). A discount of ₹30 per share was offered to eligible employees bidding in the employee's reservation portion of 22,678 equity shares. The issue comprised of a fresh issue of 11,267,530 equity shares aggregating to ₹3,650 Million and offer for sale of 41,248,162 equity shares by selling shareholders aggregating to ₹13,364.40 Million. Pursuant to the IPO, the equity shares of the Holding Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023.

The utilisation of the IPO proceeds from fresh issue of ₹3,504.92 million (net of IPO expenses of ₹145.08 million) is summarised below:

Particulars	Amount to be utilised as per Prospectus (₹ million)	Utilisation upto March 31, 2025 (₹ million)	Unutilised upto March 31, 2025 (₹ million)
Advertisement expenses towards enhancing the awareness and visibility of brands	1,820.00	1,224.10	595.90
Capital expenditure to be incurred by the Company for setting up new EBOs	206.00	50.26	155.74
Investment in Subsidiary, BBlunt for setting up new salons	260.00	61.31	198.69
General corporate purposes and unidentified inorganic acquisition	1,218.92	374.42	844.50
Total	3,504.92	1,710.09	1,794.83

46. Absolute amounts less than ₹5,000 are appearing in the Consolidated Financial Statements as "0.00" due to presentation in millions.

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

per **Rajeev Kumar**
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 22, 2025

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

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram
Date: May 22, 2025

Ghazal Alagh
Whole Time Director
DIN: 07608292

Dhanraj Dagar
Company Secretary
Membership No.: ACS33308



Honasa Consumer Limited

CIN: L74999DL2016PLC306016

Registered Office: Unit No – 404, 4th Floor, City Centre, Plot No. 5, Sector-12, Dwarka, New Delhi – 110 075

Corporate Office: 10th & 11th Floor, Capital Cyberscape, Sector-59, Gurugram, Haryana – 122 102

E-mail: compliance@mamaearth.in; Telephone No.: 011 – 44123544; Website: www.honasa.in

Notice of Annual General Meeting

Notice is hereby given that **9th Annual General Meeting (“AGM”)** of the members of Honasa Consumer Limited (“Company”) will be held on **Thursday, September 25, 2025 at 11:00 am (IST)** through video conference/other audio-visual means to transact the following businesses:

ORDINARY BUSINESS

1. Adoption of Audited Standalone Financial Statements

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“Resolved That the audited standalone financial statements of the Company for the financial year ended March 31, 2025 together with the reports of board of directors and auditor’s thereon, be and are hereby received, considered and adopted.”

2. Adoption of Audited Consolidated Financial Statements

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“Resolved That the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 together with the report of the auditor’s thereon, be and are hereby received, considered and adopted.”

3. Appointment of Director in place of Mr. Ishaan Mittal, who retires by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“Resolved That pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Ishaan Mittal (DIN: 07948671), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

4. Re-appointment of Mr. Vivek Gambhir as an Independent Director for a further term of 5 Years

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“Resolved That pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV of the Act and the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and all other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant circulars issued by BSE Limited and National Stock Exchange of India Limited, nomination and remuneration policy of the Company and based on recommendation of the Nomination and Remuneration Committee and the board of directors of the Company (“Board”), Mr. Vivek Gambhir (DIN: 06527810), who holds the office as an Independent Director of the Company and who meets the criteria for independence as prescribed under the Act and SEBI Listing Regulations and being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years effective from March 24, 2026 to March 23, 2031 (both days inclusive).

Resolved Further That the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient, including but not limited to filing forms, applications

and making representations, seeking all necessary approvals from relevant authorities, including governmental authorities, if any, to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers conferred herein to director(s), committee(s), executive(s), officer(s) or representative(s) of the Company or to any other person, to do all such acts, deeds, matters and things as may be considered necessary and/or expedient and to execute such documents, writings etc. as may be necessary to give effect to forgoing resolution.”

5. Appointment of Arora Shekhar and Company, Practicing Company Secretaries as Secretarial Auditor

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“Resolved That pursuant to the provisions of Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with circulars issued thereunder from time to time and Section 204 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendation of audit committee and board of directors (“Board”) of the Company, Arora Shekhar and Company, Practicing Company Secretaries having Firm Registration No.: S2015DE540700 and holding a valid Peer Review Certificate No. 3159/2023, be and is hereby appointed as Secretarial Auditor of the Company for a period of

5 (five) consecutive financial years viz. from financial year 2025-26 till 2029-30 on such terms & conditions including remuneration as may be determined by the Board of the Company.

Resolved Further That the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient, including but not limited to filing forms, applications and making representations, seeking all necessary approvals from relevant authorities, including governmental authorities, if any, to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers conferred herein to director(s), committee(s), executive(s), officer(s) or representative(s) of the Company or to any other person, to do all such acts, deeds, matters and things as may be considered necessary and/or expedient and to execute such documents, writings etc. as may be necessary to give effect to forgoing resolution.”

By Order of the Board
For **Honasa Consumer Limited**

Registered Office:

Unit No – 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi – 110075

Gaurav Pandit

Company Secretary & Compliance Officer
Membership No. F13667

August 12, 2025
Gurugram

Notice

NOTES

Virtual Meeting

1. In continuation of the framework prescribed by the Ministry of Corporate Affairs (“MCA”) vide general circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard latest being 09/2024 dated September 19, 2024, SEBI vide circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (hereinafter collectively referred to as “Circulars”), have permitted the holding of the Annual General Meeting (“AGM”) through Video Conference (“VC”)/Other Audio Visual Means (“OAVM”), without physical presence of members at a common venue. Hence, the 9th AGM of the Company is being conducted through VC/OAVM.
2. The 9th AGM shall be deemed to be held at the registered office of the Company i.e., Unit No – 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi – 110075 as prescribed under the Circulars.
3. In terms of the provisions of Section 152 of the Companies Act, 2013 (“Act”). Mr. Ishaan Mittal, Director of the Company, retire by rotation at 9th AGM. Details of Director retiring by rotation at 9th AGM are provided in the “Annexure” to this Notice.
4. Since, 9th AGM is being held through VC/OAVM pursuant to the Circulars, requirement of physical attendance of members have been dispensed with. Accordingly, the facility for appointment of proxies by members is not available for 9th AGM, hence, proxy form and attendance slip including route map has not been annexed with the notice of 9th AGM (“Notice”).
5. Members attending 9th AGM through VC/OAVM including authorised representative(s)/attorney holder(s) of corporate members, institutional investors etc. shall be counted for the purpose of reckoning the quorum under the provisions of section 103 of the Act.

6. Authorised Representative

Institutional/Corporate members (i.e., other than individuals/HUF/NRI, etc.) intending to authorise their representatives to attend 9th AGM through VC/OAVM on their behalf and to vote through electronic mode (“E-voting”), are requested to send a duly certified scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorisation letter, pursuant to section 113 of the Act, to the Scrutiniser by e-mail through its registered e-mail address at shekhara@arorashekhara.com with copies marked to the Company at compliance@mamaearth.in and to the registrar and share transfer agent at einward.ris@kfintech.com.

7. Explanatory Statement

The explanatory statement pursuant to section 102 of the Act setting out the material facts concerning the special businesses in respect of item nos. 4 and 5 of the Notice, is annexed hereto.

8. Electronic Dispatch of Notice and Annual Report

In compliance with the Circulars, the Notice along with Annual Report for the financial year 2024-25 are being sent to all members whose e-mail addresses are registered/available with the Company/depository participants (“DPs”) and whose names appear in the register of members of the Company and/or in the register of beneficial owners maintained by National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) (collectively referred as “Depositories”) as on Friday, August 29, 2025.

In terms of regulation 36(i)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), a letter providing the web-link, including the exact path and QR code, where complete details of the Notice and Annual Report of the Company are available, is being physically sent to those shareholder(s) who have not registered their email addresses with the Depository Participant(s), the Company or the KFin Technologies Limited (“RTA”) of the Company. In case any member is desirous of obtaining physical copy of Notice and Annual Report for the financial year 2024-25, he/she may send a request to the Company by writing at compliance@mamaearth.com mentioning their Folio No./DP ID and Client ID.

Members may please note that Notice and Annual Report for the financial year 2024-25 will be available on the website of the Company at <https://honasa.in/pages/investor> and will also be available on the website of stock exchanges i.e. BSE Limited (“BSE”) at www.bseindia.com and National Stock Exchange of India Limited (“NSE”) at www.nseindia.com. Notice and Annual Report will also be available on the website of CDSL at www.evotingindia.com.

9. Process for Register/update Email address, Bank account and other KYC Details

Members are requested to register/update their e-mail address, Bank Account and other KYC details as per process advised by respective Depository Participants (DPs).

10. Nomination

Members holding shares in demat form are requested to submit choice of nomination, PAN and other details to their DPs.

11. Online Dispute Resolution (ODR) Mechanism

- a. SEBI vide Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023, as updated from time to time, has established a common Online Dispute Resolution Portal (“ODR Portal”) for the resolution of disputes arising in the Indian Securities Market.
- b. Pursuant to above circular, a member shall first take up his/her grievance with the Company by lodging a complaint directly with the Company/RTA and if the grievance is not redressed satisfactorily, the member may escalate the same through the existing SCORES Portal. Post exhausting all available options for resolution of the grievance, if the member is still not satisfied with the outcome, he/she can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

Instruction for remote E-voting

12. In compliance with the provisions of section 108 of the Act and rule 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the SEBI Listing Regulations and Circulars, the Company is providing facility of electronic voting (“E-voting”) to its members in respect of the businesses to be transacted at the 9th AGM. For this purpose, the Company has availed the services of CDSL for facilitating E-voting, as an authorised agency. The facility of casting votes by a member using E-voting system during the remote E-voting period as well as E-voting during the 9th AGM will be provided by CDSL. The procedure for participating in the AGM through VC/OAVM is explained hereinafter.
13. In case of joint holders attending 9th AGM, the member whose name appears as first holder in the order of names as per the beneficial owners/register of members as maintained by the Depositories/Company will be entitled to vote.
14. The members can opt for only one mode of voting i.e. remote E-voting (before 9th AGM during the period as provided hereinafter) or E-voting during the 9th AGM. The members who have cast their vote by remote E-voting may also attend the 9th AGM but will not be able to vote again during 9th AGM.
15. The remote E-voting period commences on Sunday, September 21, 2025 at 9:00 am (IST) and ends on Wednesday, September 24, 2025 at 5:00 pm (IST).

During this period, members holding equity shares of the Company, as on the cut-off date i.e., Thursday, September 18, 2025 (“Cut-off date”) may cast their vote through remote E-voting. The remote E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

E- voting Starts on	E-voting Ends on
Sunday, September 21, 2025 at 9:00 am (IST)	Wednesday, September 24, 2025 at 5:00 pm (IST)

16. As per the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, as amended, all “individual members holding shares of the Company in demat mode” can cast their vote, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETING:

- (i) Members who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (ii) Pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, under Regulation 44 of SEBI Listing Regulations listed entities are required to provide remote E-voting facility to its Members, in respect of all Members’ resolutions. However, it has been observed that the participation by the public non-institutional Members/retail Members is at a negligible level.

Currently, there are multiple E-voting service providers (ESPs) providing E-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable E-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in E-voting process.

Notice

Login method for Individual Members holding securities in demat mode:

Type of members	Login Method
Individual Members holding securities in Demat mode with CDSL	Method 1: Through CDSL Easi/Easiest facility Members who have registered for CDSL Easi/Easiest facility: 1) Visit https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com. 2) Click on login My Easi New (Token) 3) Login with User ID and Password. 4) After successful login, the Easi/Easiest user will be able to see the E-voting option for the Company where the E-voting is in progress. On clicking the E-voting option, the member will be able to see E-voting page for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting. Members who have not registered for CDSL Easi/Easiest facility: 1. To register, visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 2. Proceed with updating the required fields. 3. Post registration, user will be provided Login ID and a password. 4. After successful Login using the login credentials, click on ‘E-voting’ link displayed alongside Company’s Name’ and member will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting. Method 2: By directly visiting the E-voting website of CDSL. 1. Visit URL: https://www.cdslindia.com/ 2. Go to the E-voting tab. 3. Enter Demat Account Number (BO ID) and PAN No. and click on ‘Submit’. 4. The system will authenticate the member by sending OTP on the registered Mobile and Email as recorded in Demat Account. 5. After successful authentication, click on ‘E-voting’ link displayed alongside Company’s Name’ and member will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting.
	Method 1: Through NSDL IDeAS Facility Members who have registered for NSDL IDeAS facility: 1. Visit URL: https://eservices.nsdl.com and click on ‘Beneficial Owner’ icon under ‘Login’. 2. Enter user ID and password. Post successful authentication, click on ‘Access to E-voting’. 3. Click on the E-voting link displayed alongside the Company’s Name, and the member will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting. Members who have not registered for NSDL IDeAS facility: 1. To register, visit URL: https://eservices.nsdl.com and select “Register Online for IDeAS Portal’ or click on https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp 2. Proceed with updating the required fields. 3. Post registration, user will be provided with Login ID and password. 4. After successful login, click on ‘Access to E-voting’. 5. Click on E-voting link displayed alongside the Company’s Name’ and the member will be re-directed to the CDSL E-voting website for casting your vote during the remote E-voting period or joining virtual meeting & voting during the meeting.

Type of members	Login Method
	Method 2: By directly visiting E-voting website of NSDL: 1. Visit URL: https://www.E-voting.nsdl.com/. 2. Click on the ‘Login’ tab available under ‘Member/Member’ section. 3. Enter User ID (i.e. sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, members will be re-directed to NSDL website wherein they can see “Access to E-voting”. Click on Access to “E-voting”. 5. Post that, click on the E-voting link displayed alongside Company’s Name and member will be redirected to the CDSL E-voting website for casting your vote during the remote E-voting period or joining virtual meeting & voting during the meeting.
Individual Members (holding securities in demat mode) login through their Depository Participants (DP)	Individual members can also login using the login credentials of demat account through their depository participant registered with NSDL/CDSL for E-voting facility. 1. Login to DP website. 2. After Successful login, members shall navigate through ‘E-voting’ tab under Stocks option. 3. Click on E-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein members can see E-voting menu. 4. After successful authentication, click on ‘E-voting’ link displayed alongside Company’s Name’ and members will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve their User ID/Password are advised to use the Forget User ID and Forget Password options available at the above-mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Access through the CDSL E-voting system in case of members holding shares in physical mode and non-individual members in demat mode.

- 1) The members should log on to the E-voting website www.evotingindia.com.
- 2) Click on the “members” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier E-voting of any company, then your existing password is to be used.

Notice

6) If you are a first-time user follow the steps given below:

PAN	1) Enter your 10 digit alpha-numeric PAN details issued by Income Tax Department (Applicable for both demat members as well as physical Members) 2) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact the Company/RTA.	
Dividend Bank Details OR Date of Birth (DOB)	1) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to log in. 2) If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.	
(iii) After entering these details appropriately, click on "SUBMIT" tab.	(xiii) There is also an optional provision to upload BR/POA if any are uploaded, which will be made available to the scrutiniser for verification.	
(iv) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the 'Password Creation' menu, wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.	(xiv) Additional Facility for Non – Individual Members and Custodians–For Remote Voting only. • Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module. • A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com . • After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. • The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping. • It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same. • Alternatively Non Individual Members are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; compliance@mamaearth.in , if they have voted from individual tab & not uploaded same in the CDSL E-voting system for the scrutiniser to verify the same.	
(v) For members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.		
(vi) Click on the EVSN for the relevant Honasa Consumer Limited on which you choose to vote.		
(vii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.		
(viii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.		
(ix) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.		
(x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.		
(xi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.		
(xii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot password & enter the details as prompted by the system.		

17. Instructions for Members Attending the AGM through VC/OAVM & E-voting during Meeting are as under:

- a) The procedure for attending meeting & E-voting on the day of the AGM is same as the instructions mentioned above for E-voting.

- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for E-voting.
- c) Members who have voted through Remote E-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- d) Members are encouraged to join the Meeting through Laptops/iPads for a better experience.
- e) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) Facility for joining the 9th AGM through VC/OAVM shall open 30 minutes before the time scheduled for the 9th AGM and will be available to the members on first-come-first-served basis.
- h) Members holding more than 2% equity shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel's ("KMPs"), Chairman of audit committee, nomination & remuneration committee, stakeholders relationship committee and auditors etc. may be allowed to the meeting without restrictions of first-come-first-served basis.
- i) Instructions for Members to speak during the 9th AGM
- i. Members who would like to express their views or ask questions during the 9th AGM may register themselves as a speaker by sending their request from their registered E-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at compliance@mamaearth.in from Monday, September 15, 2025 (9.00 am IST) to Monday, September 22, 2025 (till 5:00 pm IST)
- ii. Members will get confirmation on first-come-first-served basis depending upon the provision made by the company
- iii. Those members who have registered themselves as a speaker will only be allowed to express their views, ask questions during the 9th AGM.

- iv. Members will receive 'speaking serial number' once they mark attendance for the 9th AGM.
- v. Member are requested to remember their allotted 'speaking serial number'.
- vi. Members are requested to speak only when moderator will announce their name and 'speaker serial number'.
- vii. Thereafter, members may start conversation with panelist by switching on video and audio mode of your device.
- viii. The Company reserves the right to restrict the number of speakers as well as the speaking time depending on the availability of time during 9th AGM.
- j) If any Votes are cast by the Members through the E-voting available during 9th AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members may be considered invalid as the facility of E-voting during the meeting is available only to the Members attending 9th AGM.
- k) If a member has any queries or issues regarding attending AGM & E-voting from the CDSL E-voting System, member may write to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

18. General guidelines for Members

- a) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off Date. The person who is not a member as on the Cut-off Date should treat this Notice for information purpose only.
- b) Only those persons whose name is recorded in the register of members or register of beneficial owners maintained by the Depositories as on the Cut-off Date, shall be entitled to avail the facility of remote E-voting as well as E-voting during 9th AGM
- c) Members who would like to express their views/ have questions may send their questions in advance from their registered e-mail address along with their name, DP ID and Client ID/folio number, PAN and mobile number at compliance@mamaearth.in. The same will be replied by the Company suitably.

Notice

19. Inspection of Documents

- a)

All documents referred to in the Notice, will be available for inspection electronically, without any fee, by the members from the date of circulation of the Notice up to the date of 9th AGM i.e., Thursday, September 25, 2025.
- b)

The Register of Directors & Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act; Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act; and certificate from the Secretarial Auditor of the Company under regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021, will be available for electronic inspection by the members during the 9th AGM.
- c)

Members seeking to inspect such documents may send a request on the e-mail address at compliance@mamaearth.in.

- b)

The Scrutiniser, immediately after the conclusion of voting at the 9th AGM, will first download the votes cast at the 9th AGM and thereafter unblock the votes cast through remote E-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall submit a consolidated scrutiniser’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting.
- c)

The results of 9th AGM shall be declared by the Chairman or any person duly authorised by him on this behalf, after 9th AGM within the prescribed statutory timelines. The resolutions shall be deemed to be passed on the 9th AGM date i.e. Thursday, September 25, 2025, subject to receipt of the requisite number of votes in favor of the resolutions.
- d)

The results declared along with the scrutiniser’s report shall be placed on the Company’s website at <https://honasa.in/pages/investor> and on the website of CDSL besides submitted with BSE and NSE. The results shall also be displayed at the Registered Office and Corporate Office of the Company.

20. Voting Results

- a)

Mr. Shashi Shekhar, Practicing Company Secretary (FCS No. 12475, COP No. 14145), has been appointed as “Scrutiniser” to scrutinise remote E-voting process and E-voting during the 9th AGM, in a fair and transparent manner, who has communicated willingness to be appointed for the said purpose.

EXPLANATORY STATEMENT

The following statement in terms of section 102 of the Companies Act, 2013 sets out all material facts relating to the special businesses proposed in the Notice convening 9th Annual General Meeting of the Company.

Item No. 4

The members of the Company, at their extraordinary general meeting held on March 24, 2021, had appointed Mr. Vivek Gambhir as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from March 24, 2021 and his current term shall expire on March 23, 2026.

Board & Committee meetings attendance

Mr. Vivek Gambhir is Chairman of Nomination & Remuneration Committee (“NRC”) and member of Audit Committee. The details of attendance of Mr. Gambhir at the meetings of the Board and its committees for last 3 (three) years are as under:

Particulars	FY 2023–24	FY 2024–25	FY 2025–26*
Board Meeting	13 of 14	5 of 5	3 of 3
Audit Committee Meeting	4 of 4	5 of 5	3 of 3
Nomination & Remuneration Committee Meeting	3 of 3	2 of 2	1 of 1

* Till date of AGM Notice

As per the requirements of Section 149(11) of the Companies Act, 2013 (“Act”), an Independent Director may hold office for two consecutive terms of up to 5 (five) years each. Further, in terms of Section 149(10) of the Act read with Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), an Independent Director shall be eligible for re-appointment for a second term of up to 5 (five) consecutive years on passing of a special resolution by the members of the Company.

Brief Profile of Mr. Vivek Gambhir

Mr. Vivek Gambhir holds a bachelor's degree in arts and a bachelor's degree in science from Lafayette College, Pennsylvania. He also holds a master's degree in business administration from Harvard Business School, Commonwealth of Massachusetts.

Mr. Gambhir has more than three decades of experience in operations and strategy. He is currently associated with Lightspeed India Ventures. His previous roles include leadership positions at Imagine Marketing Limited (boAt Lifestyle), Godrej Consumer Products Limited and Godrej Industries & Associate Companies. He was also a founding member of Bain & Company's consulting operations in India, where he led the FMCG practice. He has previously been the co-chair of the Confederation of Indian Industry, National FMCG Committee and served as the president of the Harvard Business School Club of India.

NRC at its meeting held on July 17, 2025, based on the performance evaluation of Mr. Vivek Gambhir as summarised below, has recommended his re-appointment as an Independent Director of the Company for a second term of 5 (five) consecutive years effective from March 24, 2026, not liable to retire by rotation. While recommending Mr. Gambhir's re-appointment, NRC duly recognised his remarkable skills, deep understanding and rich experience in FMCG Sector. In view of his contributions over the years as an Independent Director of the Company, NRC believes that his continued association would be of immense benefit during this pivotal growth phase of the Company.

The Company has received a declaration from Mr. Gambhir confirming that he meets the criteria for independence under Section 149(6) of the Act and the rules made thereunder and regulation 16(1)(b) of the SEBI Listing Regulations. The Company has received a notice in writing from a member under Section 160(1) of the Act proposing Mr. Gambhir's candidature for the office of Director. Mr. Gambhir has conveyed his consent to act as an Independent Director of the Company for a second term and confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the Act.

The Company has also received other necessary disclosures and declarations from Mr. Gambhir including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. Mr. Gambhir has confirmed that he has complied with the requirements of Rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Mr. Gambhir has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties with an objective independent judgment and without any external influence.

Performance Evaluation Summary

Mr. Gambhir has demonstrated a high level of commitment and independence in his role as an Independent Director. His contributions have been instrumental in guiding the Company on key strategic matters. The performance evaluation reflected his active participation in Board meetings, valuable insights and adherence to the highest standards of integrity and corporate governance. In view of his consistent performance and the value that he adds, the Board considers his continued association to be in the best interest of the Company.

Proposal for Re-appointment

The Board believes that Mr. Vivek Gambhir's continued association will bring significant strategic value to the Company. With a distinguished track record as former MD & CEO of Godrej Consumer Products, Mr. Gambhir brings deep expertise in business strategy, leadership, risk management, global operations, marketing, finance and governance. His extensive experience in the FMCG sector and his ongoing board-level roles position him as a valuable asset in guiding the Company's growth and long-term vision.

The Board, at its meeting held on July 17, 2025, based on the recommendation of the NRC and after considering Mr. Gambhir's rich knowledge, background, experience and significant contribution made during his first term, recommended the re-appointment of Mr. Gambhir as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years effective from March 24, 2026 to March 23, 2031 (both days inclusive).

In the opinion of the Board, Mr. Gambhir fulfils the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and is independent of the management.

Mr. Gambhir fulfils the identified core skills, expertise and competencies and meets the criteria laid down by the Board for appointment as a director and as required in the context of the Company's business and the sector in which it operates.

Mr. Vivek Gambhir shall be entitled to receive remuneration by way of commission as may be decided by the Board based on the recommendation of the NRC, in accordance with the resolution passed by the members at the extraordinary general meeting held on July 20, 2022 or any other remuneration as may be approved by the members from time to time on the recommendation of the Board and NRC.

As per the resolution passed by the members at the extraordinary general meeting held on July 20, 2022, the total commission payable to Non-Executive Directors per annum shall not exceed 1 % of the net profits of the Company calculated in accordance with the provisions of Section 198 the Act, subject to maximum of ₹ 1 Crore in aggregate.

Notice

In addition to the aforesaid remuneration, Mr. Gambhir shall also be entitled to sitting fees for attending meetings of the Board or any it’s committee and reimbursement of expenses for attending such meetings, as permissible under the Act and/or SEBI Listing Regulations.

The copy of draft letter for re-appointment of Mr. Gambhir as an Independent Director setting out the terms and conditions is available for electronic inspection to the members. The members may follow the process for inspection of document as mentioned in ‘Notes’ section forming part of the Notice.

The details as required under the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and all other applicable provisions are provided in Annexure.

The Board recommends the resolution as set out in item no. 4 for approval of the members as special resolution.

Except Mr. Gambhir and his relatives to the extent of their shareholding, if any, in the Company, none of the other directors/key managerial personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) requires every listed entity to appoint at the Annual General Meeting, a peer reviewed Company Secretary in Practice or a Firm of Company Secretary(ies) as a Secretarial Auditor on the basis of recommendation of the board of directors (“Board”).

The Board, at its meeting held on May 22, 2025 has, considering the experience and expertise and on the recommendation of the Audit Committee, recommended to the members, appointment of Arora Shekhar and Company, Practicing Company Secretary (Firm Registration Number: S2015DE540700 & Peer Review No. 3159/2023) as Secretarial Auditor of the Company for a term of 5 (five) consecutive financial years commencing from the financial year 2025-26 to the

financial year 2029-30, on such remuneration as may be determined by the Board of the Company, from time to time.

Arora Shekhar and Company, is a practicing company secretary firm based in Delhi since 2013. Specialisation of the practice includes, but is not limited to, Secretarial Audit, Corporate Law and Taxation, Securities Law, including Corporate Governance & CSR, Capital Markets, RBI, etc. Over the years, Arora Shekhar and Company has built a diverse client base and has served various corporate clients. Its clientele spans across corporates in the public sector, listed and multinational companies, leading corporates, MSMEs and firms. Arora Shekhar and Company is peer-reviewed and quality reviewed in terms of the guidelines issued by the ICSI.

Arora Shekhar and Company has consented to the said appointment and confirmed that the appointment, if made, would be within the limits specified by the Institute of Companies Secretaries of India. Arora Shekhar and Company has further confirmed that it is not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 read with rules and regulations made thereunder and SEBI Listing Regulations.

The proposed remuneration to be paid to the Secretarial Auditor for the financial year 2025-26 is ₹2,50,000/-. The said remuneration excludes applicable taxes and out of pocket expenses. The remuneration for the subsequent years of his term shall be fixed by the Board based on the recommendation of the Audit Committee of the Company.

In accordance with the provisions of Regulation 24A of the SEBI Listing Regulations, the appointment of Secretarial Auditor is required to be approved by the members of the Company.

The Board recommends the resolution as set out in item no. 5 for approval of the members as ordinary resolution.

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

Annexure

Additional Information of Directors seeking appointment/re-appointment

[Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]



Mr. Ishaan Mittal

Director Identification Number (DIN)

07948671

Age

37 years

Date of first appointment on the Board

January 3, 2020

Qualification

- (i) Bachelor’s degree of technology in mechanical engineering from the Indian Institute of Technology, Delhi
- (ii) Master’s degree in business administration from Harvard Business School, Commonwealth of Massachusetts.

Experience (including expertise in specific functional area)/Brief Resume

Mr. Ishaan Mittal is a Managing Director at Peak XV, a leading venture capital firm in India and Southeast Asia, with over \$9 billion of assets under management. Mr. Mittal has joined Peak XV in 2011 and focuses on sectors including consumer & consumer internet and fintech & financial services payments at Peak XV. Prior to joining Peak XV, he worked with The Boston Consulting Group.

List of Directorship of other Board

- 1. Finova Capital Private Limited
- 2. Girnar Software Private Limited

Membership/Chairmanship of Board Committees in other companies

None

Listed entities from which the Director has resigned in past 3 years

None

No. of shares held in the Company including shareholding as beneficial owner

Nil

Relationship with other Directors, Manager or Key Managerial Personnel, if any

None

Declaration of non-disqualification

Mr. Ishaan Mittal is not debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Number of Board Meeting Attended during FY 2024-25

5 of 5

Terms and conditions of appointment or re-appointment

Re-appointment as a Director on retirement by rotation basis in terms of Section 152(6) of the Act

Remuneration drawn for FY 2024-25

Nil

Remuneration proposed to be paid

Nil

Annexure



Mr. Vivek Gambhir

Director Identification Number (DIN)

06527810

Age

56 years

Date of first appointment on the Board

March 24, 2021

Qualification

- (i) Bachelor's degree in arts and a bachelor's degree in science from Lafayette College, Pennsylvania.
- (ii) Master's degree in business administration from Harvard Business School, Commonwealth of Massachusetts

Experience (including expertise in specific functional area)/Brief Resume

Mr. Gambhir has more than three decades of experience in operations and strategy. He is currently associated with Lightspeed India Ventures. His previous roles include leadership positions at Imagine Marketing Limited (boAt Lifestyle), Godrej Consumer Products Limited and Godrej Industries & Associate Companies. He was also a founding member of Bain & Company's consulting operations in India, where he led the FMCG practice. He

has previously been the co-chair of the Confederation of Indian Industry, National FMCG Committee and served as the president of the Harvard Business School Club of India.

For more details, please refer explanatory statement of item no. 4.

List of Directorship of other Board

1. Imagine Marketing Limited
2. Metropolis Healthcare Limited
3. Kaha Technologies Private Limited
4. HOB Ventures Private Limited
5. Samast Technologies Private Limited
6. Comfort Grid Technologies Private Limited
7. Harvard Business School Club of India
8. Kaha Pte. Ltd. Singapore

Membership/Chairmanship of Board Committees in other companies

Imagine Marketing Limited		Corporate Social Responsibility Committee
		Stakeholders Relationship Committee
		Risk Management Committee
Metropolis Healthcare Limited		Audit Committee
		Nomination and Remuneration Committee
		Stakeholders Relationship Committee

Chairman Member

Listed entities from which the Director has resigned in past 3 years

None

No. of shares held in the Company including shareholding as beneficial owner

Nil

Relationship with other Directors, Manager or Key Managerial Personnel, if any

None

Declaration of non-disqualification

Mr. Vivek Gambhir is not debarred or disqualified from being appointed or continuing as a director of any company

by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Number of Board Meeting Attended during FY 2024-25

5 of 5

Terms and conditions of appointment or re-appointment

Refer explanatory statement of item no. 4

Remuneration drawn for FY 2024-25

₹22,00,000/- (including Sitting Fees and Commission)

Remuneration proposed to be paid

Refer explanatory statement of item no. 4

Corporate Information

BOARD OF DIRECTORS

Mr. Varun Alagh

Chairman, CEO & Whole-time Director

Ms. Ghazal Alagh

Whole-time Director

Mr. Subramaniam Somasundaram

Independent Director

Mr. Vivek Gambhir

Independent Director

Ms. Namita Gupta

Independent Director

Mr. Ishaan Mittal

Non-Executive Nominee Director

KEY MANAGERIAL PERSONNEL

(Other than Directors)

Mr. Raman Preet Sohi

Chief Financial Officer

Mr. Gaurav Pandit

Company Secretary & Compliance Officer

Committees

Audit Committee

Mr. Subramaniam Somasundaram, Chairman

Mr. Vivek Gambhir, Member

Mr. Ishaan Mittal, Member

Nomination and Remuneration Committee

Mr. Vivek Gambhir, Chairman

Ms. Namita Gupta, Member

Mr. Ishaan Mittal, Member

Corporate Social Responsibility Committee

Ms. Ghazal Alagh, Chairperson

Mr. Varun Alagh, Member

Ms. Namita Gupta, Member

STATUTORY AUDITORS

S.R Batliboi & Associates LLP

SECRETARIAL AUDITORS

Arora Shekhar & Company

BANKERS

HDFC Bank Limited

REGISTERED OFFICE

Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector-12, Dwarka, New Delhi – 110075

CORPORATE OFFICE

10th & 11th Floor, Capital Cyberscape, Sector 59, Gurugram, Haryana – 122 102

REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited
Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana – 500 032

CORPORATE IDENTIFICATION NUMBER

L74999DL2016PLC306016

WEBSITE

www.honasa.in

Stakeholders Relationship Committee

Ms. Namita Gupta, Chairperson

Mr. Subramaniam Somasundaram, Member

Ms. Ghazal Alagh, Member

Risk Management Committee

Mr. Subramaniam Somasundaram, Chairman

Mr. Varun Alagh, Member

Mr. Ishaan Mittal, Member

Mr. Raman Preet Sohi, Member (CFO & Chief Risk Officer)



Honasa Consumer Limited

Registered office address

Unit No. 404, 4th Floor, City Centre,
Plot No. 05, Sector – 12, Dwarka, New Delhi – 110075

Corporate address

10th and 11th Floor, Capital Cyberscape,
Gurugram, Haryana – 122102

CIN: L74999DL2016PLC306016

Website: www.honasa.in

Telephone: +91 11 4412 3544